



Minnesota Racing Commission

2000 ANNUAL REPORT

TO:
GOVERNOR JESSE VENTURA
AND THE
MINNESOTA LEGISLATURE



MINNESOTA RACING COMMISSION

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February 15, 2001

The Honorable Jesse Ventura, 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

Edward A. Burdick, Chief Clerk
Minnesota House of Representatives
211 State Capitol
St. Paul, MN 55155

Dear Governor Ventura 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 2000. 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 2000 operations of the racing facilities themselves, Canterbury Park and Traverse County Fairgrounds, 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 60 days of live racing for Thoroughbreds and Quarter Horses this past summer from May 20 through September 4 and conducted simulcasting throughout the year. Also during 2000 the Traverse County Agricultural Association's Class D license was renewed by the Commission permitting the Association to conduct pari-mutuel wagering on the Standardbred races run at its county fairgrounds in Wheaton. The fair conducted 2 days of racing, during its county fair on August 26 and 27.

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. Prior to the start of the 2000 meet, the track increased purses by 10%, which was one month after the card club commenced operation. Half way through the meet, purses were increased by another 10%. For the 2001 meet, Canterbury already has announced an increase of 5%. These purse increases caused increased horse populations at the track, more employment at the track, increased live wagering handle, and thus increased revenues to the racetrack, the horsemen and women, and the state's breeders' funds.

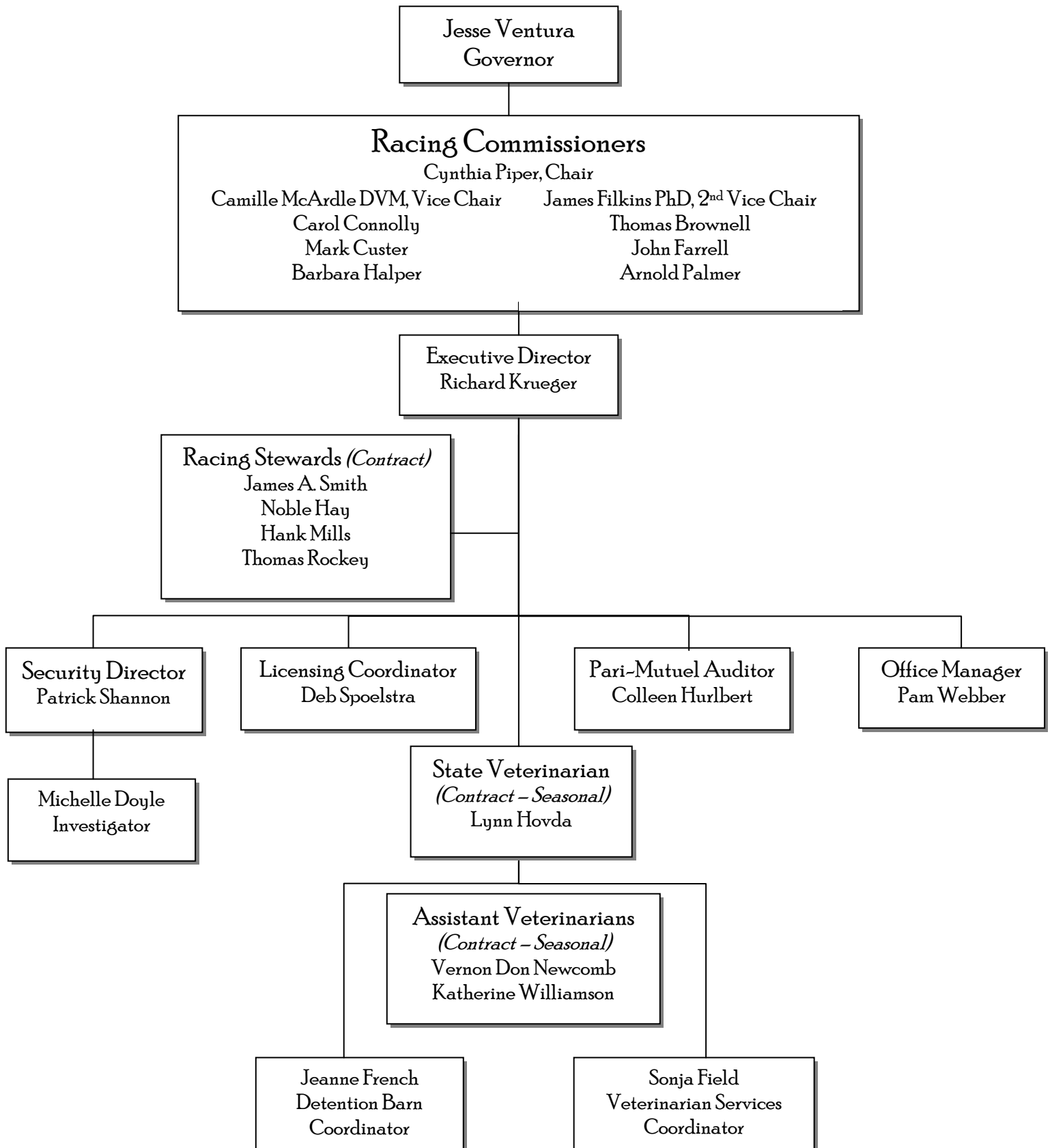
The Commission looks forward to working with you and your staff, the Legislature and other state agencies in carrying out its responsibilities in this important area.

