



# **Minnesota Racing Commission**

## **2005 Annual Report**

**To:  
Governor Tim Pawlenty  
And  
The Minnesota Legislature**



MINNESOTA RACING COMMISSION

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February 15, 2006

The Honorable Tim Pawlenty, Governor  
State of Minnesota  
130 State Capitol  
St. Paul, MN 55155

Patrick E. Flahaven, Secretary of Senate  
Minnesota Senate  
State Capitol  
St. Paul, MN 55155

Albin Mathiowetz, Chief Clerk  
Minnesota House of Representatives  
211 State Capitol  
St. Paul, MN 55155

Dear Governor Pawlenty and Members of the Legislature:

As provided by Minnesota Statutes 240.02, Subd. 6, we herewith submit on behalf of the Minnesota Racing Commission its Annual Report for 2004. The information set forth will provide details on the Commission's activities, organizational structure, and disbursements.

The pari-mutuel racing industry in Minnesota represents an important segment of the state's economy, not only as reflected by the 2005 operations of Canterbury Park, but also through the economic/agri-business activity represented by the breeding, training and related support activities for the racing animals throughout the state.

Canterbury Park conducted 68 days of live racing for Thoroughbreds and Quarter Horses this past summer from May 7 through September 5.

During the 1999 legislative session, the legislature passed chapter 206 allowing a licensed racetrack to operate a card club in addition to live racing and simulcasting. The clearly stated intent of that legislation was to increase purses, which immediately happened. Operation of the Card Club for calendar year 2005 added \$4,000,000. These purse increases caused increased horse populations at the track, more employment at the track, increased wagering handle, and thus increased revenues to the racetrack, the horsemen and women, and the state's breeders' funds.

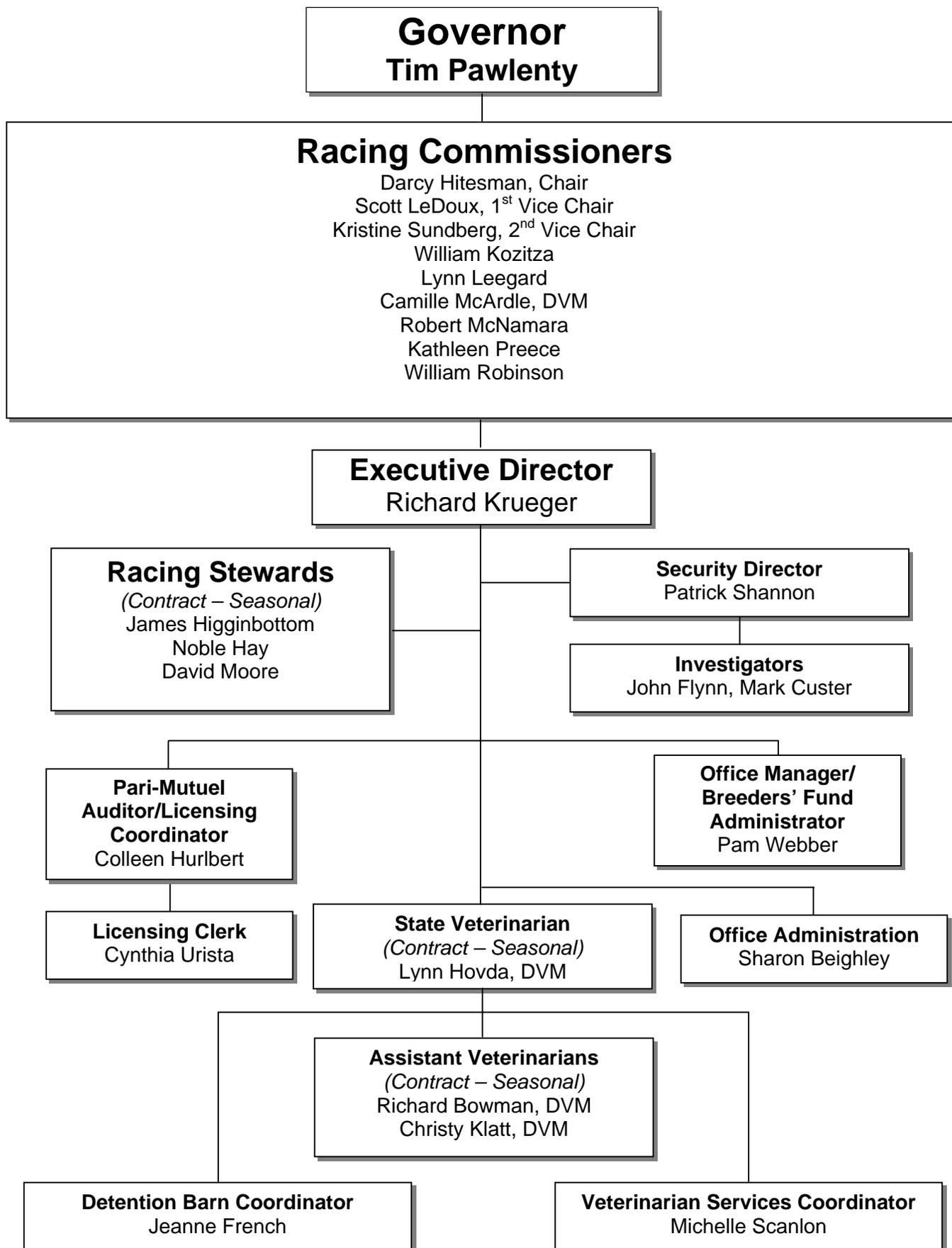
The Commission looks forward to working with you and your staff, the Legislature and other state agencies in carrying out its responsibilities in this important area.

The Minnesota Racing Commission and all the members of the industry appreciate the assistance provided by all levels of government and, most particularly, the Governor's office and the Legislature in addressing matters of interest and of significance to horse racing and pari-mutuel wagering. The Commission and its staff is working and will continue to work with all concerned to maintain the growth of live pari-mutuel horse racing and its integrity.

