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**Minnesota Racing Commission**

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<https://mn.gov/mrc/>

**AT A GLANCE**

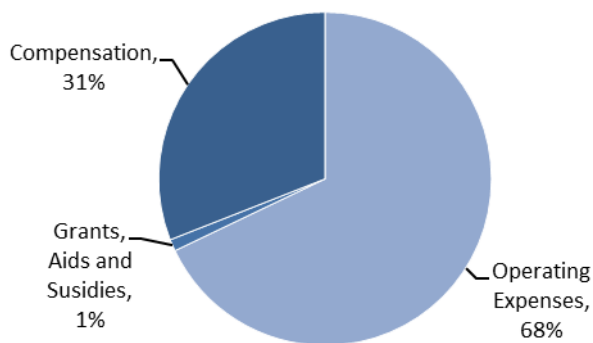
- Regulates wagering activities on Horse Racing (\$92 million annually) and Card Playing (\$82 million annually) at both Canterbury Park and Running Aces Casino, Hotel and Racetrack
- Licenses Advance Deposit Wagering (ADW) providers and regulates wagering conducted in Minnesota on horseracing via ADW platforms (\$69 million annually)
- Administers \$1.2 million in the Minnesota Breeders Fund for the benefit of owners and breeders of Minnesota bred racehorses
- Issues more than 4500 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 by providing robust regulatory oversight, overseeing the distribution of funds back into the industry, and providing 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 to provide economic stimulus, offer residents and visitors exciting entertainment options, and support agriculture and rural agribusiness.

**BUDGET**

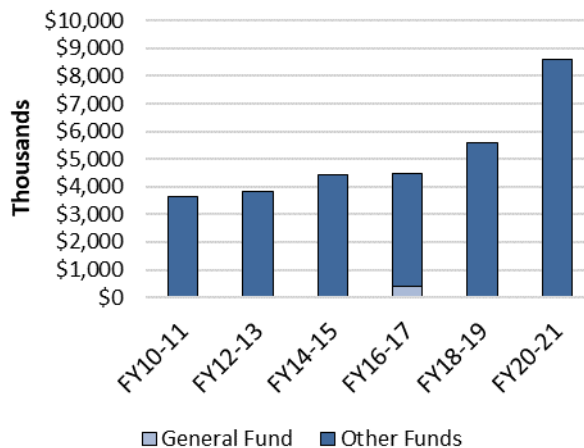
**Spending by Category  
FY 2021 Actual**



**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 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 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 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, urine, and hair)	CY 20/ 4,420 samples CY21/ 5,160	CY 20/CY21
Quantity/Results	Purse Money Industry Awarded to Horse Owners	\$13.7/\$19.7 million	CY 20/CY 21
Quality	Overtime & Premium Compensation	1.5%/1.0% of total comp	FY 21/FY 22
Results	Breeders Awards	\$602,178/\$612,629	CY 20/CY 21

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 FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25

## Expenditures by Fund

2000 - Restrict Misc Special Revenue	4,070	4,541	4,347	6,397	5,116	5,126
<b>Total</b>	<b>4,070</b>	<b>4,541</b>	<b>4,347</b>	<b>6,397</b>	<b>5,116</b>	<b>5,126</b>
Biennial Change				2,133		(502)
Biennial % Change				25		(5)

## Expenditures by Program

Racing Commission	4,070	4,541	4,347	6,397	5,116	5,126
<b>Total</b>	<b>4,070</b>	<b>4,541</b>	<b>4,347</b>	<b>6,397</b>	<b>5,116</b>	<b>5,126</b>

## Expenditures by Category

Compensation	1,310	1,403	1,243	1,639	1,775	1,832
Operating Expenses	2,701	3,097	2,944	4,520	3,154	3,132
Grants, Aids and Subsidies	59	38	154	236	185	160
Other Financial Transaction		2	5	2	2	2
<b>Total</b>	<b>4,070</b>	<b>4,541</b>	<b>4,347</b>	<b>6,397</b>	<b>5,116</b>	<b>5,126</b>

## Full-Time Equivalents

	15.50	16.09	14.67	19.30	19.30	19.30
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# Racing Commission

# Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<b>2000 - Restrict Misc Special Revenue</b>						
Balance Forward In	2,673	3,193	3,275	3,961	2,530	2,766
Direct Appropriation	913	913	913	913	913	913
Receipts	3,282	4,044	4,120	4,053	4,439	4,463
Transfers In	673	602	613	653	653	653
Transfers Out	673	602	613	653	653	653
Cancellations		464				
Balance Forward Out	2,798	3,145	3,961	2,530	2,766	3,016
<b>Expenditures</b>	<b>4,070</b>	<b>4,541</b>	<b>4,347</b>	<b>6,397</b>	<b>5,116</b>	<b>5,126</b>
Biennial Change in Expenditures				2,133		(502)
Biennial % Change in Expenditures				25		(5)
Full-Time Equivalents	15.50	16.09	14.67	19.30	19.30	19.30

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
<b>Direct</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
FY2023 Appropriations	913	913	913	1,826
Forecast Base	913	913	913	1,826
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Planned Spending	5,205	4,203	4,213	8,416
Forecast Base	5,205	4,203	4,213	8,416
<b>Revenue Change Summary</b>				
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Forecast Revenues	4,053	4,439	4,463	8,902
<b>Non-Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Forecast Revenues	820	820	820	1,640