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THE  
MINNESOTA RACING  
COMMISSION

1997 ANNUAL REPORT

*To*

GOVERNOR ARNE H. CARLSON

*And The*

MINNESOTA LEGISLATURE

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## MINNESOTA RACING COMMISSION

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February 15, 1998

The Honorable Arne Carlson  
Governor  
State of Minnesota  
130 State Capitol  
St. Paul, MN 55155

Patrick E. Flahaven  
Secretary of the 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 Carlson 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 1997. The information set forth will provide details on the Commission's activities, organizational structure, and disbursements.

Even though the racing industry and the operation of Canterbury Park have been in a decline since the late 1980's, it nonetheless produced a significant economic benefit to the State. In the September 1992 report compiled by the Governor's Commission on Canterbury Park, the industry contributed over 2,000 full time job equivalents to the State's economy. The gross state product contribution of the industry was over \$100 million.

The pari-mutuel racing industry in Minnesota represents an important segment of the state's economy, not only as reflected by the 1997 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 56 days of live racing for thoroughbreds, quarter horse and standardbreds this past summer from May 17 through September 1 and conducted simulcasting throughout the year. Also during 1997 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 23 and 24.

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.

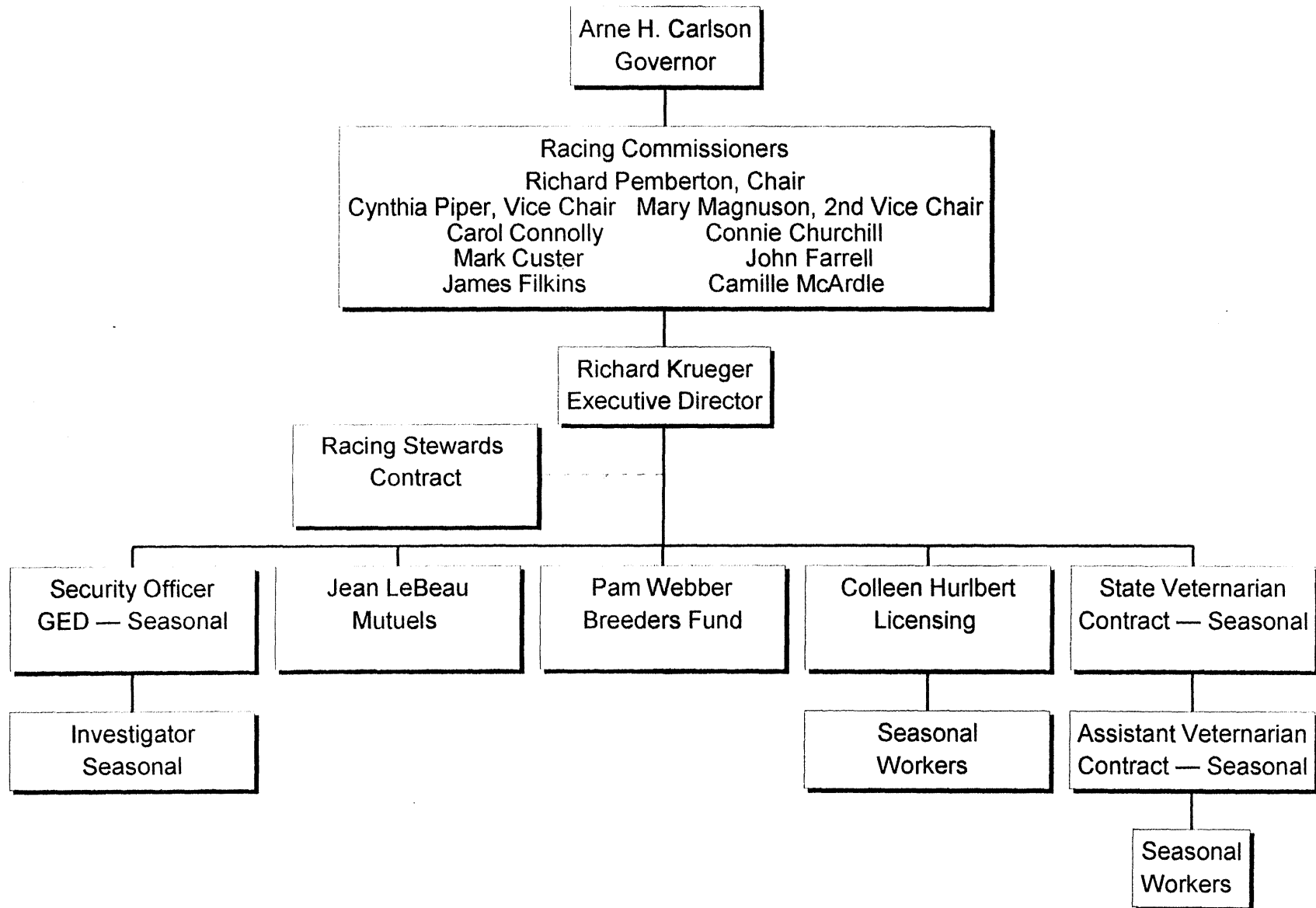
The Minnesota Racing Commission and all the members of the industry appreciate the assistance provided by all levels of government and, most particularly, the Governor's office and the legislature in addressing matters of interest and of significance to horse racing and pari-mutuel wagering. The Commission 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,

Richard Pemberton, Chairman



# THE MINNESOTA RACING COMMISSION





# MINNESOTA RACING COMMISSION

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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 \$1700 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:

"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 Statutes, 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 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;
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 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.