Regards,

Darcy Hitesman, Chair

# The MINNESOTA RACING COMMISSION



# MINNESOTA RACING COMMISSION

## 2005 ANNUAL REPORT

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# I. MINNESOTA RACING COMMISSION

## INTRODUCTION

This annual report is being submitted to the Governor and the Legislature pursuant to Minnesota Statutes §240.02, Subd. 6 and to the Secretary of the Senate, the Chief Clerk of the House of Representatives and the Legislative Reference Library pursuant to Minnesota Statutes §3.195. In compliance with the Laws of 1994, Chapter 559, Section 1, it is estimated that it cost \$1,286.97 to prepare this report.

## CONSTITUTIONAL / LEGISLATIVE AUTHORITY

In November 1982, the Minnesota voters approved by an overwhelming majority a constitutional amendment allowing pari-mutuel horse racing. The amendment provides that:

"The Legislature may authorize on-track pari-mutuel betting on horse racing in a manner prescribed by law." Minnesota Constitution, Article X, Section 8.

In response to that public mandate, in 1983, the Minnesota Legislature enacted Minnesota Statute, Chapter 240, which created and empowered the Minnesota Racing Commission.

## DUTIES OF THE COMMISSION

The legislature has empowered the Racing Commission with certain duties including, among others, the authority to:

1. Regulate horse racing and card club operation, in Minnesota, to ensure that it is conducted in the public interest;
2. Issue racetrack owner, operator, and occupational licenses;
3. Enforce all laws and rules concerning horse racing and the card club plan of operation;
4. Supervise the conduct of pari-mutuel betting on horse racing and collect and distribute all pari-mutuel taxes;
5. Conduct investigations and inquiries the Commission deems necessary to carry out its duties; and
6. Take all necessary steps to ensure the integrity of horse racing and card playing in Minnesota.

## THE COMMISSIONERS

The Racing Commission is comprised of nine members appointed by the Governor and confirmed by the Senate for six-year terms. The names of the current commissioners are listed below along with city of residence and ending date of each of their respective terms.

Darcy Hitesman, Chair	Maple Grove	June 30, 2009
Scott LeDoux, 1 <sup>st</sup> Vice Chair	Andover	June 30, 2007
Kristine Sundberg, 2 <sup>nd</sup> Vice Chair	Minnetonka	June 30, 2009
William Kozitza	North Mankato	June 30, 2011
Lynn Leegard	Blaine	June 30, 2011
Camille McArdle, DVM	Corcoran	June 30, 2011
Robert McNamara	Edina	June 30, 2007
Kathleen Preece	Bemidji	June 30, 2009
William Robinson	Long Lake	June 30, 2007

Pursuant to state law, the Commissioners are paid \$55 for each day spent on Racing Commission business.

## THE COMMISSION STAFF

The Racing Commission is currently staffed by the following individuals:

Richard G. Krueger	Executive Director
Pamela Webber	Office Manager/Breeders' Fund Administrator
Colleen Hurlbert	Pari-mutuel Auditor/Licensing Coordinator
Sharon Beighley	Office Administration
Cynthia Urista	Licensing Clerk
Patrick L. Shannon	Security Director
John Flynn	Investigator
Mark Custer	Investigator

To further assist the Commission with its regulatory responsibilities, the following individuals were contracted or employed seasonally by the MRC for professional and technical services during the 2005 racing season:

Stewards	James Higginbottom Noble Hay, Jr. David Moore
Veterinarians and Assistants	Chief Veterinarian Lynn Hovda, DVM Richard Bowman, DVM Christy Klatt, DVM Jeanne French, Lead Test Barn Technician Michelle Scanlon, Veterinary Office Administrator

# **ORGANIZATION OF THE COMMISSION**

The Racing Commission during November of 2005 appointed new standing committees, which are now comprised of the following commissioners:

## **RACING COMMITTEE**

Medication, Stewards, Rules, Breeders' Fund

**Camille McArdle, Chair**  
**Kathleen Preece**  
**William Robinson**

## **CARD CLUB COMMITTEE**

Card Club Operations, Security/Surveillance, Internal Controls

**Scott LeDoux, Chair**  
**Bob McNamara**  
**Darcy Hitesman**

## **ADMINISTRATIVE AFFAIRS**

Affirmative Action, Personnel, Financial Oversight, Licensing, Advisory Committees, Legislature, Public Information & Breeding Industry

**Kris Sundberg, Chair**  
**Camille McArdle**  
**Bill Kozitza**

## **INTERNET GAMBLING AD HOC COMMITTEE**

**Lynn Leegard**  
**Kris Sundberg**

The MRC encouraged involvement from the following advisory bodies during 2005

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**BREEDERS' FUND APPROPRIATIONS ADVISORY COMMITTEE**

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Carin Offerman, Chair	Plymouth
Burt Dahlberg	Lakeville
Dave Dayon	St. Michael
Marlys Goebel	Cottage Grove
Kathy Kissoon	Bloomington
Dan Mjolsness	Red Wing
Jack Walsh	Stillwater
Charles Yahnke	LeSueur
Dan Cohen, Chair	Minneapolis

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**COUNTY FAIR RACING ADVISORY COMMITTEE**

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Ray Swanson, Chair	Stillwater
James Sweet	Blaine
vacancy	

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**MEETINGS OF THE COMMISSION**

The Racing Commission usually meets the third Wednesday of each month during the off-season and the third Thursday of each month during live racing. The committees meet at the call of their respective chairs.

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**COMMISSION OFFICE**

The office of the Minnesota Racing Commission is located at:

**Canterbury Park  
P.O. Box 630  
1100 Canterbury Road  
Shakopee, MN 55379  
Telephone: (952) 496-7950  
Telefax: (952) 496-7954  
Website: <http://www.mnrace.commission.state.mn.us>  
1-800-627-3529 (TDD-Voice Relay Service)**

## II. COMMISSION ACTIVITIES

### RULEMAKING

Of the many ongoing duties and responsibilities of the Minnesota Racing Commission, perhaps the most important is to promulgate the rules by which pari-mutuel racing and wagering will be conducted. All rules and amendments thereto have served well to regulate and control the industry. Through the events of past race meets, it becomes apparent that several rules, many of them unique to Minnesota, require certain revisions. As a result the Minnesota Racing Commission through its Racing Committee and other affected parties revises and updates its rules to meet the current needs of the industry.

