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**Minnesota Racing Commission**

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[mrc.state.mn.us](http://mrc.state.mn.us)

**AT A GLANCE**

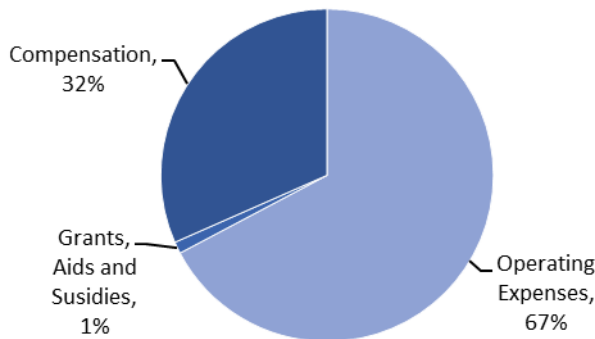
- Regulates wagering activities on Horse Racing (\$83 million annually) and Card Playing (\$73 million annually) at Canterbury Park and Running Aces Casino, Hotel and Racetrack
- Licenses Advance Deposit Wagering (ADW) providers and regulates wagering conducted in Minnesota on horseracing via ADW platforms (\$41 million annually)
- Administers \$1.4 million in the Minnesota Breeders Fund for the benefit of owners and breeders of Minnesota bred racehorses
- Issues over 5,000 occupational and vendor licenses to industry participants per year

**PURPOSE**

The Minnesota Racing Commission (MRC) operates in the public interest to ensure the integrity of horseracing and card playing, oversees the proper distribution of funds back into the industry, and provides for the safety and welfare of the human and equine participants. Additionally, the commission works to promote the horse racing and breeding industries in Minnesota in order to provide economic stimulus, offer residents and visitors an exciting entertainment option, and support agriculture and rural agribusiness.

**BUDGET**

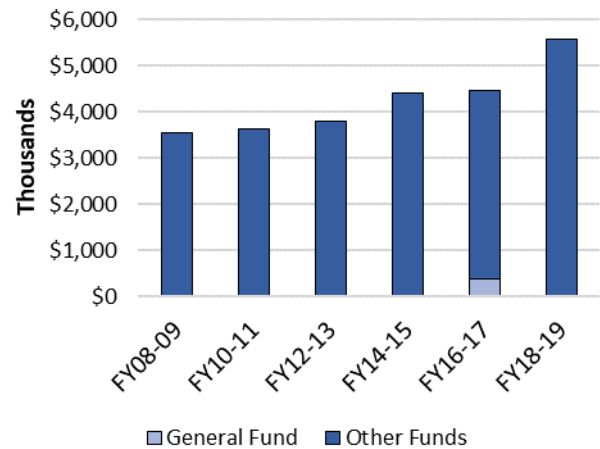
**Spending by Category  
FY 2019 Actual**



**Note:** FY 19 operating expenses include \$1,147,000 in breeder fund payouts, which is 49% of the total operating expenses.

Source: Budget Planning & Analysis System (BPAS)

**Historical Spending**



Source: Consolidated Fund Statement

The Racing Commission’s basic operations are currently financed entirely by the industry it regulates. Racetrack and occupational license fees (limited by a direct appropriation from the special revenue fund per statute), reimbursements outlined in M.S 240.30 Subd.9 (<https://www.revisor.mn.gov/statutes/cite/240.30>) and M.S. 240.155 Subd.1 (<https://www.revisor.mn.gov/statutes/cite/240.155>) paid by the racetracks, and regulatory fees paid by advance deposit wagering (ADW) providers provide the funding for Commission operations.

## STRATEGIES

To accomplish the Racing Commission’s mission of regulating this extremely complex industry, administering the Breeders Fund, and overseeing the safety and welfare of the human and equine participants, several strategies are employed:

1. Licensing – Facilitate a licensing process that is detailed, accurate, and administered in a way that licenses are issued only to individuals and vendors who meet the criteria established in law and rule, and whose participation in racing and/or card playing is consistent with the best interests of the industry.
2. Fiscal Oversight – Ensure that all monies flowing through the pari-mutuel, ADW, and card revenue streams are reviewed, tested, and verified in order to keep associations in compliance with their obligations to the participants, the public, and the state.
3. Policing – Engage contractors and hire staff who are experts in the fields of veterinary science, criminal justice, and the rules of racing to conduct drug testing, investigate potential criminal activity, and administer the rules governing horseracing and card playing in order to maintain the highest level of integrity for the wagering public.
4. Civic Engagement – Lead the industry forward through active communication with all areas of state government in order to encourage public policy that will afford the greatest opportunity for the industry to expand and thrive.
5. Education – Educate all participants including licensees, vendors, and all those who work with our equines or the public, on what is expected under our laws and rules.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Total</i>	<i>Dates</i>
Quantity	Equine Drug Testing (blood and urine)	4,754/4,532 samples	CY18/CY 19
Quantity/Results	Purse Money Industry Awarded to Horse Owners	\$19.2/\$17.8 million	CY 18/CY 19
Quality	Overtime & Premium Compensation	1.5%/1.0% of total comp	FY 19/FY 20
Results	Breeders Awards	\$678,800/\$701,944	CY 18/CY 19

Source: Minnesota Racing Commission record

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The Minnesota Racing Commission’s legal authority comes from M.S. Chapter 240 (<https://www.revisor.mn.gov/statutes/?id=240>).