Richard Pemberton (Chair)	Fergus Falls	June 30, 2003
Cynthia Piper (1st Vice Chair)	Hamel	June 30, 2003
Mary Magnuson (2nd Vice Chair)	St. Paul	June 30, 1999
Carol Connolly	St. Paul	June 30, 2001
Mark Custer	Howard Lake	June 30, 2001
James Filkins	Bloomington	June 30, 2001
Connie Churchill	Wheaton	June 30, 1999
John Farrell	Waverly	June 30, 2003
Camille McArdle	Burnsville	June 30, 1999

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
Jean LeBeau	Pari-mutuel/Licensing
Colleen Hurlbert	Licensing/Pari-mutuel Assistant

To further assist the Commission with its regulatory responsibilities, the following individuals were contracted by MRC for professional and technical services during the 1997 racing season:

Stewards	Leland Seba, Richard Kinsey, Robert Wingo, Thomas Rockey
Veterinarian and Assistants	Lynn Hovda, Gary Frakes, Deborah McKay, Jean French Sonia Field
Special Agents	Patrick Shannon, Jim Arlt Intern - Laura Rau

## ORGANIZATION OF THE COMMISSION

The Racing Commission has standing committees which as of December 31, 1997 were comprised of the following commissioners:

<b>Executive/Personnel Committee:</b>	Richard Pemberton, Chair Cynthia Piper Mary Magnuson James Filkins Camille McArdle
<b>Rules Committee:</b>	James Filkins, Chair Carol Connolly Mark Custer Cynthia Piper Mary Magnuson Camille McArdle
<b>Affirmative Action Committee:</b>	Carol Connolly, Chair Richard Pemberton Mark Custer
<b>Financial Oversight Committee:</b>	James Filkins, Chair Richard Pemberton Mark Custer John Farrell
<b>Public Information Committee:</b>	Carol Connolly, Chair Cynthia Piper Connie Churchill John Farrell
<b>Legislative Committee:</b>	Mary Magnuson, Chair Mark Custer James Filkins
<b>Medication Committee:</b>	Cynthia Piper, Chair Mark Custer James Filkins Camille McArdle John Farrell
<b>Breeders' Fund &amp; Research and Educational Grants Advisory Committee Representatives:</b>	James Filkins Cynthia Piper John Farrell Camille McArdle
<b>County Fair Racing Advisory Committee Representatives:</b>	James Filkins, Mark Custer Connie Churchill, John Farrell

The MRC encouraged involvement from the following advisory bodies during 1997:

1. **BREEDERS' FUND APPROPRIATIONS ADVISORY COMMITTEE:**  
Gerry Herringer, Chair, Columbia Heights; Dan Mjolsness, Red Wing; Burt Dahlberg, Lakeville; Carin Offerman, Farmington; Jack Walsh, Stillwater; Kathleen Kissoon, Bloomington; Dave Dayon, St. Michael; Charles Yahnke, Lesuer; Marlys Goebel, Cottage Grove.
2. **RESEARCH AND EDUCATIONAL GRANTS COMMITTEE:**  
Muriel Poehler, Chair, Royalton; Dr. Sarah Carlson, Waverly; Dan Mjolsness, Red Wing; Dr. Terry Arnesen, Stillwater; Gene Beaulieu, Maple Plain.
3. **COUNTY FAIR RACING ADVISORY COMMITTEE:**  
John Junker, Stillwater; Carl Robesen, Cannon Falls; Ray Swanson, Lake Elmo; James Sweet, Blaine; Lou Michaels-Feldman, New Brighton.

## **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: (612) 496-7950  
Telefax: (612) 496-7954  
1-800-627-3529 (TDD-Voice Relay Service)**

## II. COMMISSION ACTIVITIES

### A. 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 Rules Committee and other affected parties revises and updates it's 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 several months and continue in the rulemaking process include: application for racing days, Class C occupational licensure, duties and responsibilities of racing officials, horse racing entries and subscriptions, paddock to post, qualifying races for harness racing, horse medication and prohibited acts, use of drugs and alcohol. The Rules 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. The Commission uses the Uniform Rules of the American Association of Racing Commissioners International as their guidelines for this process.

During 1995, a Public Advisory committee was formally organized to provide input to proposed rule changes, additions and deletions and was consulted during 1996. Members of the Advisory Committee are:

Stephanie McCarthy:	Executive Director, MN Thoroughbred Association
Damon Swanson:	Executive Director, MN H.B.P.A.
Greg Jensen:	Vice President, MN Harness Racing Inc.
Troy Mertens:	Assistant General Manager, Canterbury Park
John Broeker:	Vice 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 Rules 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.

## **B. 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 constant communication with the Federal Bureau of Investigation; Minnesota Department of Public Safety, 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); Board of Stewards; The Jockeys' Guild; The Jockey Club; Thoroughbred Racing Protective Bureau; U.S. Trotting Association; American Quarter Horse Association; Arabian Racing Association of Minnesota and Canterbury Park's track security.

### **INVESTIGATIONS SUMMARY**

The Minnesota Racing Commission relied on investigators from Public Safety's Gambling Enforcement Division during the live meets. The investigators worked on both the backstretch 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 such as workers compensation laws.

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, some investigations of individuals require additional background work in addition to the normal processing of an applicant. During live racing there is also constant surveillance of those directly involved in racing competition such as the jockeys, drivers, gate crew members, trainers and other backstretch employees. These investigators work closely with the stewards in following up on complaints and instances where irregularities are noticed.

### **OCCUPATIONAL LICENSING**

Everyone who is employed at a racetrack in Minnesota must be licensed by the Minnesota Racing Commission. 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.

During the 1997 live racing and simulcasting 2645 Class C occupational licenses were issued by the Minnesota Racing Commission. Of these, 189 were licenses in conjunction with harness racing at Traverse County Fair. This leaves 2456 licensees working in various occupations at the track for vendors and for Canterbury Park. Table 1, page 7 summarizes by occupation, the licenses issued by the Commission since 1991. Table 2, page 8 summarizes licenses issued to Minnesotans by occupation.

TABLE 1

## Occupational (Class C) License Summary By Year

LICENSE TYPE	1991	1992	1993	1994	1995	1996	1997
Commission/MRC Staff	55	43		20	35	31	31
Authorized Agent	0	0		0	0	0	0
Bloodstock Agent	1	0		0	1	1	0
Concessionaire/Vendor	45	33		11	32	28	60
Concession/Vendor Employee	512	301		194	360	311	298
Vendor, Sole Proprietor	29	9	N	2	8	10	12
Detention Barn Technician	29	32	O	0	12	17	20
Driver	0	0		0	0	4	15
Equine Dentist	3	4		0	2	4	2
Exercise Rider	116	74	R	0	71	66	40
Farrier	23	18	A	0	12	16	12
Farrier's Assistant	2	1	C	0	0	0	1
Gate Crew	12	16	I	0	12	14	14
Horsemen's Bookkeeper	1	1	N	0	1	1	1
Groom/Hotwalker	550	282	G	9	262	266	209
Jockey	88	50		0	72	54	60
Jockey Agent	18	13		0	7	12	6
Jockey, Apprentice	9	7		0	4	3	4
Owner, Individual	2,458	1,573		15	1,061	1,038	908
Owner, Multiple	499	230		0	181	212	135
Owner, Trainer, Driver	0	0		24	28	17	37
Pari-mutuel Clerk	267	206		132	228	151	147
Pony Rider	35	23	N	0	18	21	19
Racing Official	16	13	O	3	19	21	18
Security Officer	43	41		27	55	42	41
Stable Foreman	14	10		0	9	5	3
Trainer	300	207	R	0	186	172	180
Trainer, Assistant	77	45	A	0	52	42	40
Valet	19	17	C	0	10	9	11
Veterinarian	11	7	I	0	7	9	7
Veterinary Assistant	8	4	N	0	3	2	2
Canterbury Assoc. Employees	4	21	G	3	16	16	20
Canterbury Plant Employees	123	35		38	77	69	63
Canterbury Staff	19	11		20	32	37	15
Canterbury Operations	134	51		46	80	90	83
Canterbury Medical	21	13		0	39	27	38
Canterbury Marketing	26	18		4	4	8	21
Stables	72	34		0	42	52	36
Other	24	21		1	11	40	36
<b>Totals</b>	<b>5,663</b>	<b>3,464</b>		<b>549</b>	<b>3,049</b>	<b>2,918</b>	<b>2,645</b>