The Commission began one rulemaking process in June of 2005, and two separate rules processes were initiated in December, 2005. This process initiated in June of 2005 includes proposed amendments on the following subjects: removal of obsolete language regarding Class A license fees as addressed in Minnesota Statute 240.10; a provision for the Jockey's Guild patch to be displayed on a jockey's attire; and new language prohibiting physical contact between jockeys and/or another jockey's horse before, during or after a race. It also includes rule revisions for standardbred racing in Minnesota, and for bringing Minnesota's horse medication rules into alignment with rules of other states and the Model Rules of the Racing Commissioners International Association, of which Minnesota is a member. Other rules included in the June 2005 amendment package include changes to occupational licensing rules which are designed to enhance the Commission's ability to ensure the safety and security of persons on the grounds of licensed racetracks. These rules also include amendments to the wagering rules to allow Minnesota racetrack's to be competitive with the types of wagers offered at other racetracks across the country.

In December, 2005, the Commission began rulemaking processes to amend the rules governing breeders fund activities for standardbred horses and quarter horses.

The major categories of rules for which the commission has direct authority and accountability for oversight include:

Racetrack Licensure (Class A)  
Racing Licensure (Class B)  
Pari-Mutuel Betting  
Racing Facilities and Stabling  
Occupational Licensure (Class C)

County Fair Licensure (Class D)  
Conduct of the Race  
Horse Medication and Examination  
Medical Testing  
Breeders Fund

During 1995, a Public Advisory Committee was formally organized to provide input to proposed rule changes as they are proposed. Members of the Advisory Committee are:

Kay King  
Tom Metzen

Executive Director, MN Thoroughbred Association  
President, MN H.B.P.A.

Ron Banks  
Eric Halstrom  
Kelvin Childers

President, MN Harness Racing Inc.  
Executive Director of Simulating Operations, Canterbury Park  
President, MN Quarter Horse Racing Association

The overriding concern of the Minnesota Racing Commission is to provide the controls to build in safeguards for the patrons of Canterbury Park and the citizens of Minnesota. The Racing Committee has not overlooked the fact that the rules should also provide protection for the participants and allow them to conduct their business in an orderly fashion without the burden of undue over regulation or operating costs. Strict compliance with the Minnesota Administrative Procedures Act has been observed and participation by all persons has been encouraged.

## **SUMMARY OF CARD CLUB OPERATION**

During the 1999 legislative session, the legislature passed chapter 206 allowing a licensed racetrack to operate a Card Club in addition to live racing and simulcasting. The Card Club opened on April 19<sup>th</sup> of 2000. According to the law, 10% of the rake, up to \$6 million is set aside for purses and of that amount 10% is paid to the Commission for purse supplements from the Minnesota Breeders' Fund. Once the rake exceeds \$6 million, the purse set aside is 14% with again 10% of that amount for the Breeders' Fund. That legislation goes on to allow the racetrack and the horsemen's organizations to negotiate different percentages than stated in the law and, if so, to file an agreement with the Commission. There was agreement for all of 2005 that required 15% of the rake to be set aside for purses. The total rake for 2005 was \$28.8 million, up 4.36% from 2004, with \$4 million set aside for purses and \$444,333 paid to the Breeders' Fund for purse supplements for Minnesota bred horses.

## **LICENSING, SECURITY AND INVESTIGATIONS**

A primary function of the Minnesota Racing Commission security and licensing staff is to allow only qualified personnel to participate in racing in Minnesota. Another function is to ensure that the statutes and the Minnesota Racing Commission rules and regulations of racing are enforced. This requires communication with the Federal Bureau of Investigation; Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division; Minnesota Bureau of Criminal Apprehension; U.S. Department of Immigration; Internal Revenue Service; Minnesota Department of Revenue; Scott County Sheriff's Office; State Attorney General's Office; Shakopee Police; North American Pari-Mutuel Regulators Association (NAPRA); racing and gaming regulatory agencies in other jurisdictions; Board of Stewards; The Jockeys' Guild; The Jockey Club; Thoroughbred Racing Protective Bureau; U.S. Trotting Association; Minnesota Thoroughbred Association; Minnesota Quarter Horse Racing Association; Minnesota Harness Racing, Inc.; Arabian Racing Association of Minnesota and Canterbury Park's track security.

## **INVESTIGATIONS SUMMARY**

The Minnesota Racing Commission relies on their Director of Security, investigators and agents from the Department of Public Safety's Alcohol and Gambling Enforcement Division. The investigators work on the backside to enforce the statutes and rules of racing in the community, and on the front side in the licensing office, to interview and screen applicants. The investigators and licensing staff are responsible for ensuring that Class C (occupational) licensees comply with all Minnesota statutes including applicant eligibility and workers' compensation requirements.

The card room requires additional investigative responsibility to ensure that all the card games are played in compliance with statutes, Commission rules and the card club plan of operation. The investigators work closely with the surveillance room personnel to monitor the behavior of the patrons and the card room employees. The Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division is the primary agency to which the Commission reports any misconduct or procedure violations.

The majority of investigations consist of criminal history and background checks on licensees. Minnesota has strict laws about the eligibility of license applicants with criminal backgrounds. As a result, additional investigation may be required in the processing of an applicant. During live racing, surveillance of those directly involved in racing competition is necessary. Those individuals include jockeys, drivers, gate crewmembers, trainers, and other backstretch employees. The investigators work closely with the stewards in following up on complaints and instances where irregularities are noticed.

## **OCCUPATIONAL LICENSING**

The Minnesota Racing Commission must license everyone who is employed at a racetrack in Minnesota. Applicants are fingerprinted and authorize the release of personal information to verify application content. The applicants must also complete a notarized Affidavit of Qualification stating that they are not in debt to the State of Minnesota, have never been convicted of a felony, have never been involved in illegal business or fraud, nor have they been convicted of a crime related to horse racing or gambling.

In 2005, 4137 Class C occupational licenses were issued by the Minnesota Racing Commission during the live and simulcast racing meets. Of these, 3568 licenses were issued to individuals racing or working in various occupations at Canterbury Park. Licenses were issued to applicants from 41 different states as well as several different countries including Canada, France, Poland and Mexico. Table 1, page 8 summarizes by occupation, the licenses issued by the Commission since 1994. Table 2, page 9 summarizes licenses issued to Minnesotans by occupation since 1994.