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 restore the growth of live pari-mutuel horse racing in the near future.

Regards,

Cynthia Piper, Chair

THE MINNESOTA RACING COMMISSION



MINNESOTA RACING COMMISSION

2000 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 \$1600 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.

Cynthia Piper (Chair)	Hamel	June 30, 2003
Camille McArdle (1st Vice Chair)	Corcoran	June 30, 2005
James Filkins (2nd Vice Chair)	Bloomington	June 30, 2001
Thomas Brownell	Lakeville	June 30, 2003
Carol Connolly	St. Paul	June 30, 2001
Mark Custer	Howard Lake	June 30, 2001
John Farrell	Waverly	June 30, 2003
Barbara Halper	Minnetrissa	June 30, 2005
Arnold Palmer	Plymouth	June 30, 2005

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 J. Webber	Office Manager/Breeders' Fund Administrator
Colleen M. Hurlbert	Pari-mutuels/Licensing
Debra Spoelstra	Licensing
Michelle Doyle	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 2000 racing season:

Stewards	James Smith Noble Hay, Jr. Hank Mills Thomas Rockey
Veterinarian and Assistants	Lynn Hovda, DVM Donald Newcomb, DVM Kathy Williamson, DVM Jeanne French Sonja Field
Security Director	Patrick Shannon

ORGANIZATION OF THE COMMISSION

The Racing Commission during March of 2000 appointed new standing committees which are now comprised of the following commissioners:

RACING COMMITTEE

Medication, Stewards, Rules, Breeders' Fund

Camille McArdle, Chair
John Farrell
James Filkins
Arnold Palmer

CARD CLUB COMMITTEE

Card Club Operations, Security/Surveillance, Internal Controls

John Farrell, Chair
Thomas Brownell
Carol Connolly
Mark Custer

INTERNAL AFFAIRS

Affirmative Action, Personnel, Financial Oversight, Licensing, Advisory Committees

James Filkins, Chair
Carol Connolly
Barbara Halper
Camille McArdle

EXTERNAL AFFAIRS

Legislature, Public Information, Breeding Industry

Mark Custer, Chair
Thomas Brownell
Barbara Halper
Arnold Palmer

*THE MRC ENCOURAGED INVOLVEMENT FROM THE FOLLOWING
ADVISORY BODIES DURING 2000*

BREEDERS' FUND APPROPRIATIONS ADVISORY COMMITTEE

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

Liaisons

Commissioners Farrell, Filkins, Halper, and Piper.

COUNTY FAIR RACING ADVISORY COMMITTEE

Ray Swanson, Chair	Stillwater
Jack Junker	Stillwater
Lou Michaels-Feldman	New Brighton
James Sweet	Blaine

Liaisons:

Commissioners Custer, Farrell, Filkins, and Halper.

MEETINGS OF THE COMMISSION

The Racing Commission usually meets the third Wednesday of each month. The committees meet at the call of their respective chairs.

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 the past race meets, it remained apparent that several rules, many of them unique to Minnesota, required 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 major categories of rules for which the commission has direct authority and accountability for oversight include:

Racetrack Licensure (Class A)	County Fair Licensure (Class D)
Racing Licensure (Class B)	Conduct of the Race
Pari-Mutuel Betting	Horse Medication and Examination
Racing Facilities and Stabling	Medical Testing
Occupational Licensure (Class C)	Breeders Fund

Rules that have been worked on by the Commission during the past year include: amendments to rules governing the number of betting interests required on trifecta races, authorization of mandatory payouts on the pick six, fingerprinting requirements, jockey mount fees, responsibility of trainers in maintaining employee lists, requirements for apprentice jockeys, clarification of what the jockey's weight includes, helmet requirements, responsibility of veterinarians in the possession and dispensation of medications, horse registration and eligibility for stakes races, workout requirements, scale of jockey weights and weight for age of horse, time allowances for the claiming procedure, and location of remounting substitute jockeys due to injury. The Racing Committee and the Commission attempt to gain uniformity of rules with those of other states since many horse persons compete in other states as well as in Minnesota.