TABLE 2

## Occupational Licenses Issued To Minnesotans

LICENSE TYPE	1991	1992	1993	1994	1995	1996	1997
Commission/MRC Staff	52	37		19	30	24	30
Authorized Agent	0	0		0	0	0	
Bloodstock Agent	1	0		0	1	1	
Concessionaire/Vendor	37	29		9	24	22	15
Concession/Vendor Employee	490	281		192	345	298	278
Vendor, Sole Proprietor	23	8	N	1	8	8	10
Detention Barn Technician	28	32	O	0	10	16	17
Driver	0	0		0	0	1	1
Equine Dentist	1	1		0	2	2	1
Exercise Rider	44	30	R	0	22	20	15
Farrier	7	8	A	0	4	3	4
Farrier's Assistant	1	1	C	0	0	0	1
Gate Crew	4	6	I	0	1	3	4
Horsemen's Bookkeeper	1	1	N	0	1	1	1
Groom/Hotwalker	254	119	G	3	112	88	71
Jockey	9	10		0	5	2	3
Jockey Agent	5	4		0	1	3	2
Jockey, Apprentice	2	3		0	1	0	0
Owner, Individual	1,311	930		5	531	504	437
Owner, Multiple	44	63		0	115	119	
Owner/Trainer/Driver	0	0		8	11	9	10
Pari-mutuel Clerk	260	204		130	224	148	141
Pony Rider	14	11	N	0	5	6	6
Racing Official	3	1	O	2	4	5	5
Security Officer	42	40		27	55	42	39
Stable Foreman	5	5		0	2	2	
Trainer	84	72	R	0	46	41	43
Trainer, Assistant	17	16	A	0	10	5	7
Valet	5	7	C	0	0	2	4
Veterinarian	11	6	I	0	7	7	5
Veterinary Assistant	4	3	N	0	3	2	1
Canterbury Assoc. Employees	4	2	G	3	15	15	18
Canterbury Plant Employees	125	35		38	73	61	50
Canterbury Staff	18	11		21	30	36	15
Canterbury Operations	117	50		46	81	90	83
Canterbury Medical	20	12		0	36	26	36
Canterbury Marketing	25	15		4	4	6	20
Stables	27	22		0	16	20	
Other	23	13		1	6	34	21
<b>Totals</b>	<b>3,118</b>	<b>2,088</b>		<b>509</b>	<b>1,841</b>	<b>1,672</b>	<b>1,394</b>



## **C. VETERINARY AND LABORATORY PROGRAMS**

### **CANTERBURY PARK, SHAKOPEE, MINNESOTA**

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 monitored workouts, documented Veterinarian's list, controlled Lasix administration, and race day blood/urine analysis.

During the 1997 race season, 1,130 Thoroughbred, Quarterhorse and Standardbred horses entered the grounds of Canterbury Park. A medical record was made for each horse as it was entered to a race. Each medical record was updated whenever a Commission Veterinarian examined the horse. Physical exam findings, diagnostic procedures, and radiographic or ultrasonographic abnormalities were noted on the medical records.

More than 4,200 race day examinations were performed on horses entered to race. From these exams, 125 horses were found to be unfit and recommended to be scratched from racing. These horses, along with 127 with visible or endoscopic evidence of exercise induced pulmonary hemorrhage and an additional 42 horse noted to be lame or sore were placed on the Veterinarian's List and not allowed to race again until deemed sound by a Commission Veterinarian. The race performance of 37 of these horses were evaluated during and after training excise before removing them from the Vet's List.

As part of the race day controlled medication program 2,313 blood and urine samples were submitted to Industrial Laboratories, Denver, Colorado for analysis. Twenty three horses exceeded the 3.0 microgram threshold limit for phenylbutazone or metabolites. This number extrapolated to horse/race day, was consistent with prior years. Three other positive samples reported by the testing laboratory [Butorphanol (1) and Hydrocortisone (2)] were investigated and dealt with accordingly by the Board of Stewards.

The quality assurance program processed 18 known contaminated blood and urine samples. All samples were subsequently analyzed and reported correctly by Industrial Laboratories.

In 1997, over 800 horses racing at Canterbury Park received Lasix. No positive samples were found on any horse tested. A change in policy this year allowed the horses to receive Lasix in their stalls under the supervision of a Minnesota Racing Commission employee. While more labor intensive for the veterinary staff, this procedure was less stressful for the horse and widely received by the horsemen and women.

