

NORTH DAKOTA RACING COMMISSION
Live and Telephone Meeting
Bismarck Public Library, 500 N 5th Street, Room A, Bismarck, ND
Tuesday, May 7th, 2013 – 10:30 a.m. (central time)

Minutes

Present: Chairman Jim Ozbun, Commissioner Andy Maragos, Commissioner Tom Senftner, Commissioner Ray Trottier, Director Winston Satran, Legal Counsel Edward Erickson and Administrative Staff Officer Helen Tessmann. **Absent:** Commissioner Steve Hartman

Others Present: John J. Ford, David Bernsen, Pat Durick, Gail Hrdlicka, Scott Horst, Mike Cichy, Doug Demontigny, L.J. Harsche, Leon Glasser, John Bubel, Doug Plummer, Chris McConnell and Mike Schmitz,

Call to Order: Chairman Jim Ozbun called the meeting to order at 10:40 a.m.

Chairman Ozbun asked if there were any additions or corrections to the agenda and if none asked for a motion to approve the agenda.

A motion was made by Commissioner Maragos and seconded by Commissioner Trottier to accept the agenda as presented. All Commissioners voted aye and hearing no negative vote the motion passed.

Agenda

1. **Approval of Minutes – February 15, 2013 Meeting**
2. **New Simulcast Totalizator Provider License Application**
 - a. RWWA Racing and Wagering Western Australia – License Application
 - b. Attorney presentation explaining wagering concept.
3. **123Gaming, Inc.**
 - Administration rule change for tournament wagering
4. **Report on Final 2013 Race Dates**
 - a. Outdoor Recreation Development Association, Belcourt
 - b. Horse Race North Dakota, Fargo
5. **2013 Race Season**
 - a. Authorization to hire NDRC's state veterinarians, state stewards and licensing staff
 - b. Approval of the use of Industrial Laboratories
 - c. Authorization to approve Tote, Photo Finish and Officials hired by the tracks
 - d. Request tracks submit electrical and fire safety reports & proof of insurance
 - e. Request tracks submit Condition Books
 - f. Assign a committee to review the 2013 Condition Books
 - g. Consider out-of-state points/Breeders' Awards for 2013 harness racing
 - h. Authorization to hire Track Investigator
 - i. Jockey and Driver Safety Adoption of Rules – Waiver

6. **Outdoor Recreation Development Association**
 - a. Review draft of 2013 Condition Book
 - b. Hiring of Racing Secretary
7. **Horse Race ND – Report**
 - a. Report - financial obligations
 - 1) TIF repayment
 - 2) Economic Development- loan repayment
 - b. Report - newly elected Board
 - c. Report - the Horse Race ND and ND Horse Park Foundation meeting
 - d. Report - the Horse Race ND, ND Horse Park Foundation, city of Fargo and ND Racing Commission meeting
 - e. Report – on the NDSU negotiations on stable rent and race dates
8. **Purse Fund Applications – 2013 Grant Requests**

a. <u>ORDA – Grassroots</u>	\$ 2,500
b. <u>Horse Race North Dakota</u>	\$ 220,000
c. <u>ND Quarter Horse Racing Association</u>	\$ 25,000
d. <u>ND Thoroughbred Association</u>	\$ 10,000
e. <u>ND TOBA</u>	\$ 15,000
9. **Promotion Fund Applications – 2013 Grant Requests**

a. <u>ORDA – Grassroots Races</u>	\$ 2,500
b. <u>ND Quarter Horse Racing Association</u>	\$ 3,000
c. <u>ND Thoroughbred Association</u>	\$ 5,000
d. <u>ND TOBA</u>	\$ 2,500
e. <u>ORDA – Licensing Office Improvements</u>	\$ 500
10. **Director’s Reports**
 - a. Report on 2013 Legislative Issues
 - b. Medications Limits – RCI Model Rules Medication & Withdrawal Times
 - c. SocialGaming’s kiosk location report
 - d. Interpretation on horse registration – Robert Herman & Randy Schwartz
 - e. Report on Records Management Schedule
 - f. Guidelines for Track Licensing Applications
 - g. Hiring of new director
11. **ND Horsemen’s Council Issues or Recommendations**
12. **Any other business which may PROPERLY come before the commission**
13. **Adjournment**

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1. **Approval of Minutes – February 15th 2013 Meeting**

Previously, all Commissioners had received a copy of the minutes to review.