During 1995, a Public Advisory Committee was formally organized to provide input to proposed rule changes, and was consulted during 2000. Members of the Advisory Committee are:

Kay King:	Executive Director, MN Thoroughbred Association
Tom Metzen:	President, MN H.B.P.A.
Ron Banks:	President, MN Harness Racing Inc.
Eric Halstrom:	Executive Director of Operations, Canterbury Park
Kelvin Childers:	President, MN Quarterhorse 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 overregulation or operating costs. Strict compliance with the Minnesota Administrative Procedures Act has been observed and participation by all persons has been encouraged.

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 crew members, 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 2000, 3690 Class C occupational licenses were issued by the Minnesota Racing Commission during the live and simulcast racing meets. Of these, 78 were licenses issued in conjunction with harness racing that was conducted at the Traverse County Fair. 3312 licenses were issued to individuals racing or working in various occupations at Canterbury Park. Table 1, page 7 summarizes by occupation, the licenses issued by the Commission since 1994. Table 2, page 8 summarizes licenses issued to Minnesotans by occupation since 1994.

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

LICENSE TYPE	1994	1995	1996	1997	1998	1999	2000
Commission/MRC Staff	20	35	31	31	34	30	53
Authorized Agent	0	0	0	0	0	0	0
Vendor	11	32	28	60	29	28	49
Vendor, Sole Proprietor	2	8	10	12	24	28	40
Vendor Employee (included with Canterbury Association Employees prior to 1997)				71	47	54	104
Detention Barn Technician	0	12	17	20	11	12	19
Driver	0	0	4	15	14	7	6
Equine Dentist	0	2	4	2	0	0	0
Exercise Rider	0	71	66	40	46	45	46
Farrier	0	12	16	12	10	13	8
Farrier's Assistant	0	0	0	1	1	1	0
Gate Crew	0	12	14	14	12	16	10
Horsemen's Bookkeeper	0	1	1	1	1	1	1
Groom/Hotwalker	9	262	266	209	241	251	251
Jockey	0	72	54	60	61	61	69
Jockey Agent	0	7	12	6	8	8	12
Jockey, Apprentice	0	4	3	4	3	2	2
Owner, Individual	15	1,061	1,038	908	976	984	965
Owner, Multiple	0	181	212	135	180	169	199
Owner, Trainer							111
Owner,Trainer,Driver	24	28	17	37	39	19	14
Pari-mutuel Clerk	132	228	151	147	136	164	165
Pony Rider	0	18	21	19	19	19	21
Racing Official	3	19	21	18	19	17	22
Security Officer	27	55	42	41	36	38	104
Stable Foreman	0	9	5	3	6	4	2
Trainer	0	186	172	180	185	201	105
Trainer, Assistant	0	52	42	40	38	38	38
Valet	0	10	9	11	10	10	14
Veterinarian	0	7	9	7	7	9	10
Veterinary Assistant	0	3	2	2	3	3	7
Canterbury Association Employees	306	579	515	434	392	417	729
Canterbury Card Club Employees							386
Canterbury Medical	0	39	27	38	40	50	35
Stables	0	42	52	36	47	39	52
County Fair Volunteers							24
Other	1	11	40	36	16	13	17
<i>Totals</i>	550	3,058	2,901	2,650	2,691	2,751	3,690