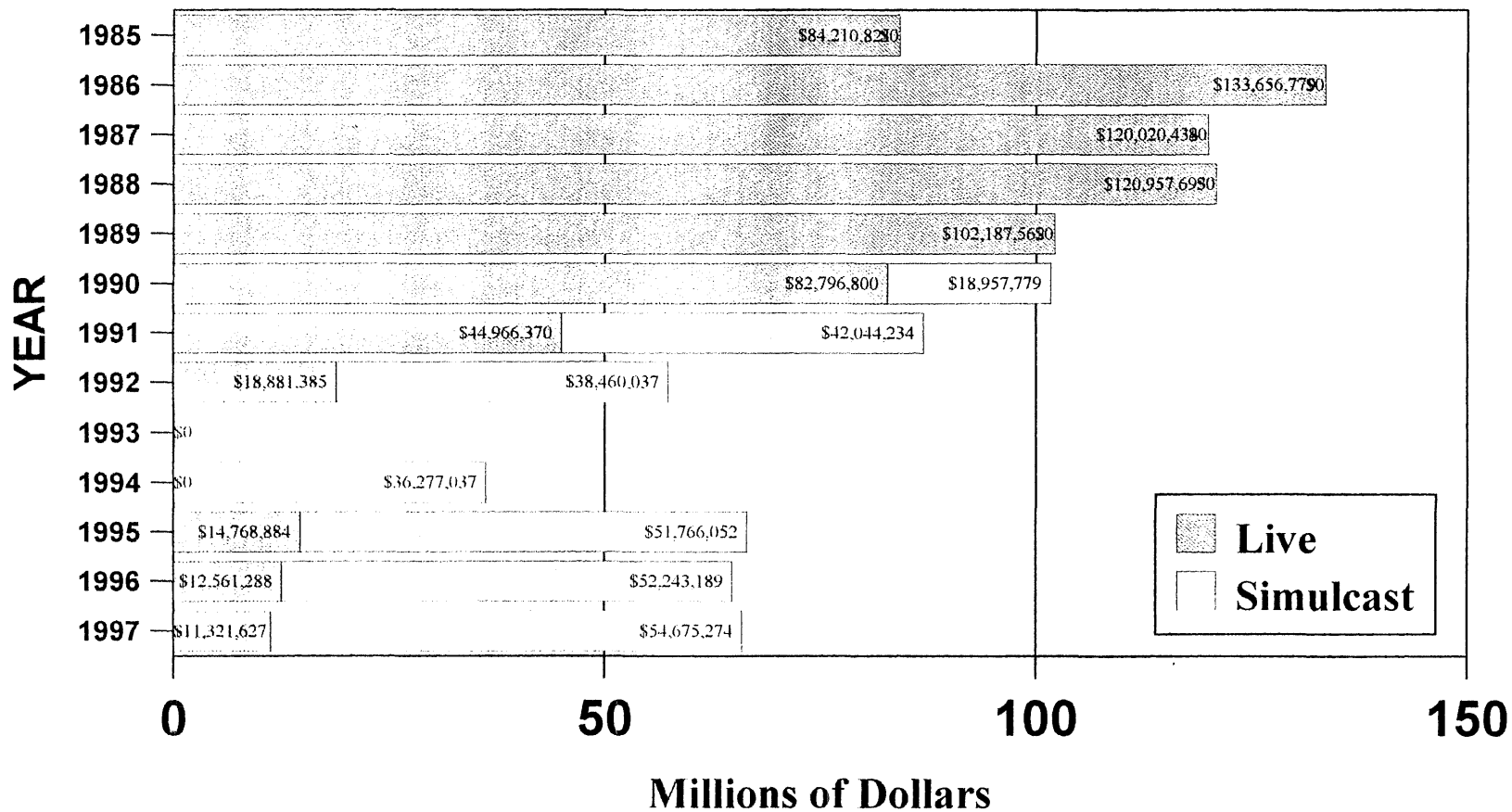
The horse ambulance was used less than 50 times during the 1997 racing season. Six horses suffered catastrophic racing related injuries and five catastrophic training related injuries. This resulted in a race related catastrophic incident rate of 0.13%, well below the accepted range of 0.15% to 0.5%.

## TRAVERSE COUNTY FAIR, WHEATON, MINNESOTA



The 1997 racing season marked the fourth year of veterinary services participation in Standardbred racing at Wheaton, Minnesota. The same veterinary policies and procedures used at Canterbury Park were followed at Wheaton. In 170 starts, 7 horses were scratched from racing for veterinary related problems. No catastrophic injuries occurred during the races. Eight horses raced under the Lasix program with no positive samples found. A total of 72 blood and urine samples were submitted to Industrial Laboratories, Denver, Colorado for analysis. No sample exceeded the 3.0 microgram threshold limit for phenylbutazone or metabolites; no other foreign contaminants were present. As in previous years, the veterinary services department provided tight controls, maintained the integrity of racing and ensure humane treatment of the horses.

## Canterbury Park Handle Calendar Years 1985 - 1996



**TABLE 3**  
**Pari-Mutuel Statistics For The 1997 Thoroughbred Simulcast Meets**  
**January 1, 1997 - December 31, 1997**

<b>STATE &amp; TRACK</b>	<b>HANDLE</b>	<b>TAKE - OUTS</b>	<b>PM-TAX*</b>	<b>STATE BREAK*</b>	<b>BETTOR RETURN</b>	<b># OF RACE DAYS</b>	<b>AVERAGE DAILY HANDLE</b>
<b>ARKANSAS</b>							
Oaklawn Park	\$1,385,786	\$266,858	\$16,011	\$549	\$1,168,707	55	\$25,196
<b>ARIZONA</b>							
Turf Paradise	\$1,145,210	\$246,200	\$14,772	\$431	\$638,335	116	\$9,873
<b>CALIFORNIA</b>							
Bay Meadows	\$2,019,759	\$375,565	\$22,534	\$775	\$1,111,824	107	\$18,876
Del Mar	\$2,146,267	\$400,159	\$24,010	\$706	\$1,686,881	43	\$49,913
Fairplex	\$319,265	\$63,732	\$3,824	\$97	\$255,178	16	\$19,954
Golden Gate	\$2,017,178	\$368,269	\$22,096	\$844	\$988,412	99	\$20,376
Hollywood Park	\$5,034,310	\$934,215	\$56,053	\$1,727	\$2,305,426	103	\$48,877
Los Alamitos	\$117,245	\$21,766	\$1,306	\$20	\$88,355	17	\$6,897
Santa Anita	\$5,137,709	\$952,422	\$57,145	\$1,766	\$3,293,188	113	\$45,466
<b>DELAWARE</b>							
Delaware Park	\$764,140	\$149,900	\$8,994	\$294	\$475,194	116	\$6,587
<b>FLORIDA</b>							
Calder Race Course	\$2,111,456	\$445,080	\$26,705	\$782	\$926,694	144	\$14,663
Gulfstream Park	\$1,910,113	\$371,308	\$22,278	\$689	\$1,445,058	63	\$30,319
Tampa Bay Downs	\$131,007	\$30,444	\$1,827	\$45	\$99,978	23	\$5,696
<b>ILLINOIS</b>							
Arlington Park	\$1,784,756	\$351,353	\$21,082	\$811	\$1,316,235	119	\$14,998
Hawthorne	\$1,123,205	\$222,943	\$13,377	\$455	\$55,998	81	\$13,867
Sportsman's Park	\$1,171,211	\$230,959	\$13,857	\$518	\$914,945	74	\$15,827
<b>IOWA</b>							
Prairie Meadows	\$765,957	\$151,201	\$9,072	\$489	\$660,606	53	\$14,452
<b>INDIANA</b>							
Hoosier Park	\$354,632	\$71,255	\$4,275	\$153	\$73,572	38	\$9,332

continued

**TABLE 3 Continued**  
**Pari-Mutuel Statistics For The 1997 Thoroughbred Simulcast Meets**  
**January 1, 1997 - December 31, 1997**