**Table 1****Occupational (Class C) License Summary by Year**

<b>LICENSE TYPE</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Commission/MRC Staff	20	35	31	31	34	30	53	39	31	31	29	32
Bloodstock Agent	0	1	1	0	0	0	0	2	1	1	1	2
Vendor	11	32	28	60	29	28	49	45	40	80	96	109
Vendor, Sole Proprietor	2	8	10	12	24	28	40	42	39	79	98	109
Vendor Employee			71		47	54	104	92	98	101	108	151
Detention Barn Technician	0	12	17	20	11	12	19	15	16	17	14	22
Driver	0	0	4	15	14	7	6	15	0	13	0	0
Exercise Rider	0	71	66	40	46	45	46	60	52	44	64	66
Farrier	0	12	16	12	10	13	8	11	10	11	12	12
Farrier's Assistant	0	0	0	1	1	1	0	2	0	2	0	0
Gate Crew	0	12	14	14	12	16	10	14	15	11	15	12
Horsemen's Bookkeeper	0	1	1	1	1	1	1	1	1	1	1	1
Groom/Hotwalker	0	262	266	209	241	251	251	357	268	314	285	294
Jockey	0	72	54	60	61	61	69	84	58	80	76	77
Jockey Agent	0	7	12	6	8	8	12	17	11	11	8	8
Jockey, Apprentice	0	4	3	4	3	2	2	5	5	4	2	4
North Metro Harness Initiative												7
Owner, Individual	15	1061	1038	908	976	984	965	1055	906	1106	1051	1178
Owner, Multiple	0	181	212	135	180	169	199	256	216	283	267	299
Owner/Trainer							111	116	81	101	93	93
Owner/Trainer/Driver	24	28	17	37	39	19	14	30	0	16	0	0
Pari-mutuel Clerk	132	228	151	147	136	164	165	145	126	131	138	134
Pony Rider	0	18	21	19	19	19	21	19	19	17	16	9
Racing Official	3	19	21	18	19	17	22	19	12	19	15	14
Security Officer	27	55	42	41	36	38	104	85	71	80	81	61
Stable Foreman	0	9	5	3	6	4	2	1	0	1	1	0
Trainer	0	186	172	180	185	201	105	112	65	110	85	100
Trainer, Assistant	0	52	42	40	38	38	38	48	39	57	41	41
Valet	0	10	9	11	10	10	14	12	15	17	12	14
Veterinarian	0	7	9	7	7	9	10	11	11	11	8	14
Veterinary Assistant	0	3	2	2	3	3	7	8	6	6	7	6
Canterbury Association Employee	306	579	515	434	392	417	729	632	601	639	674	689
Canterbury Card Club Employees							386	408	379	330	391	418
Canterbury Medical	0	39	27	38	40	50	35	5	5	4	3	1
Stable	0	42	52	36	47	39	52	48	37	49	46	40
Authorized Agent											84	82
County Fair Volunteers							24	27	0	0	0	0
Other	1	11	40	36	16	13	17	15	20	28	18	38
<b>Totals</b>	<b>550</b>	<b>3057</b>	<b>2898</b>	<b>2648</b>	<b>2691</b>	<b>2751</b>	<b>3690</b>	<b>3853</b>	<b>3254</b>	<b>3805</b>	<b>3840</b>	<b>4137</b>

**Table 2****Occupational (Class C) Licenses Issued to Minnesotans**

<b>LICENSE TYPE</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Commission/MRC Staff	19	30	24	30	28	20	33	29	5	26	24	27
Bloodstock Agent	0	1	1	0	0	0	0	1	1	1	1	2
Vendor, Sole Proprietor	1	8	8	10	18	23	32	31	32	64	81	88
Vendor Employee				42	61	48	85	82	90	92	93	142
Detention Barn Technician	0	10	16	17	9	11	18	14	16	13	12	19
Driver	0	0	1	1	2	1	3	3	0	2	0	0
Exercise Rider	0	22	20	15	20	17	16	20	20	15	17	12
Farrier	0	4	3	4	1	2	3	4	3	3	3	3
Farrier's Assistant	0	0	0	1	1	1	0	1	0	2	0	0
Gate Crew	0	1	3	4	2	1	0	3	5	3	2	0
Horsemen's Bookkeeper	0	1	1	1	1	1	0	0	0	0	0	0
Groom/Hotwalker	3	112	88	71	80	84	82	131	97	127	81	89
Jockey	0	5	2	3	5	3	4	6	6	8	5	4
Jockey Agent	0	1	3	2	2	1	2	2	1	2	2	3
Jockey, Apprentice	0	1	0	0	0	0	1	2	1	0	1	2
North Metro Harness Initiative												4
Owner, Individual	5	531	504	437	394	397	382	393	403	440	453	520
Owner/Trainer							20	27	23	27	21	22
Owner/Trainer/Driver	8	11	9	10	9	9	5	6	0	5	0	0
Pari-mutuel Clerk	130	224	148	141	129	131	155	141	121	128	132	126
Pony Rider	0	5	6	6	6	5	3	4	3	2	3	4
Racing Official	2	4	5	5	7	6	9	8	3	8	4	5
Security Officer	27	55	42	39	36	38	97	83	69	80	81	61
Stable Foreman	0	2	2		3	0	0	0	0	0	0	0
Trainer	0	46	41	43	44	43	20	11	14	14	7	12
Trainer, Assistant	0	10	5	7	7	5	6	9	7	9	10	7
Valet	0	0	2	4	4	2	3	5	8	6	5	2
Veterinarian	0	7	7	5	6	7	8	9	10	11	8	13
Veterinary Assistant	0	3	2	1	2	3	3	3	3	5	6	5
Canterbury Association Employee	301	552	508	403	366	384	659	593	576	614	639	653
Canterbury Card Club Employees							350	379	354	297	363	373
Canterbury Medical	0	36	26	36	40	49	34	5	5	4	3	1
Authorized Agent											29	25
County Fair Volunteers							24	27	0	0	0	0
Other	1	6	34	21	14	11	14	11	17	26	17	25
<b>Totals</b>	<b>497</b>	<b>1668</b>	<b>1511</b>	<b>1378</b>	<b>1278</b>	<b>1303</b>	<b>2071</b>	<b>2043</b>	<b>1893</b>	<b>2034</b>	<b>2103</b>	<b>2243</b>

## 2005 VETERINARIAN'S REPORT

**Mission Statement:** The mission of Minnesota Racing Commission's veterinary department is to protect participants in the sport of horse racing, including horses, riders and drivers, owners, and fans, from harm that can ensue through negligent or deliberate mistreatment of horses.

