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Minnesota Racing Commission

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

AT A GLANCE

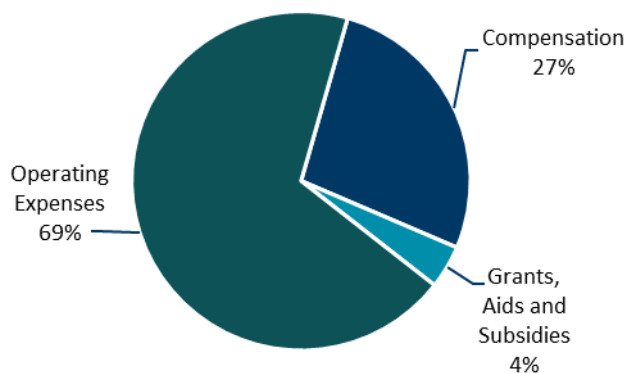
- Regulates wagering activities on Horse Racing (\$92 million annually) and Card Playing (\$82 million annually) at both Canterbury Park and Running Aces Casino, Hotel and Racetrack
- Licenses Advance Deposit Wagering (ADW) providers and regulates wagering conducted in Minnesota on horseracing via ADW platforms (\$60 million annually)
- Administers \$1.2 million in purse supplements and \$650,000 in Breeders Awards from the Minnesota Breeders Fund for the benefit of owners and breeders of Minnesota bred racehorses
- Issues more than 4,400 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.

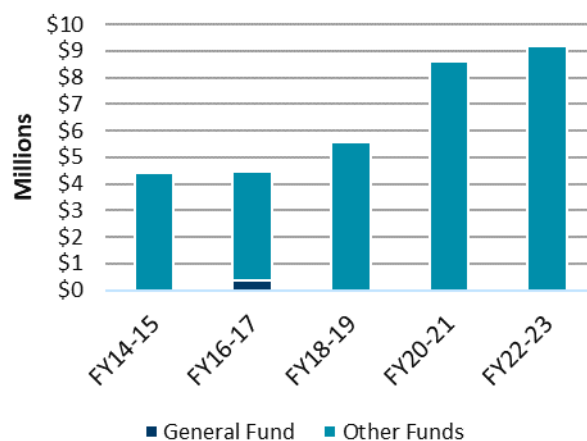
BUDGET

**Spending by Category
FY 2023 Actual**



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:

- 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.
- 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.
- 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.
- 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.
- 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

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Occupational licenses	Quantity	Licensing report	Generally steady, despite concerns of contracting industry market	4,409 in CY23 4,021 in CY22 4,214 in CY21
Medication violations	Quality	Veterinarian reports	Medication violations are trending downward-largely due to increased educations and increased severity of penalties for violations	7 violations in CY23 10 violations in CY22
Racing violations	Quality	Stewards' and Judges' rulings	Rulings by our racing officials are trending downward, likely due to better education for horsemen and setting clear expectations with racing participants	111 rulings in CY23 150 rulings in CY24
Grants awarded to retired racehorse aftercare organizations	Results	Disbursements to aftercare organizations	MRC had been increasing annual grant disbursements until current year, due to diminishing revenue streams for grant account	\$155,000 in CY24 \$196,000 in CY23

Source: Minnesota Racing Commission record

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 FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27

Expenditures by Fund

1000 - General			965	35		
2000 - Restrict Misc Special Revenue	4,347	4,854	5,238	5,561	5,540	5,568
Total	4,347	4,854	6,203	5,596	5,540	5,568
Biennial Change				2,598		(691)
Biennial % Change				28		(6)

Expenditures by Program

Racing Commission	4,347	4,854	6,203	5,596	5,540	5,568
Total	4,347	4,854	6,203	5,596	5,540	5,568

Expenditures by Category

Compensation	1,243	1,308	1,611	1,887	1,935	1,981
Operating Expenses	2,944	3,339	4,384	3,518	3,456	3,462
Grants, Aids and Subsidies	154	200	197	182	140	120
Other Financial Transaction	5	7	11	9	9	5
Total	4,347	4,854	6,203	5,596	5,540	5,568

Full-Time Equivalents

14.67	15.88	15.68	19.26	19.26	19.26
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Racing Commission

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
1000 - General						
Balance Forward In				35		
Direct Appropriation			1,000			
Balance Forward Out			35			
Expenditures			965	35		
Biennial Change in Expenditures				1,000		(1,000)
Biennial % Change in Expenditures						(100)

2000 - Restrict Misc Special Revenue

Balance Forward In	3,275	3,966	3,830	3,838	3,594	3,354
Direct Appropriation	913	913	933	954	954	954
Receipts	4,120	3,855	4,315	4,363	4,346	4,310
Transfers In	613	735	647	655	655	655
Transfers Out	613	735	647	655	655	655
Cancellations		205				
Balance Forward Out	3,961	3,674	3,840	3,594	3,354	3,050
Expenditures	4,347	4,854	5,238	5,561	5,540	5,568
Biennial Change in Expenditures				1,598		309
Biennial % Change in Expenditures				17		3
Full-Time Equivalents	14.67	15.88	15.68	19.26	19.26	19.26

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<i>Direct</i>				
Fund: 2000 - Restrict Misc Special Revenue				
FY2025 Appropriations	954	954	954	1,908
Forecast Base	954	954	954	1,908
<i>Dedicated</i>				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	4,574	4,586	4,614	9,200
Forecast Base	4,574	4,586	4,614	9,200
<i>Revenue Change Summary</i>				
<i>Dedicated</i>				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	4,363	4,346	4,310	8,656
<i>Non-Dedicated</i>				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	830	830	830	1,660