<b>STATE &amp; TRACK</b>	<b>HANDLE</b>	<b>TAKE- OUTS</b>	<b>PM-TAX*</b>	<b>STATE BREAK*</b>	<b>BETTOR RETURN</b>	<b># OF RACE DAYS</b>	<b>AVERAGE DAILY HANDLE</b>
<b>KENTUCKY</b>							
Churchill Downs	\$2,464,658	\$437,350	\$26,241	\$917	\$1,423,806	77	\$32,009
Ellis Park	\$831,878	\$167,769	\$10,066	\$304	\$671,304	55	\$15,125
Keeneland	\$697,880	\$123,491	\$7,409	\$307	\$371,371	32	\$21,809
Turfway Park	\$1,733,418	\$352,757	\$21,165	\$572	\$10,178,812	102	\$16,994
<b>LOUISIANA</b>							
Evangeline Downs	\$767,356	\$155,515	\$9,331	\$325	\$645,561	81	\$9,474
FairGrounds	\$1,535,835	\$305,311	\$18,319	\$564	\$882,267	114	\$13,472
Lousiana Downs	\$1,247,884	\$252,173	\$15,130	\$472	\$684,629	85	\$14,681
<b>MARYLAND</b>							
Pimlico Race Course	\$246,290	\$47,537	\$2,852	\$179	\$197,395	3	\$82,097
<b>MASSACHUSETTS</b>			\$0				
Suffolk Downs	\$312,601	\$72,761	\$4,366	\$123	\$231,918	42	\$7,443
<b>NEBRASKA</b>							
Columbus	\$49,990	\$10,552	\$633	\$26	\$38,090	20	\$2,500
Fonner Park	\$218,846	\$42,491	\$2,549	\$87	\$172,081	37	\$5,915
Lincoln State Fair	\$72,689	\$15,409	\$925	\$34	\$48,862	24	\$3,029
<b>NEW HAMPSHIRE</b>							
Rockingham Park	\$106,743	\$24,623	\$1,477	\$43	\$79,413	29	\$3,681
<b>NEW JERSEY</b>							
Meadowlands	\$521,710	\$102,723	\$6,163	\$214	\$417,368	67	\$7,787
Monmouth Park	\$683,496	\$130,658	\$7,840	\$358	\$548,020	72	\$9,493
<b>NEW YORK</b>							
Aqueduct	\$2,169,197	\$398,004	\$23,880	\$673	\$1,239,635	145	\$14,960
Belmont Park	\$1,654,789	\$306,083	\$18,365	\$493	\$1,097,849	83	\$19,937
Saratoga	\$818,386	\$151,820	\$9,109	\$260	\$738,343	37	\$22,119
<b>OHIO</b>							
Ohio 7 & 7	\$672,976	\$136,645	\$8,199	\$294	\$519,247	109	\$6,174

continued

**TABLE 3 Continued**  
**Pari-Mutuel Statistics For The 1997 Thoroughbred Simulcast Meets**  
**January 1, 1997 - December 31, 1997**

<b>STATE &amp; TRACK</b>	<b>HANDLE</b>	<b>TAKE - OUTS</b>	<b>PM-TAX*</b>	<b>STATE BREAK*</b>	<b>BETTOR RETURN</b>	<b># OF RACE DAYS</b>	<b>AVERAGE DAILY HANDLE</b>
<b>OKLAHOMA</b>							
Remington Park	\$840,140	\$161,193	\$9,672	\$368	\$403,992	109	\$7,708
<b>PENNSYLVANIA</b>							
Penn National	\$1,005,385	\$205,273	\$12,316	\$443	\$566,402	153	\$6,571
Philadelphia Park	\$498,872	\$106,474	\$6,388	\$192	\$242,933	98	\$5,091
<b>TEXAS</b>							
Lone Star Park	\$1,349,742	\$281,000	\$16,860	\$573	\$1,080,562	73	\$18,490
Retama Park	\$532,455	\$109,144	\$6,549	\$236	\$181,615	63	\$8,452
Sam Houston	\$1,040,489	\$216,018	\$12,961	\$406	\$650,893	95	\$10,953
<b>SINGLE RACES</b>	\$117,037	\$26,755	\$1,605	\$58	\$7,499		
<b>TOTALS</b>	<b>\$51,629,948</b>	<b>\$9,993,155</b>	<b>\$599,590</b>	<b>\$19,676</b>	<b>\$40,824,453</b>	<b>3185</b>	

**TABLE 4**  
**Pari-Mutuel Statistics For The 1997 Mixed Simulcast Meets**  
**January 1, 1997 - December 31, 1997**

<b>STATE &amp; TRACK</b>	<b>HANDLE</b>	<b>TAKE - OUTS</b>	<b>PM-TAX*</b>	<b>STATE BREAK*</b>	<b>BETTOR RETURN</b>	<b># OF RACE DAYS</b>	<b>AVERAGE DAILY HANDLE</b>
<b>IOWA</b>							
Prairie Meadows	\$290,272	\$57,577	\$3,455	\$137	\$232,113	38	\$7,639
<b>NEW MEXICO</b>							
Santa Fe	\$2,092	\$442	\$27	\$1	\$1,344	1	\$2,092
Ruidoso Downs	\$5,495	\$1,183	\$71	\$4	\$5,132	2	\$2,748
<b>TEXAS</b>							
Lone Star Park	\$141,821	\$29,556	\$1,773	\$196	\$3,769	5	\$28,364
<b>TOTALS</b>	<b>\$439,680</b>	<b>\$88,757</b>	<b>\$5,325</b>	<b>\$338</b>	<b>\$242,358</b>	<b>46</b>	