A motion was made by Commissioner Senftner and seconded by Commissioner Trottier to accept the minutes of February 15th, 2013 as presented. All Commissioners voted aye and hearing no negative vote the motion passed.

2. **New Simulcast Totalizator Provider License Application**
 - a. RWWA Racing and Wagering Western Australia – License Application
 - b. Attorney presentation explaining wagering concept.

A motion was made by Commissioner Trottier and seconded by Commissioner Maragos to approve the Simulcast Totalizator Provider License application for Racing and Wagering Western Australia (RWWA). Trottier-Y, Maragos-Y, Senftner-Y, and Ozbun-Y. Motion passed.

Director Satran introduced Mr. Pat Durick of Pearce & Durick of Bismarck, North Dakota who gave a presentation on the concept of the Tote-X and the North Dakota law. Mr. Durick stated that the concept is pari-mutuel wagering and that the concept can be considered for approval and addition to the North Dakota administrative law.

Mr. David Bernsen of Global Wagering Group, LLC requested the ND Racing Commission to consider a draft of a new administrative rule to legalize the Tote-X wagering system.

A motion was made by Commissioner Senftner and seconded by Commissioner Maragos to authorize the Director to proceed with developing an administrative rule change to legalize the Tote-X wagering system. Senftner-Y, Maragos-Y, Trottier-Y, and Ozbun-Y. Motion passed.

3. **123Gaming, Inc.**
- Administrative rule change for tournament wagering

Director Satran explained the progress of the administrative rule change relating to Pari-Mutuel Wagering Systems for the tournament wagering. The Public Hearing (on April 25th) was held to address the proposed changes to the N.D. Administrative Code article 69.5-01-08 with no comments. Written comments on the proposed rules were to be sent to the Racing Commission by May 6th and there were no comments submitted.

A motion was made by Commissioner Maragos and seconded by Commissioner Trottier to approve the rule change subject to the Attorney General's opinion. Maragos-Y, Trottier-Y, Senftner-Y, and Ozbun-Y. Motion passed.

4. **Report on Final 2013 Race Dates**
a. Outdoor Recreation Development Association, Belcourt

Doug Demontigny presented 8 race days of June 15, 16, 22, 23, 29, 30 and July 6 and 7 for the 2013 Outdoor Recreation Development Association's race meet. He also submitted a draft of the 2013 condition book.

A motion was made by Commissioner Senftner and seconded by Commissioner Maragos to accept the final race dates as presented for the Outdoor Recreation Development Association's 2013 race meet. Senftner-Y, Maragos-Y, Trottier-Y, and Chairman Ozbun-Y. Motion passed.

- b. Horse Race North Dakota, Fargo

Discussion was held regarding the race dates and monies available for a race meet in Fargo. Horsemen preferred two weekends with 4 race days versus one weekend with 3 race days.

A motion was made by Commissioner Maragos and seconded by Commissioner Senftner to approve race days of July 20, 21, 27 and 28th. Maragos-Y, Senftner-Y, Trottier-Y and Chairman Ozbun-Y. Motion passed.

Chris McConnell reported that Horse Race North Dakota would be meeting in the near future to finalize the 2013 race dates.

A motion was made by Commissioner Maragos and seconded by Commissioner Senftner to grant to Horse Race ND \$80,000 from the Promotion Fund and \$88,540 from the Purse Fund for two weekends of racing. Maragos-Y, Senftner-Y, Trottier-Y and Chairman Ozbun-Y. The motion passed.