# Racing Commission

# Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<b><u>Expenditures by Fund</u></b>								
2000 - Restrict Misc Special Revenue	2,646	2,934	4,070	5,142	4,655	4,733	4,655	4,733
6000 - Miscellaneous Agency	1,447	1,355						
<b>Total</b>	<b>4,093</b>	<b>4,289</b>	<b>4,070</b>	<b>5,142</b>	<b>4,655</b>	<b>4,733</b>	<b>4,655</b>	<b>4,733</b>
Biennial Change				830		176		176
Biennial % Change				10		2		2
Governor's Change from Base								0
Governor's % Change from Base								0

## **Expenditures by Program**

Racing Commission	4,093	4,289	4,070	5,142	4,655	4,733	4,655	4,733
<b>Total</b>	<b>4,093</b>	<b>4,289</b>	<b>4,070</b>	<b>5,142</b>	<b>4,655</b>	<b>4,733</b>	<b>4,655</b>	<b>4,733</b>

## **Expenditures by Category**

Compensation	1,230	1,355	1,310	1,537	1,642	1,660	1,642	1,660
Operating Expenses	2,804	2,884	2,701	3,511	2,970	3,030	2,970	3,030
Grants, Aids and Subsidies	57	49	59	86	35	35	35	35
Capital Outlay-Real Property				4	4	4	4	4
Other Financial Transaction	0	2		4	4	4	4	4
<b>Total</b>	<b>4,093</b>	<b>4,289</b>	<b>4,070</b>	<b>5,142</b>	<b>4,655</b>	<b>4,733</b>	<b>4,655</b>	<b>4,733</b>

## **Full-Time Equivalents**

	16.26	16.88	15.50	19.60	19.40	19.30	19.40	19.30
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# Racing Commission

# Agency Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<b>2000 - Restrict Misc Special Revenue</b>								
Balance Forward In	361	661	2,673	2,798	1,540	1,642	1,540	1,642
Direct Appropriation	845	908	913	913	913	913	913	913
Receipts	2,007	2,351	3,282	2,971	3,844	3,989	3,844	3,989
Transfers In		1,675	673	840	614	624	614	624
Transfers Out	1		673	840	614	624	614	624
Cancellations		118						
Balance Forward Out	565	2,543	2,798	1,540	1,642	1,811	1,642	1,811
<b>Expenditures</b>	<b>2,646</b>	<b>2,934</b>	<b>4,070</b>	<b>5,142</b>	<b>4,655</b>	<b>4,733</b>	<b>4,655</b>	<b>4,733</b>
Biennial Change in Expenditures				3,632		176		176
Biennial % Change in Expenditures				65		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	16.26	16.88	15.50	19.60	19.40	19.30	19.40	19.30

## 6000 - Miscellaneous Agency

Balance Forward In	1,116	1,489						
Receipts	1,659	1,541						
Transfers In	652	679						
Transfers Out	651	2,354						
Balance Forward Out	1,330							
<b>Expenditures</b>	<b>1,447</b>	<b>1,355</b>						
Biennial Change in Expenditures				(2,802)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
<b>Direct</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
FY2021 Appropriations	913	913	913	1,826
Forecast Base	913	913	913	1,826
<b>Total Governor's Recommendations</b>	<b>913</b>	<b>913</b>	<b>913</b>	<b>1,826</b>
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Planned Spending	4,081	3,742	3,820	7,562
Forecast Base	4,081	3,742	3,820	7,562
<b>Total Governor's Recommendations</b>	<b>4,081</b>	<b>3,742</b>	<b>3,820</b>	<b>7,562</b>
<b>Revenue Change Summary</b>				
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Forecast Revenues	2,971	3,844	3,989	7,833
<b>Total Governor's Recommendations</b>	<b>2,971</b>	<b>3,844</b>	<b>3,989</b>	<b>7,833</b>
<b>Non-Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Forecast Revenues	812	812	812	1,624
<b>Total Governor's Recommendations</b>	<b>812</b>	<b>812</b>	<b>812</b>	<b>1,624</b>