**TABLE 5**  
Pari-Mutuel Statistics For The 1997 Quarter Horse Simulcast Meets  
January 1, 1997 - December 31, 1997

<b>STATE &amp; TRACK</b>	<b>HANDLE</b>	<b>TAKE - OUTS</b>	<b>PM-TAX*</b>	<b>STATE BREAK*</b>	<b>BETTOR RETURN</b>	<b># OF RACE DAYS</b>	<b>AVERAGE DAILY HANDLE</b>
<b>OKLAHOMA</b>							
Remington Park	\$135,224	\$26,109	\$1,567	\$48	\$93,827	36	\$3,756
<b>TEXAS</b>							
Sam Houston	\$164,031	\$33,209	\$1,993	\$69	\$114,826	46	\$3,566
<b>TOTALS</b>	<b>\$299,255</b>	<b>\$59,318</b>	<b>\$3,559</b>	<b>\$117</b>	<b>\$208,653</b>	<b>82</b>	

**TABLE 6**  
Pari-Mutuel Statistics For The 1997 Standardbred Simulcast Meets  
January 1, 1997 - December 31, 1997

<b>STATE &amp; TRACK</b>	<b>HANDLE</b>	<b>TAKE - OUTS</b>	<b>PM-TAX*</b>	<b>STATE BREAK*</b>	<b>BETTOR RETURN</b>	<b># OF RACE DAYS</b>	<b>AVERAGE DAILY HANDLE</b>
<b>DELAWARE</b>							
Harrington Park	\$28,219	\$6,450	\$387	\$5	\$15,716	15	\$1,881
<b>ILLINOIS</b>							
Balmoral Park	\$247,178	\$48,715	\$2,923	\$117	\$122,709	94	\$2,630
Hawthorne	\$191,630	\$38,392	\$2,303	\$71	\$115,392	36	\$5,323
Maywood Park	\$250,914	\$50,823	\$3,049	\$112	\$77,999	90	\$2,788
Sportsmans Park	\$476,433	\$95,942	\$5,756	\$213	\$338,939	102	\$4,671
<b>MICHIGAN</b>							
Hazel Park	\$22,938	\$4,409	\$265	\$9	\$17,442	14	\$1,638
<b>NEW JERSEY</b>							
Meadowlands	\$639,063	\$124,113	\$7,447	\$138	\$134,446	124	\$5,154
<b>OHIO</b>							
Northfield Park	\$230,864	\$47,512	\$2,851	\$91	\$167,936	79	\$2,922
Scioto	\$32,965	\$6,726	\$404	\$14	\$27,013	36	\$916
<b>PENNSYLVANIA</b>							
Ladbroke@ Meadows	\$151,151	\$33,257	\$1,995	\$59	\$122,808	63	\$2,399
Pocono Downs	\$35,036	\$8,351	\$501	\$14	\$17,236	32	\$1,095
<b>TOTALS</b>	<b>\$2,306,391</b>	<b>\$464,689</b>	<b>\$27,881</b>	<b>\$840</b>	<b>\$1,157,636</b>	<b>685</b>	

TABLE 7

## Pari-Mutuel Statistics For The 1997 Live Standardbred Meets

August 23, 1997 - September 1, 1997

LOCATION & TRACK	HANDLE	TAKE - OUTS	PM-TAX*	STATE BREAK*	BETTOR RETURN	# OF RACES	AVERAGE DAILY HANDLE
TRAVERSE COUNTY Wheaton, MN	\$21,782	\$4,196	\$252	\$18	\$17,283	24	(2 days) \$10,891
CANTERBURY PARK Shakopee, MN	\$231,459	\$45,685	\$2,741	\$168	\$185,167	30	(3 days) \$77,153
<b>TOTALS</b>	<b>\$253,241</b>	<b>\$49,882</b>	<b>\$2,993</b>	<b>\$186</b>	<b>\$202,450</b>	<b>54</b>	
Traverse County Fair, August 23 - August 24, 1997 - Total Attendance 746				Canterbury Park, August 30 - September 1, 1997 - Total Attendance 8,907			

TABLE 8

## Pari-Mutuel Statistics For The 1997 Live Thoroughbred &amp; Quarterhorse Races

May 17, 1997 - August 17, 1997 (53 days)

	HANDLE	TAKE - OUTS	PM-TAX*	STATE BREAK*	BETTOR RETURN	# OF RACES	AVERAGE DAILY HANDLE
THOROUGHBRED	\$10,287,424	\$2,071,036	\$124,262	\$5,997	\$8,421,904	449	\$367,408
QUARTERHORSE	\$802,744	\$160,780	\$9,647	\$395	\$632,331	63	\$28,669
<b>TOTALS</b>	<b>\$11,090,168</b>	<b>\$2,231,816</b>	<b>\$133,909</b>	<b>\$6,392</b>	<b>\$9,054,235</b>	<b>512</b>	
Mixed Meet - May 17 - June 29, 1997		Thoroughbred Meet - July 3 - August 17, 1997			Total Attendance 311,879		