The Minnesota Racing Commission's veterinary staff in 2005 continued to be guided by their mission statement. More specifically, we serve to protect horses from abuse, minimize avoidable racing accidents and harm to riders or drivers, protect owners' investments, ensure consistent performances through careful enforcement of controlled medication programs, deter use of illegal medications, and monitor the long-term condition of the racing surface. These goals are met through established programs such as pre-race examinations, closely monitored Salix<sup>®</sup> (furosemide) administration, and a tightly run drug testing program. They are supported by participation in track related committees, rapid response to infectious diseases, and continuing education of trainers and grooms. New programs are discussed and added as needed. Some may be as short in duration as the one year West Nile Surveillance program and others, like the Because We Care horse rescue/rehabilitation program, were established in response to a defined need and continue to this day.

During the 2005 race meet at Canterbury Park, 1575 Thoroughbreds, Quarterhorses, and Arabians were admitted to the grounds. In compliance with state and federal regulations and to keep infectious diseases on the backside at a minimum, each horse allowed on the backside was accompanied by a Health Certificate with EIA (Equine Infectious Anemia or "Coggins") certification clearly stated. Horses shipping from racetracks or training centers with known or suspected infectious diseases required additional statements on their Health Certificates. These statements varied according to known infectious diseases in their particular geographical location. Health certificates were collected at the stable gate and examined by a Commission Veterinarian. Copies of health certificates with missing or incorrect information were forwarded to the Minnesota Board of Animal Health. Horses without health certificates or with outdated EIA certificates were held at the stable gate until examined by a licensed veterinarian and an appropriate certificate produced.

Race day examinations were performed on each horse entered to race. A total of 5771 examinations were performed with 5507 horses leaving the starting gate. Veterinary pre-race examinations accounted for 182 sick or unsound horses that were scratched from racing by the Board of Stewards. These 182 horses along with 266 other horses were placed on the Veterinarian's List and not allowed to run until deemed fit by one of the Commission Veterinarians. This number varies from year to year depending on the number of horses receiving automatic time on the Veterinarian's List due to "bleeding" (Exercise Induced Pulmonary Hemorrhage) and those with upper respiratory viral diseases. Forty-nine horses required a workout observed by a Commission Veterinarian, either to be removed from the Veterinarian's List or allowed to race after a lay-off of more than one year.

Salix<sup>®</sup> (furosemide), a drug used to control EIPH (Exercise Induced Pulmonary Hemorrhage), was administered to 1320 horses entered into the 2005 program. This number, roughly 84% of horses, has been stable for several years. The program functioned very well with no administration errors occurring this year and only two Salix<sup>®</sup> medication violations found.

Truesdail Laboratories in Tustin, California remained the MRC contract laboratory, testing 1481 blood samples and 1383 urine samples. The total number of medication violations (32) was similar to last year. The majority of these violations revolved around minor overages or lack of phenylbutazone, a permitted medication. Of the 26 phenylbutazone violations, 19 dealt with overages and 7 with no medication found after being declared on the entry blank. The remaining 6 violations included furosemide (2), methylprednisolone (2), methocarbamol (1), and prednisone (1). The Board of

Stewards dealt each of these 32 violations in a manner deemed fair by them. In addition, Truesdail Laboratories processed 8 external blind samples and 4 internal blind samples for Quality Assurance. All samples were detected on initial screening.

Fourteen horses died or were euthanized during the 2005 race meet. Four of these horses died or were humanely euthanized after a race, resulting in a race related, traumatic breakdown rate of 0.072%. This number is very low when compared to the accepted national rate of 0.15%- 0.5%. Two other horses died or were euthanized during training. No statistics are available for training horses, as the total number of horses training each day is not documented. The remaining horses succumbed to a variety of illnesses. All horses dying on the grounds were transported to the University of Minnesota Veterinary Diagnostic Laboratory within eight hours of their death for a complete necropsy. As a matter of record, all 14 horses were placed on the Veterinarian's List and the Jockey Club notified of their deaths.

The Veterinarian's Office cooperated with the HBP (Horsemen's Benevolent and Protective Association) on a number of backside projects. We continued to monitor the horse walkers and exercise wheel. One of the Commission Veterinarians was present each day the horse swimming pool was open. This was a new and exciting experience for us and with rare exception, all horses swam well and seemed to enjoy it.

Our "Because We Care" adoption program placed 17 injured or retired racehorses this year and assisted in placing over 20 sound horses. No horse needing a home was turned away regardless of its condition. Seven horses were placed in local non-profit horse rescue programs, one in a private facility, and nine in out reach, foster care programs. These nine horses will be moved to permanent homes when they are sound enough to do so. Eight additional horses in foster care were placed in permanent homes during 2005. They have gone on to successful careers in dressage, trail riding, children's hunters, school horses, fox hunting and other forms of recreational riding. The Veterinarian's Office was very proud to learn that a horse put in a permanent home four years ago competed and placed in a National Championship Show as a Children's Hunter.

A trained herding dog owned by one of the Commission Veterinarians was used to safely and humanely remove geese from the turf course. In addition, any previously injured birds or geese were retrieved and placed in the appropriate rehabilitation program. Abandoned or lost pets, including birds, rabbits, cats, and kittens, were found and returned to their owners or vaccinated, spayed or neutered, and moved to adoptive homes.

The Veterinarian's Office accepted responsibility for and supported all animal related programs at Canterbury Park. The office was involved with the Weiner Dog Races, Little Pony Races, Canterbury Park petting zoo, Minnesota Thoroughbred Association (MTA) sales, MTA mare and foal exhibit, and other horse events occurring on the grounds. Support was also provided to the Don MacBeth fundraiser, Dean Kutz chapel fundraiser, Groom Elite program, and a variety of other projects.

