

Agency Purpose

The Minnesota Racing Commission (MRC) is a regulatory agency created in 1983 to supervise and regulate the pari-mutuel horse racing industry in Minnesota. The Commission's mission is to assure the integrity of pari-mutuel wagering and card playing and the safety and welfare of the humans and animals that participate in these activities.

Core Functions

The Racing Commission:

- ⇒ Establishes criteria and standards for licensing of pari-mutuel racetracks and the personnel employed or operating at such facilities.
- ⇒ Establishes criteria and standards for security, surveillance, veterinary services, and law enforcement at licensed racetracks and provides oversight of these functions.
- ⇒ Establishes standards and rules in order to protect the health and welfare of the equine athlete.
- ⇒ Collects and distributes all taxes and fees related to pari-mutuel horse racing and card playing to the General and Breeder's funds.

The Racing Commission serves a varied customer base. Administering the Minnesota Breeders' Fund requires interaction with horse owners, breeders, and state-bred programs in other racing jurisdictions. As part of the regulatory and licensing process, Racing Commission staff work with: applicants for occupational licenses, Class A, B, C, and D license holders, other racing jurisdictions, various horse racing industry associations, local and state police, and the Alcohol and Gambling Enforcement Division of the Department of Public Safety.

Key Measures

The MRC performs the following general duties:

- ⇒ Licenses and conducts background investigations each year of individuals applying to work at the racetrack and card club to assure the integrity of the individuals participating in pari-mutuel wagering and card playing in Minnesota and nationally.
- ⇒ Registers horses each year to allow owners to participate in the Minnesota Breeders' Fund awards program so that economic stability and growth in related agri-business continues.
- ⇒ Conducts pre-race exams of all horses racing each day, which protects equine participants and the betting public.
- ⇒ Conducts investigations of any suspected violations of Minnesota's racing laws and card club laws and rules in order to enforce rules and laws that were established to protect the integrity of the racing industry in Minnesota and nationally.
- ⇒ Supervises all activities affecting the conduct of a racing day to protect all human and equine participants and assure the integrity of pari-mutuel wagering for the betting public.

Budget

Of the MRC's FY 2006-07 biennial budget, 19% comes from a Special Revenue Fund appropriation, which is funded by racetrack, racing, and occupational license fees, 24% comes from the racetrack as reimbursements for the cost of stewards, veterinarians, and laboratory services, and 57% comes from the Breeders' Fund tax collections (miscellaneous agency fund) which is distributed back to industry participants (horse owners). Commission staff is comprised of 7.1 full-time equivalent employees and seven professional/technical service contracts (three stewards, three veterinarians, and one equine drug testing laboratory).

At A Glance

The Minnesota Racing Commission annually:

- ◆ Oversees 69 days of live horseracing, 364 days of out-of-state simulcasting, and 24/7 operation of Canterbury Park Card Club
- ◆ Licenses over 4,100 individuals to work at the racetrack
- ◆ Audits a total wagering handle of \$80 million
- ◆ Collects General Fund taxes and fines of \$235,200

Contact

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Dollars in Thousands

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Direct Appropriations by Fund</u>					
Misc Special Revenue					
Current Appropriation	674	835	835	835	1,670
Forecast Base	674	835	835	835	1,670
Change		0	0	0	0
% Biennial Change from 2006-07					10.7%
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Misc Special Revenue	1,101	1,333	2,002	1,888	3,890
Miscellaneous Agency	1,296	1,251	1,251	1,251	2,502
Total	2,397	2,584	3,253	3,139	6,392
<u>Expenditures by Category</u>					
Total Compensation	542	718	862	887	1,749
Other Operating Expenses	862	913	1,438	1,299	2,737
Local Assistance	993	953	953	953	1,906
Total	2,397	2,584	3,253	3,139	6,392
<u>Expenditures by Program</u>					
Racing Commission	2,397	2,584	3,253	3,139	6,392
Total	2,397	2,584	3,253	3,139	6,392
Full-Time Equivalent (FTE)	8.3	8.3	8.3	8.3	

RACING COMMISSION

Agency Revenue Summary

Dollars in Thousands

	Actual FY2006	Budgeted FY2007	Current Law		Biennium 2008-09
			FY2008	FY2009	
<u>Non Dedicated Revenue:</u>					
Other Revenues:					
General	14	10	10	10	20
Taxes:					
General	221	221	221	221	442
Total Non-Dedicated Receipts	235	231	231	231	462
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Misc Special Revenue	722	698	868	868	1,736
Other Revenues:					
Misc Special Revenue	572	597	952	977	1,929
Miscellaneous Agency	37	35	35	35	70
Taxes:					
Misc Special Revenue	59	57	57	57	114
Miscellaneous Agency	1,229	1,218	1,218	1,218	2,436
Total Dedicated Receipts	2,619	2,605	3,130	3,155	6,285
Agency Total Revenue	2,854	2,836	3,361	3,386	6,747