Table 2**Occupational Licenses Issued To Minnesotans**

LICENSE TYPE	1994	1995	1996	1997	1998	1999	2000
Commission/MRC Staff	19	30	24	30	28	20	33
Bloodstock Agent	0	1	1	0	0	0	0
Vendor, Sole Proprietor	1	8	8	10	18	23	32
Vendor Employee (included with Canterbury Association Employees prior to 1997)				61	42	48	85
Detention Barn Technician	0	10	16	17	9	11	18
Driver	0	0	1	1	2	1	3
Equine Dentist	0	2	2	1	0	0	0
Exercise Rider	0	22	20	15	20	17	16
Farrier	0	4	3	4	1	2	3
Farrier's Assistant	0	0	0	1	1	1	0
Gate Crew	0	1	3	4	2	1	0
Horsemen's Bookkeeper	0	1	1	1	1	1	0
Groom/Hotwalker	3	112	88	71	80	84	82
Jockey	0	5	2	3	5	3	4
Jockey Agent	0	1	3	2	2	1	2
Jockey, Apprentice	0	1	0	0	0	0	1
Owner, Individual	5	531	504	437	394	397	382
Owner/Trainer							20
Owner/Trainer/Driver	8	11	9	10	9	9	5
Pari-mutuel Clerk	130	224	148	141	129	131	155
Pony Rider	0	5	6	6	6	5	3
Racing Official	2	4	5	5	7	6	9
Security Officer	27	55	42	39	36	38	97
Stable Foreman	0	2	2		3	0	0
Trainer	0	46	41	43	44	43	20
Trainer, Assistant	0	10	5	7	7	5	6
Valet	0	0	2	4	4	2	3
Veterinarian	0	7	7	5	6	7	8
Veterinary Assistant	0	3	2	1	2	3	3
Canterbury Association Employees	301	552	508	403	366	384	659
Canterbury Card Club Employees							350
Canterbury Medical	0	36	26	36	40	49	34
County Fair Volunteers							24
Other	1	6	34	21	14	11	14
<i>Totals</i>	497	1,690	1,513	1,379	1,278	1,303	2,071

2000 Annual Report Veterinary Programs

The Veterinary Services Department functions to maintain the integrity of horse racing and protect the well being of the equine athlete. This is accomplished through a number of well established programs such as pre-race examinations, monitored workouts, documented Veterinarian's List, controlled Lasix® administration, and race day blood/urine laboratory analysis.

During the 2000 racing season, 1,415 Thoroughbreds and Quarterhorses entered the grounds of Canterbury Park. A total of 4,993 Thoroughbreds and Quarterhorses entered the starting gate. A medical record was made for each horse as it was entered to race. Each medical record was updated whenever a Commission Veterinarian examined a horse. Physical exam findings, diagnostic procedures, radiographic or ultrasound abnormalities, and participation in the UMVTH thermography study were noted on the medical records.

More than 5,200 race day examinations were performed on horses entered to race. From these exams, 187 were found to be unfit and were recommended to be scratched from racing. These horses along with 134 horses with visible or endoscopic evidence of exercise induced pulmonary hemorrhage, and an additional 145 horses noted to be lame, sore or sick were placed on the Veterinarian's List and not allowed to race again until deemed sound by a Commission Veterinarian. The racing performance of 40 of these horses was evaluated during and after a training exercise before removing them from the Veterinarian's List. As a matter of record, 10 deceased horses were placed on the Veterinarian's List and their papers returned to the Jockey Club of America.

As part of the race day controlled medication program, 1,258 blood and 1,144 urine samples were submitted to Truesdail Laboratories, Tustin, California for analysis. Twenty-three blood samples exceeded the 3.0-microgram-threshold limit for phenylbutazone or metabolites. This number, extrapolated to horse/race day, was lower than prior years. Ten other positive samples reported by the testing laboratory were dealt with by the Board of Stewards.

The quality assurance program established by Truesdail Laboratories processed 14 double blind blood and urine samples. Six samples were reported as negative, when in fact they were positive. This discrepancy is currently under review by Truesdail Labs.

In 2000, 1,171 horses racing at Canterbury Park received Lasix® in their stalls under the supervision of a Minnesota Racing Commission employee. While more labor intensive for the veterinary staff, this procedure is less stressful for the horse and widely received by horsemen and women. One positive sample was found in all horses tested and that horse was shipped in from another jurisdiction.

The horse ambulance was used 41 times during the 2000 racing season. Ten horses died or were humanely euthanized on the grounds of Canterbury Park for a variety of reasons. Only 7 horses suffered catastrophic racing related injuries, and just 1 sustained catastrophic training related injuries. This resulted in a race related catastrophic incident rate of 0.14%, far below the accepted range of 0.15% to 0.5%.

Traverse County Fair, Wheaton, Minnesota Harness Race Meet

The 2000 racing season marked the seventh year of veterinary services participation in Standardbred racing at Wheaton, Minnesota. The same veterinary policies and procedures used at Canterbury Park were followed at the Traverse County Fair Harness Race Meet. In 110 starts, 4 horses were scratched from racing for veterinary related problems. No catastrophic injuries occurred during the two days of racing. Blood and urine samples were submitted to Truesdail Laboratories, Tustin, California for analysis. No positive samples were found.

As in previous years, the veterinary services department provided tight controls, maintained the integrity of racing and ensured humane treatment of the horses.