## 1997 TOTAL HANDLES

LIVE \$11,343,409  
SIMULCASTING \$54,675,274

## 1996 TOTAL HANDLES

LIVE \$12,561,288  
SIMULCASTING \$52,243,189

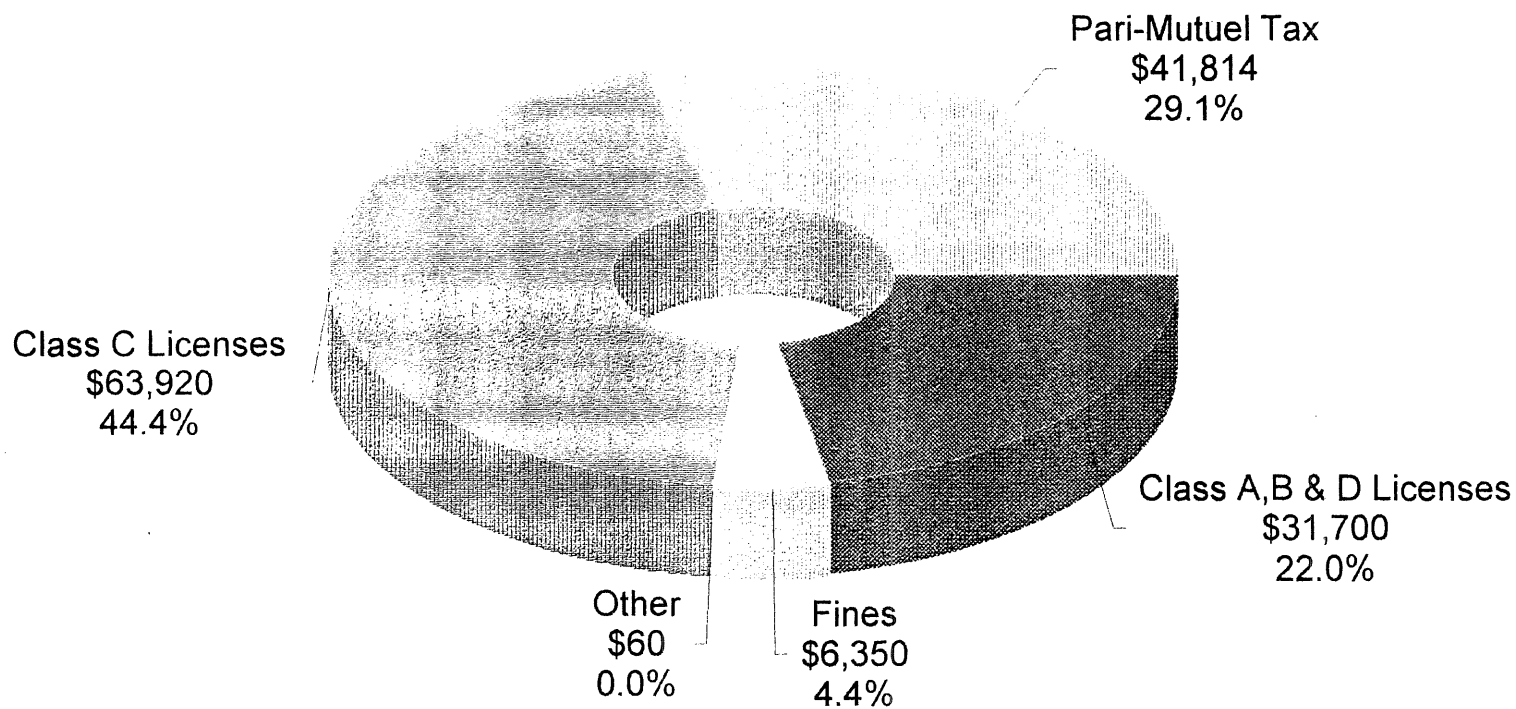
## Attendance

97 - 321,532  
96 - 322,805

\*Effective July, 1 1996 Laws 1996, Ch. 467, Section 1, Pari-Mutuel taxes is retained by the Class A and Class B licensee until the total take-out reaches \$12 million annually.

# Sources of Revenue

Total: \$143,844



# MINNESOTA RACING COMMISSION

## Financial Report Fiscal Years 1994 -- 1998

### APPROPRIATIONS

	<i><sup>1</sup> FY 1998</i>	FY 1997	FY 1996	FY 1995	FY 1994
General Fund Appropriation	\$371,000	\$370,000	\$370,000	\$200,000	\$366,000
Statutory Carry Forward	\$0	\$9,431	(\$9,431)	\$83,000	(\$83,000)
Supplemental Appropriation	\$0	<u>\$11,643</u>	<u>\$6,414</u>	<u>\$77,000</u>	<u>\$0</u>
	\$371,000	\$391,074	\$366,983	\$360,000	\$283,000

### EXPENSES

	<i>Forecast 1998</i>	Actual 1997	Actual 1996	Actual 1995	Actual 1994
Salaries, Benefits and Per Diem	\$258,954	\$235,271	\$255,324	\$211,721	\$201,370
Rents	\$1,000	\$797	\$16,571	\$19,043	\$21,110
Consultant Services	\$0	\$0	\$0	\$0	\$0
Professional/Technical Services	\$38,905	\$31,571	\$27,205	\$49,062	\$25,320
Data Processing and System Services	\$6,091	\$1,838	\$17,053	\$1,386	\$2,810
Communications	\$9,900	\$9,311	\$9,971	\$10,610	\$8,300
Travel	\$19,000	\$15,103	\$8,637	\$8,890	\$4,950
Supplies and Material	\$10,000	\$19,370	\$11,262	\$17,044	\$1,953
Equipment	\$7,250	\$18,641	\$10,650	\$0	\$0
Other	<u>\$19,900</u>	<u>\$15,906</u>	<u>\$10,310</u>	<u>\$22,775</u>	<u>\$17,187</u>
Total	\$371,000	\$347,808	\$366,983	\$340,531	\$283,000

### SUMMARY

	<i>Forecast 1998</i>	Actual 1997	Actual 1996	Actual 1995	Actual 1994
Appropriation Balance	\$0	\$43,266	\$0	\$19,469	\$0
Gross Revenues to General Fund		\$143,844	\$1,199,000	\$918,747	\$243,634
Net Return to General Fund (\$) <sup>2</sup>		(\$203,964)	\$832,017	\$578,216	(\$39,366)
Net To GF As % of Appropriation		-52.15%	226.72%	160.62%	-13.91%
Gross To GF As % of Appropriation		36.78%	326.72%	255.21%	86.09%

<sup>1</sup> Forecast data are in italics

<sup>2</sup> 1996 Statute returns first \$720,000 pari-mutuel tax (through FY 1999) & unredeemed tickets (through calendar year 1999) to Canterbury Park.

## **BREEDER'S FUND**

The primary purpose of the Minnesota Breeder's 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 earns one percent of the total handle wagered on live racing and 5.5% of the take-out from full-card simulcasting. Each breed has a separate fund. The Breeder's Fund monies are distributed to both purse supplements and awards. During the Live Mixed Meet only, Breeder's Fund monies earned from full-card simulcasts, regardless of breed racing, are apportioned between the Thoroughbred and Quarterhorses based on the number of live races for each breed for the period of the meet.

In 1997 the Breeder's Fund earned \$696,641 from live and simulcast racing. One hundred fifty individuals and partnerships received \$246,831 in thoroughbred, quarterhorse and standardbred award payments from monies available at the end of the live racing season. Purse supplement's paid out at pari-mutuel meets totaled \$472,813. Purse supplements of \$24,000 were also paid during non pari-mutuel harness racing at four county fair meets. The monies available for the 1997 supplements included carryovers from 1996.