The Minnesota Racing Commission's veterinary staff continued to have high visibility and presence at Canterbury Park. The office provided drug information and education while keeping controls tight. It insured the humane treatment of all animals on the backside and maintained the integrity of horse racing in Minnesota. Finally, in keeping with our mission statement, the office provided safeguards to protect the well being of horses, riders or drivers, owners, and the betting public.

# 2005 PARI-MUTUEL STATISTICS

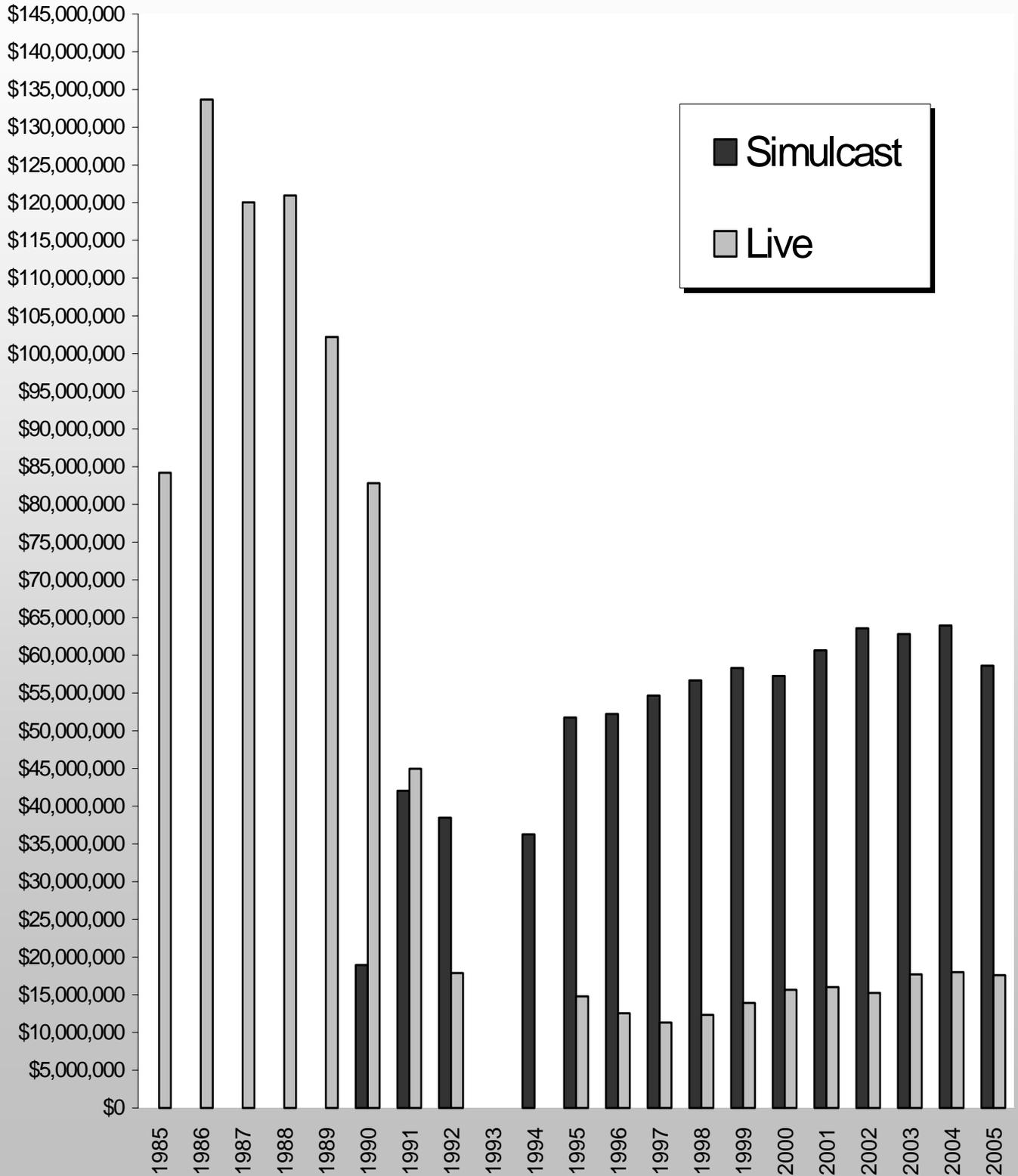
## LIVE WAGERING

<b>2005 Live Thoroughbred and Quarter Horse Races</b> Thoroughbred Meet – May 7 – May 26, 2005 Mixed Meet (Thoroughbred & Quarter Horse) – May 27 – September 5, 2005 Claiming Crown – July 16, 2005 Arabian Racing – August 14, 2005 Festival of Champions – August 21, 2005 Total Attendance for Live Racing (May 7 – September 5, 2005 - 68 Days) 356,335					
BREED	HANDLE	TAKEOUT	BETTOR RETURN	# OF RACES	AVERAGE HANDLE PER RACE
Thoroughbred	\$16,338,359	\$3,296,956	\$12,628,650	586	\$27,881
Quarter Horse	\$1,224,651	\$245,500	\$952,755	91	\$13,458
Arabian	\$27,694	\$5,332	\$21,784	2	\$13,847
<b>TOTAL</b>	<b>\$17,590,704</b>	<b>\$3,547,788</b>	<b>\$13,603,189</b>	<b>679</b>	<b>\$25,907\$13</b>

## SIMULCAST WAGERING

<b>2005 Full-Card Simulcast Meets</b> January 1, 2005 – December 31, 2005					
BREED	HANDLE	TAKEOUT	BETTOR RETURN	# OF RACE DAYS	AVERAGE HANDLE PER RACE DAY
Thoroughbred	\$53,863,940	\$10,816,218	\$43,047,909		
Quarter Horse	\$1,624,606	\$334,657	\$1,268,692		
Standardbred	\$2,966,452	\$640,343	\$2,267,403		
Arabian	\$173,825	\$34,567	\$147,700		
<b>TOTAL</b>	<b>\$58,628,823</b>	<b>\$11,825,785</b>	<b>\$46,731,704</b>	<b>365</b>	<b>\$160,627</b>