2000 PARI-MUTUEL STATISTICS

LIVE

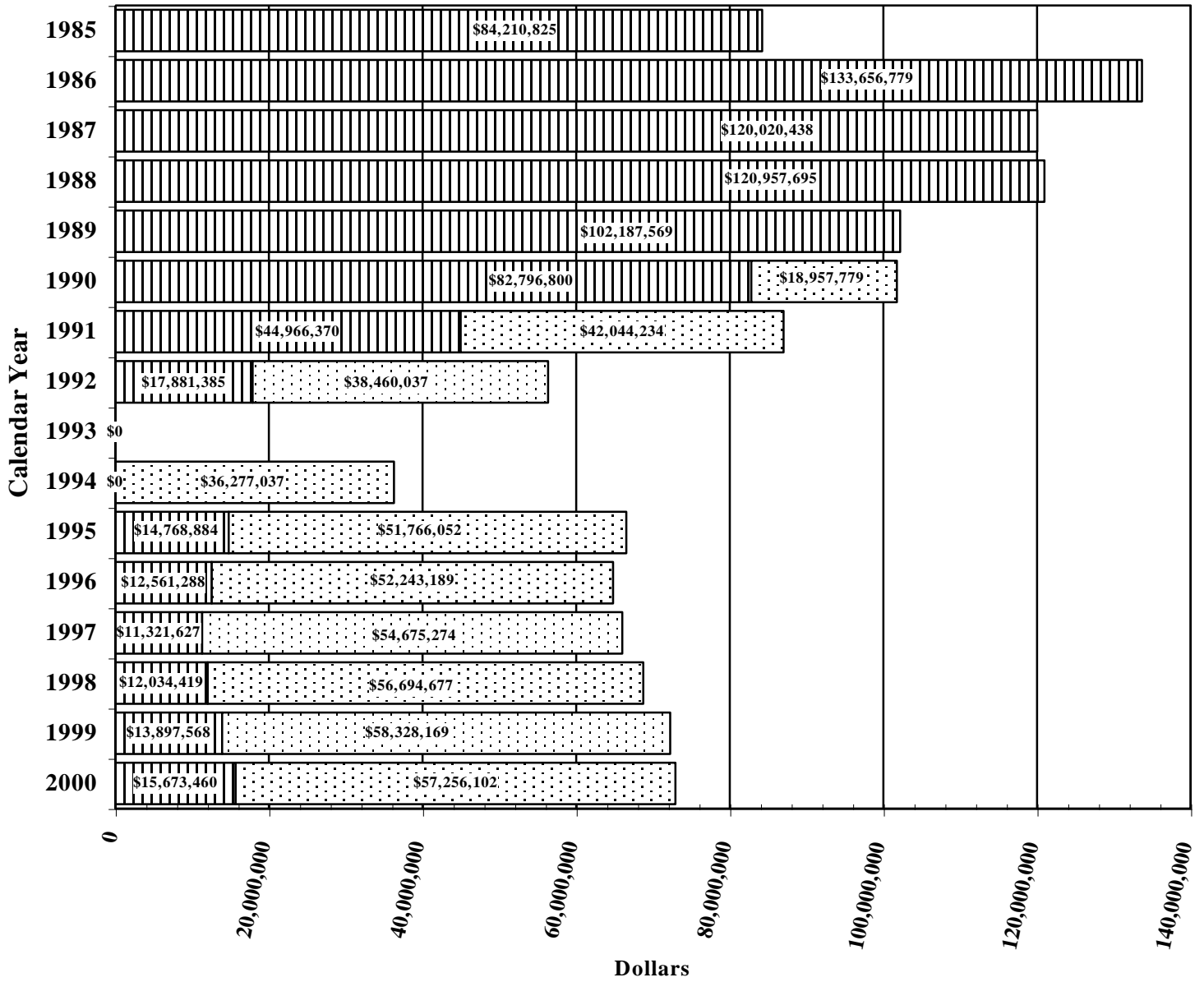
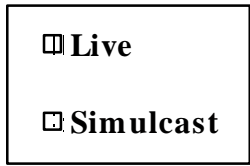
2000 LIVE THOROUGHBRED AND QUARTER HORSE RACES <i>MIXED MEET (THOROUGHBRED & QUARTER HORSE) - JUNE 8 - JULY 30, 2000</i> <i>THOROUGHBRED MEET - MAY 20 - JUNE 7, 2000 & JULY 31 - SEPTEMBER 4, 2000</i> <i>CLAIMING CROWN - AUGUST 6, 2000</i> <i>FESTIVAL OF CHAMPIONS - AUGUST 20, 2000</i> TOTAL ATTENDANCE FOR LIVE RACING MAY 20 - SEPTEMBER 4, 2000 (60 DAYS) - 230,658					
BREED	HANDLE	TAKEOUT	BETTOR RETURN	# OF RACES	AVERAGE HANDLE PER RACE
THOROUGHBRED	\$14,721,110	\$2,989,040		526	\$27,987
QUARTERHORSE	\$952,350	\$190,771		67	\$14,214
TOTAL	\$15,673,460	\$3,179,811	\$11,958,219	593	\$26,430