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 Breeder's Fund program is deducted, twenty percent of the Breeder's Fund monies accumulated from live racing is 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, Breeder's Fund expanded and clarified the uses to which the Equine Grants portion of Breeder's Fund monies may be applied. One-half of the equine grant monies is dedicated specifically to equine research and education at the University of Minnesota's School 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 three grants from the fund during 1997:

- (1) The Minnesota Festival of Champions received \$12,000 to help fund education activities and dissemination of information regarding the running of a championship series of races for Minnesota-Bred, Thoroughbreds and Quarterhorses at Canterbury Park on August 17, 1997. By providing information about Minnesota's breeding, training and racing activities throughout the state, it greatly increases the public's awareness on the importance of the industry's social and economic impacts.

- (2) The College of Veterinary Medicine received \$527.50 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 Writers Project, Inc. received \$3800. The Writers Project based in Princeton, New Jersey completed its fifth year of bringing creative writer to the nation's racetracks for an up-close look at racing. The Canterbury Park workshop was the first for high school students. During the workshop students visited the backstretch area and the racing facility, met owners, trainers, jockeys, racetrack personnel, grooms and veterinarians, while learning how racehorses are cared for and brought to race readiness. They also received traditional classroom style instruction in creative writing, using their experiences at the racetrack as the basis for stories about horse and horse people as subjects for novels, short stories, poetry and essays.

Twenty-five students from around Minnesota participated in the two day project which was conducted on June 12 - 13, 1997. It has been proven that the writing workshops provide an excellent way to establish the many facets of the horse breeding and racing industry within the imaginations of writers and that as they pursue their writing careers, the favorable impressions they gained at Canterbury Park should become evident in their writing.

The Writers Project is supported by the American Quarterhorse Association, Carrizo Valley Ranch, Churchill Downs, Keeneland Association, The Jockey Club, Kentucky Thoroughbred Association, Mesa Ranch, National Turf Writers Association, Ruidoso Downs, Thoroughbred Racing Communications and Turf Publicists of America.

# 1997 Breeder's Fund Recap

## THOROUGHBRED

Total Earnings	\$653,510
Less Administrative Cost	\$13,470
= Net Breeders' Fund	\$640,040
Less 20% Equine Research	\$18,119
= Net Available Breeders' Fund	\$621,921
Less Purse Supplements	\$385,591
= Balance Remaining for Awards	\$236,330

## QUARTERHORSE

Total Earnings	\$14,046
Less Administrative Cost	\$1,890
= Net Breeders' Fund	\$12,156
Less 20% Equine Research	\$1,605
= Net Available Breeders' Fund	\$10,551
Less Purse Supplements	\$4,748
= Balance Remaining for Awards	\$5,803

## STANDARD BRED

Total Earnings	\$28,052
Less Administrative Cost	\$1,620
= Net Breeders' Fund	\$26,432
Less Equine Research	\$506
= Net Available Breeders' Fund	\$25,925
Less Purse Supplements	\$15,555
= Balance Remaining for Awards	\$10,370

## ARABIANS

Total Earnings	\$1,033
Less Administrative Cost	\$0
= Net Breeders' Fund	\$1,033
Less 20% Equine Research	\$0
= Net Available Breeders' Fund	\$1,033
Less Purse Supplements	\$568
= Balance Remaining for Awards	\$465

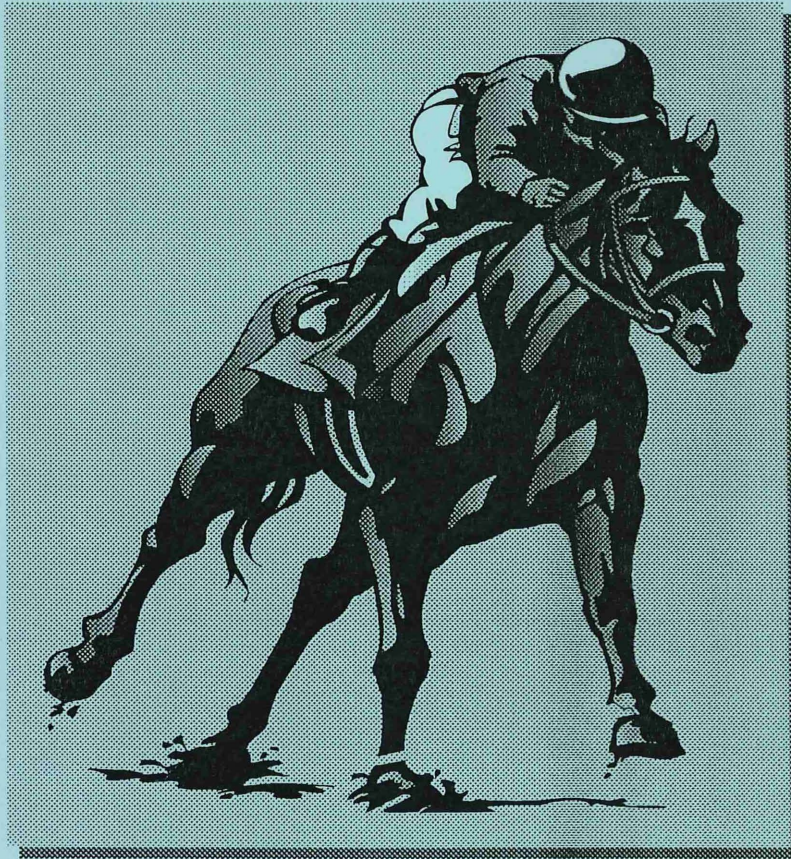
## 1997 HORSE REGISTRATIONS

Year	THOROUGHBRED				QUARTER HORSE				STANDARD BRED	
	Stallions	Mares	Foals		Stallions	Mares	Foals		Stallions	Foals
1985	54	543	403		1		106			17
1986	99	895	601		70	241	70		22	12
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		22	28
1990	118	1145	654		95	257	134		19	30
1991	104	966	611		88	214	112		11	18
1992	85	735	451		72	175	90		6	16
1993	63	444	242		51	131	81		5	15
1994	49	249	158		40	84	63		2	11
1995	46	267	178		41	98	59		2	*
1996	43	271	161		47	105	52		3	*
1997	41	206	135		47	90	50			*

\* 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.

### III. LEGISLATION

At this time, the Commission does not anticipate proposing policy legislation for consideration by the 1998 session of the Legislature.



Please notify the Racing Commission if you require this material to be made available in alternative format, i.e., large print, Braille, audio cassette, or other requested special format. The Racing Commission can be reached at 612-496-7950; 1-800-627-3529, (TTD/VOICE RELAY SERVICES).

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