# CANTERBURY PARK HANDLE CALENDAR YEARS 1985 - 2005



**MINNESOTA RACING COMMISSION  
SIX YEAR FINANCIAL SUMMARY  
FISCAL YEARS 2001 – 2005**

**APPROPRIATIONS**

	<b>FY 2005</b>	<b>FY 2004</b>	<b>FY 2003</b>	<b>FY 2002</b>	<b>FY 2001</b>
General Fund Appropriation			\$426,000	\$414,000	\$402,000
1) Special Revenue Fund	\$421,000	\$421,000			
Deficiency Appropriation	\$43,000				
Statutory Carry Forward	\$12,163	-\$12,163	\$1,647	-\$1,647	\$1,474
Unallotment			-\$21,000	\$0	\$0
<b>Total</b>	<b>\$476,163</b>	<b>\$408,837</b>	<b>\$406,647</b>	<b>\$412,353</b>	<b>\$403,474</b>

**EXPENSES**

	<b>Actual 05</b>	<b>Actual 04</b>	<b>Actual 03</b>	<b>Actual 02</b>	<b>Actual 01</b>
Salaries, Benefits & Per Diem	\$355,655	\$313,980	\$287,005	\$295,495	\$285,413
Rents	\$220	\$220	\$220	\$175	\$194
Consultant Services	\$0	\$0	\$0	\$0	\$0
Professional/Technical Services	\$3,001	\$2,920	\$46,284	\$67,848	\$56,855
Data Processing & System Services	\$4,480	\$5,213	\$2,701	\$9,680	\$8,641
Communications	\$5,564	\$4,026	\$4,365	\$6,050	\$6,464
Travel	\$12,599	\$6,167	\$3,102	\$5,831	\$6,917
Supplies and Materials	\$4,455	\$11,583	\$10,807	\$7,233	\$9,432
Equipment	\$26,025	\$9,355	\$10,033	\$7,449	\$9,833
Other (Repairs/Legal/Printing & Dues)	\$56,001	\$55,373	\$12,182	\$12,592	\$16,986
<b>Total</b>	<b>\$468,000</b>	<b>\$408,837</b>	<b>\$376,699</b>	<b>\$412,353</b>	<b>\$400,735</b>

**SUMMARY**

	<b>Actual 05</b>	<b>Actual 04</b>	<b>Actual 03</b>	<b>Actual 02</b>	<b>Actual 01</b>
Appropriation Balance	\$8,163	\$0	\$29,948	\$1,647	-\$12,209
License Revenues to General Fund/Special Revenue Fund 1	\$463,486	\$445,547	\$390,800	\$392,000	\$321,175
Pari-Mutuel Taxes to General Fund 2	\$246,634	\$268,649			
Fines to General Fund 2	\$14,900	\$8,725			

- 1) For the 2004 – 2005 biennium, appropriations are from the special revenue fund financed by dedicated receipts from license fees.
- 2) Prior to FY04 these amounts were included in Revenues to General Fund

# BREEDERS' FUND

The primary purpose of the Minnesota Breeders' Fund is to provide incentive monies to enhance the horse racing industry in the State of Minnesota and to encourage Minnesotans to participate in the racing and breeding industry.

Minnesota Statute 240.15 and 240.13 require that the funds earn one percent of the total handle wagered on live racing and 5.5% of the take-out from full-card simulcasting. Minnesota Statute 240.135 requires that the Breeders' Fund receive ten percent of the card club rake that is set aside for purses. This amount is distributed to the Thoroughbred, Quarter Horse and Standardbred funds. Each breed has a separate fund. Breeders' Fund monies are distributed as both purse supplements and awards. During the Live Mixed Meet only, Breeders' Fund monies earned from full-card simulcasts, regardless of the breed racing, are apportioned between the Thoroughbred and Quarter Horse funds based on the number of live races for each breed as compared to the total number of races for both breeds.

In 2005 the Breeder's Fund earned \$826,325 from live and simulcast racing and earned \$444,333 from card club operations. Ninety-eight individuals and partnerships received \$299,670 in Thoroughbred, Quarter Horse, and Standardbred award payments from monies available at the end of the live racing season. Purse supplements paid out at pari-mutuel meets totaled \$942,002. Purse supplements of \$24,000 were paid out during four days of non pari-mutuel harness racing at county fair venues. The monies available for the 2005 purse supplements included carryovers from 2004.

Committees consisting of the industry participants advise the Commission on distribution of these funds. The committees review distribution alternatives on an ongoing basis.

## EQUINE GRANT PROGRAMS

Pursuant to Minnesota Statute 240.15, after the cost of administering the Breeders' Fund program is deducted, twenty percent of the Breeders' Fund monies accumulated from live racing are expended in the form of grants for equine research and related education in the State of Minnesota.

Legislative changes enacted in 1991 to Minnesota Statute 240.18, Breeders' Fund, expanded and clarified the uses to which the equine grants portion of Breeders' Fund monies may be applied. One-half of the equine grant monies are dedicated specifically to equine research and education at the University of Minnesota's College of Veterinary Medicine. The remainder may be expended for any one or more of the following:

- (1) Additional equine research and related education;
- (2) Substance abuse programs for licensed personnel at racetracks in this state;

(3) Promotion and public information regarding the industry, commission activities, ownership, breeding and the development and expansion of the economic benefits from racing.

The Racing Commission awarded five grants from the fund during 2005.

(1) The College of Veterinary Medicine received \$1,100 to help fund the Equine Neonatal Education Program and Colostrum Network. This service, which the Minnesota Racing Commission has helped support for several years, educates horse owners on the importance of protective antibodies transmitted to neonatal foals through the mare's first milk, the colostrum, and helps collect and freeze this substance and makes it available for orphan foals. The grant was to provide additional funding for the redesign and updating of informational pamphlets and their promotional display.

(2) The Minnesota Equine Research Center (MEC) of the University of Minnesota received \$30,000 to help fund research proposals in the areas of equine health, performance and reproduction. MEC is an interdisciplinary program, administered through the office of the associate dean for research in the College of Veterinary Medicine, dedicated to the creation and dissemination of new knowledge leading to the improvement of health in performance horses. MEC's Advisory Council is comprised of horse owners and leaders in the horse industry and will advise the Center of research area priorities and in fund development. The Scientific Committee, made up of equine veterinarians and select lay people, will advise the Center on research project selection and funding.