2000 LIVE STANDARD BRED MEET <i>TRAVERSE COUNTY FAIR, WHEATON, MN</i> <i>AUGUST 26-27, 2000</i> TOTAL ATTENDANCE: 708				
HANDLE	TAKEOUT	BETTOR RETURN	# OF RACES	AVERAGE HANDLE PER RACE
\$16,128	\$3,044	\$12,850	19	\$849

SIMULCAST

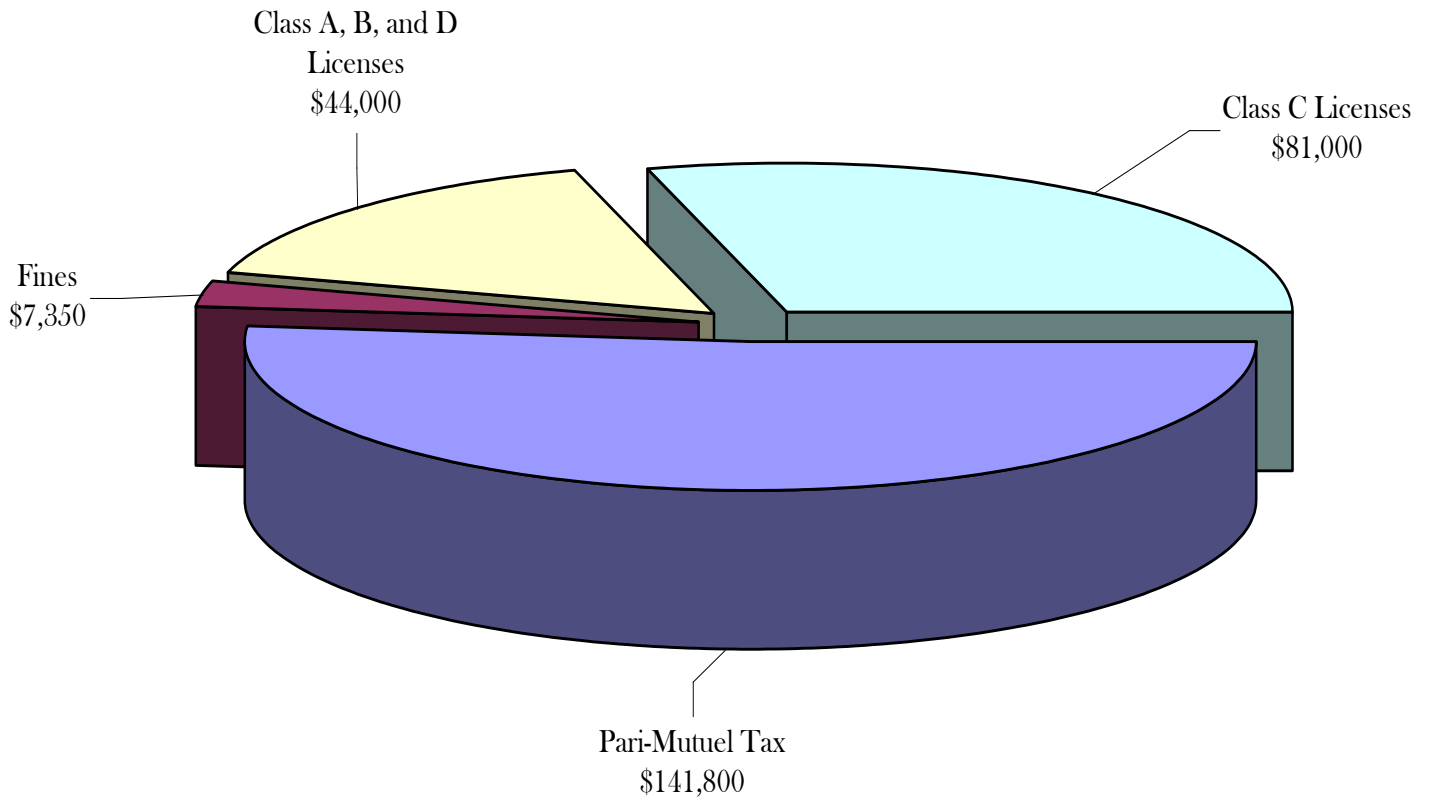
2000 FULL-CARD SIMULCAST MEETS <i>JANUARY 1, 2000 - DECEMBER 31, 2000</i>					
BREED	HANDLE	TAKEOUT	BETTOR RETURN	# OF RACE DAYS	AVERAGE HANDLE PER RACE DAY
THOROUGHBRED	\$53,426,669	\$10,606,423			
QUARTERHORSE	\$811,607	\$162,351			
STANDARD BRED	\$2,817,987	\$583,817			
ARABIAN	\$199,839	\$41,196			
TOTAL	\$57,256,102	\$11,393,787	\$45,067,075	365	\$156,866

Canterbury Park Handle Calendar Years 1985 – 2000



Non-Dedicated Revenue

Fiscal Year 2000



- Pari-Mutuel Tax
- Fines
- Class A, B, and D Licenses
- Class C Licenses

MINNESOTA RACING COMMISSION

Six Year Financial Summary

Fiscal Years 1996 -- 2001

APPROPRIATIONS

	<i>FY 2001</i>	FY 2000	FY 1999	FY 1998	FY 1997	FY 1996
General Fund Appropriation	<i>\$402,000</i>	\$390,000	\$379,000	\$371,000	\$370,000	\$370,000
Statutory Carry Forward	<i>\$1,474</i>	-\$1,474	\$7,717	-\$7,717	\$9,431	-\$9,431
Supplemental Appropriation	<i>\$0</i>	\$0	\$0	\$0	\$11,643	\$6,414
	<i>\$403,474</i>	\$388,526	\$386,717	\$363,283	\$391,074	\$366,983

EXPENSES

	<i>Forecast</i>	Actual	Actual	Actual	Actual	Actual
Salaries, Benefits and Per Diem	<i>\$275,000</i>	\$262,848	\$273,982	\$264,681	\$235,271	\$255,324
Rents	<i>\$762</i>	\$194	\$183	\$172	\$797	\$16,571
Consultant Services	<i>\$0</i>	\$0	\$0	\$0	\$0	\$0
Professional/ Technical Services	<i>\$57,489</i>	\$51,250	\$44,585	\$36,163	\$31,571	\$27,205
Data Processing and System Services	<i>\$8,173</i>	\$16,460	\$4,415	\$6,973	\$1,838	\$17,053
Communications	<i>\$8,000</i>	\$6,494	\$6,064	\$4,186	\$9,311	\$9,971
Travel	<i>\$13,950</i>	\$9,349	\$15,139	\$14,572	\$15,103	\$8,637
Supplies and Material	<i>\$9,000</i>	\$9,385	\$7,721	\$8,713	\$19,370	\$11,262
Equipment	<i>\$10,500</i>	\$15,583	\$14,371	\$8,562	\$18,641	\$10,650
Other (Repairs/ Printing & Binding)	<i>\$20,600</i>	\$16,963	\$16,914	\$19,261	\$15,906	\$10,310
Total	<i>\$403,474</i>	\$388,526	\$383,374	\$363,283	\$347,808	\$366,983

SUMMARY

	<i>Forecast '01</i>	Actual '00	Actual '99	Actual '98	Actual '97	Actual '96
Appropriation Balance	<i>\$0</i>	\$1,474	\$3,343	\$0	\$43,266	\$0
Revenues to General Fund	<i>\$285,000</i>	\$274,000	\$185,000	\$169,920	\$143,844	\$1,199,000
Return to General Fund (\$)	<i>-\$118,474</i>	-\$113,052	-\$198,374	-\$193,363	-\$203,964	\$832,017
Return To GF As % of Appropriation	<i>-29.36%</i>	-29.10%	-51.30%	-53.23%	-52.15%	226.72%
Gross Return To GF As % of Approp.	<i>70.64%</i>	70.52%	47.84%	46.77%	36.78%	326.72%

Notes: (1) Forecast data are in italics

(2) 1998 Statute permanently returns first \$720,000 of the pari-mutuel tax and all unredeemed tickets to Canterbury Park.

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. The 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 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 2000 the Breeder's Fund earned \$783,523 from live and simulcast racing and earned \$130,458 from card club operations. One hundred and three individuals and partnerships received \$309,214 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 \$549,166. Purse supplements of \$15,200 were also paid during four days of non pari-mutuel harness racing at county fair venues. The monies available for the 2000 purse supplements included carryovers from 1999.