The grant monies were used to help fund the following research studies:

- 1) Effects of triheptanoin on muscle metabolism during submaximal exercise.
- 2) Efficacy of Aldara (imiquimod) on the treatment of equine sarcoids.
- 3) Validation of intravascular hemolysis and split sample testing of horses dosed intravenously with Vodka or Everclear.

(3) The Department of Veterinary Population Medicine of the University of Minnesota received \$1,850 to fund the production of five color posters displaying approximately 20 of the most common poisonous plants in the Upper Midwest that may be harmful to horses; their common names, scientific names and limited information regarding toxicity. The posters will be made available for display at Canterbury Park Race Track, the University of Minnesota Veterinary School, the Equine Center, and the Regional Horse Owner Program.

(4) The Groom Elite Program received \$5,275 to help fund a training program for racetrack grooms and assistant trainers. Grooms are responsible for the daily care of the horses in training at the racetrack. Trainers and owners have a need for well-trained grooms because errors made in the areas of nutrition and recognition and treatment of injuries or illnesses can result in significant expense. The purpose of the Groom Elite Program is to offer classroom and/or hands on instruction regarding such topics as: performing a horse health check-up, horse behavior and grooming, anatomy and conformation, digestion and feeding, front and

rear leg examination, and bandaging for first time grooms or individuals wanting to improve or add to their skills. The funds will be used for preparation of instructional materials, securing instructors and students, providing for bilingual translations and obtaining equipment.

(5) The Minnesota Horse Racing Quality of Life Foundation received \$5,000 to help fund programs for backside workers at the racetrack. The Quality of Life Foundation's primary goal is to provide substance abuse services for the licensed personnel who work on the backside of Canterbury Park. These services include prevention, intervention, education, counseling, employee assistance, and treatment. The Foundation, in conjunction with the HBPA (Horsemen's Benevolent and Protective Association) and Canterbury Park, provide for a chaplain who maintains an office on the backside of the racetrack during the live race meet and attends to the spiritual concerns of the residents of the backside, as well as supporting a recreational program that includes softball leagues, outing, social activities and children's activities. The Foundation may also assist in providing services such as transportation and interpreters for backside workers.

# 2005 BREEDERS' FUND RECAP

THOROUGHBRED	
Live and Simulcast Racing	\$737,814
Card Club Operations	\$399,900
Total Earnings	\$1,137,714
Less Administrative Cost	\$23,440
= Net Breeders' Fund	\$1,114,274
Less Equine Research	\$27,989
= Net Available Breeders' Fund	\$1,086,285
Less Purse Supplements	\$825,459
= Balance Remaining for Awards	\$260,826

QUARTER HORSE	
Live and Simulcast Racing	\$51,115
Card Club Operations	\$39,990
Total Earnings	\$91,105
Less Administrative Cost	\$3,640
= Net Breeders' Fund	\$87,465
Less Equine Research	\$1,721
= Net Available Breeders' Fund	\$85,744
Less Purse Supplements	\$60,579
= Balance Remaining for Awards	\$25,165

STANDARD BRED	
Live and Simulcast Racing	\$35,219
Card Club Operations	\$4,443
Total Earnings	\$39,662
Less Purse Supplements	\$29,097
Less Equine Research	\$1,761
Less Non-PM Development	\$1,761
= Balance Remaining for Awards	\$7,043

ARABIAN	
Total Earnings	\$2,178
Less Purse Supplements	\$1,198
= Balance Remaining for Awards	\$980

Effective November 1, 2001 all Breeders' Fund monies set aside from card club revenues were designated for purse supplements only.

HORSE REGISTRATIONS										
Year	THOROUGHBRED			QUARTER HORSE			STANDARD BRED			
	Stallions	Mares	Foals	Stallions	Mares	Foals	Stallions	Foals		
1985	54	543	403	1		97	1	17		
1986	99	895	601	70	241	70	22	13		
1987	112	988	648	73	178	78	15	20		
1988	141	1261	760	94	229	109	18	23		
1989	141	1333	844	119	272	143	22	28		
1990	118	1145	653	95	257	134	19	30		
1991	104	966	612	88	214	112	11	21		
1992	85	735	450	72	175	90	7	16		
1993	63	444	242	52	131	81	6	17		
1994	49	253	160	40	85	64	3	14		
1995	46	265	179	43	98	59	3	9		
1996	44	275	168	47	105	54	3	8		
1997	41	210	138	48	95	53	4	8		
1998	40	211	140	49	103	75	7	8		
1999	31	234	166	41	88	48	4	10		
2000	26	232	171	35	91	41	3	10		
2001	31	304	232	37	124	46	4	12		
2002	34	323	265	35	103	58	8	9		
2003	30	363	282	27	106	73	11	25		
2004	36	399	329	21	87	66	15	17		
2005	41	430	307	24	76	38	19	11		

### **III. LEGISLATION**

At this time, the Commission does not anticipate proposing policy legislation for consideration by the 2006 session of the Legislature.

### **IV. NORTH METRO HARNESS INITIATIVE**

The Commission received an application for a class A and class B license from North Metro Harness Initiative at the end of December 2003. Accordingly, during all of 2004 the Commission reviewed and evaluated the applicant along with all of the filings required by rule and statute. That review and evaluation included two public hearings as required by law (one in Columbus Township and the other in Shakopee), the formation of an Application Committee of the Commission that met eight times during the summer that reviewed all aspects of the application in detail, the engaging of a public accountant firm to perform an independent financial review and evaluation regarding the applicant's sources of financing and business plan, and a background investigation by the Alcohol and Gambling Enforcement Division of the Department of Public Safety. After considering all of the information gathered during 2004, the Commission voted on January 19, 2005 to approve both licenses. Subsequent thereto, the local opposition group, Columbus Concerned Citizens, filed a petition for judicial review with the Court of Appeals. That petition is asking the Court to review the Commission's license approval process. Oral arguments were made to the Court on January 5, 2006. The Commission awaits the Court's decision.

**Please notify the Racing Commission if you required this material to be made available in alternative format, i.e., large print, Braille, audiocassette, or other requested special format.**

**The Racing Commission can be reached at:**

**952-496-7950; 1-800-627-3529, (TTY/VOICE RELAY SERVICES)**