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 and from card club operations 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 four grants from the fund during 2000:

- (1) The Minnesota Thoroughbred Association received \$2,000 to help fund the development and production of a brochure to be used to disseminate information regarding the State's racing and breeding industry. By providing information about Minnesota's breeding, training and racing activities throughout the state, the Minnesota Thoroughbred Association encourages participation in the racing and breeding industry in Minnesota.
- (2) The College of Veterinary Medicine received \$765.00 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.
- (3) The Minnesota Equine Research Center (MERC) of the University of Minnesota received \$40,000 to help fund research proposals in the areas of equine health, performance and reproduction. MERC 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. MERC'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; *"Mapping the Recurrent Exertional Rhabdomyolysis Gene in Thoroughbred Horses"*, *"Epidemiology of Proliferative Enteropathy in Horses"*, *"Basis of Glycogen Storage Disease in Quarter Horse Foals"*, *"Serum Concentrations of Thyroid Stimulating Hormone, Free Thyroxine and Liver Mineral Profiles in Normal Neonatal Foals, Foals with Congenital Hypothyroidism, and Neonatal Foals with Non-thyroidal Illnesses"*, *"The Importance of Osmotic Pressure for the Viability and Quality of Fresh and Frozen/Thawed Spermatozoa"*, *"Concentration of Nitric Oxide in Uterine Secretion from Mares Susceptible and Resistant to Chronic Post-Breeding Endometritis"*, *"Molecular Characterization of Streptococcus Equi Isolates Collected from Horses Experiencing Post-Vaccinal Complications"*, *"Assessment of Endotoxin-Induced Alterations in Jejunal Activity in Ponies"*, *"Alterations in Jejunal Neurotransmitter Activity Following Adjacent Intestinal Ischemia in the Horse"*.

2000 Breeders' Fund Recap

THOROUGHBRED	
Live and Simulcast Racing	\$716,270
Card Club Operations	\$117,382
Total Earnings	\$833,652
Less Administrative Cost	\$19,988
= Net Breeders' Fund	\$813,664
Less Equine Research	\$45,224
= Net Available Breeders' Fund	\$768,440
Less Purse Supplements	\$476,433
= Balance Remaining for Awards	\$292,007

QUARTER HORSE	
Live and Simulcast Racing	\$32,652
Card Club Operations	\$12,117
Total Earnings	\$44,769
Less Administrative Cost	\$2,546
= Net Breeders' Fund	\$42,223
Less Equine Research	\$3,438
= Net Available Breeders' Fund	\$38,785
Less Purse Supplements	\$17,453
= Balance Remaining for Awards	\$21,332

STANDARD BRED	
Live and Simulcast Racing	\$32,272
Card Club Operations	\$959
Total Earnings	\$33,231
Less Administrative Cost	\$0
= Net Breeders' Fund	\$33,231
Less Purse Supplements	\$23,261
Less Equine Research	\$1,662
Less Non-PM Development	\$1,662
= Balance Remaining for Awards	\$6,646

ARABIANS	
Total Earnings	\$2,329
Less Administrative Cost	\$0
= Net Breeders' Fund	\$2,329
Less Equine Research	\$0
= Net Available Breeders Fund	\$2,329
Less Purse Supplements	\$1,281
= Balance Remaining for Awards	\$33,231

Year	THOROUGHBRED			QUARTER HORSE			STANDARD BRED	
	Stallions	Mares	Foals	Stallions	Mares	Foals	Stallions	Foals
1985	54	543	403	1		104	1	17
1986	99	895	601	70	241	70	22	13
1987	112	988	648	73	178	79	15	20
1988	141	1261	760	94	229	109	18	23
1989	141	1333	844	119	272	144	19	30
1990	118	1145	654	95	257	134	22	28
1991	104	966	612	88	214	112	11	21
1992	85	735	451	72	175	90	7	16
1993	63	444	242	52	131	81	6	17
1994	49	253	159	40	85	64	3	14
1995	46	265	180	42	98	59	3	9
1996	44	275	168	47	106	54	3	8
1997	41	210	138	48	94	53	4	8
1998	39	210	137	49	101	74	6	8
1999	31	235	164	41	84	43	4	8
2000	26	231	164	35	89	37	3	5

* Pursuant to Racing Commission Rule 7895.0275, Subp. 2A. Standardbred foals, unlike Thoroughbreds and Quarter Horses, are not required to be registered in the year of foaling. The rule just requires that they be registered before they are entered in restricted races.

LEGISLATION

At this time, the Commission does not anticipate proposing policy legislation for consideration by the 2001 session of the Legislature.

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 612-496-7950; 1-800-627-3529, (TTY/VOICE RELAY SERVICES).