5. **2013 Race Season**
a. Authorization to hire NDRC's state veterinarian, state stewards and licensing staff

A motion was made by Commissioner Senftner and seconded by Commissioner Trottier to give authorization to the Director to hire the State Veterinarian and State Stewards for the 2013 race seasons in Belcourt and Fargo. All commissioners voted aye and the motion passed.

- b. Approval of the use of Industrial Laboratories, Wheat Ridge, Colorado

A motion was made by Commissioner Trottier and seconded by Commissioner Maragos to give approval of the use of Industrial Laboratories for race day testing for the 2013 race seasons in Belcourt and Fargo. All commissioners voted aye and the motion passed.

- c. Authorization to approve Tote, Photo Finish and Officials hired by the tracks

A motion was made by Commissioner Senftner and seconded by Commissioner Maragos to give authorization to the Director to approve the Tote, Photo Finish and Officials hired by the tracks. All commissioners voted aye and the motion passed.

- d. Request tracks submit electrical and fire safety reports & proof of insurance

A motion was made by Commissioner Maragos and seconded by Commissioner Trottier to request tracks submit electrical and fire safety reports and proof of insurance. All commissioners voted aye and the motion passed.

- e. Request tracks submit Condition Books

Doug Demontigny amended the 2013 ORDA Condition Book to include the newly approved 2013 race dates of June 15, 16, 22, 23, 29, 30 and July 6 and 7.

Director Satran announced that he would assist and give a draft of a condition book to Horse Race ND for their use for 2013.

- f. Assign a committee to review the 2013 Condition Books

No committee was appointed. Responsibility designated to Racing Director.

- g. Consider out-of-state points/Breeders' Awards for 2013 harness racing

A motion was made by Commissioner Maragos and seconded by Commissioner Trottier to grant Breeders' Fund awards for out of state harness racing from July 20th – August 11th. Maragos-Y, Trottier-Y, Senftner-Y and Chairman Ozbun-Y. The motion passed.

- h. Authorization to hire Track Investigator

A motion was made by Commissioner Maragos and seconded by Commissioner Senftner to give authorization to the Director to hire a Track Investigator for the 2013 race season and approved up to \$5,000 from the Promotion Fund for payment of services. All commissioners voted aye and the motion passed.

- i. Jockey and Driver Safety Adoption of Rules – Waiver

Director Satran presented to the Commission the "Consideration of the RCI Rule – Jockey and Driver Safety – for Adoption for the 2013 Race Season".

A motion was made by Commissioner Maragos and seconded by Commissioner Senftner to adopt the RCI Rule for Jockey and Driver Safety for the 2013 race season as presented. All commissioners voted aye and the motion passed.

6. **Outdoor Recreation Development Association**

- 1) Review draft of 2013 Condition Book
- 2) Hiring of Racing Secretary

The Outdoor Recreation Development Association's 2013 Condition Book was presented at the meeting. Doug Demontigny reported that Carol Sivak had been hired as the 2013 Racing Secretary.

7. **Horse Race ND – Report**

- a. Report - financial obligations
 - 1) TIF repayment
 - 2) Economic Development- loan repayment
- b. Report - newly elected Board
- c. Report - the Horse Race ND and ND Horse Park Foundation meeting

- d. Report - the Horse Race ND, ND Horse Park Foundation, city of Fargo and ND Racing Commission meeting
- e. Report – on the NDSU negotiations on stable rent and race dates

No reports were given by Horse Race ND. Director Satran recommended that he and Chairman Ozbun meet with Horse Race North Dakota regarding the 2013 race meet.

8. Purse Fund Applications – 2013 Grant Requests

a. <u>ORDA – Grassroots</u>	\$ 2,500
b. <u>Horse Race North Dakota</u>	\$ 220,000
c. <u>ND Quarter Horse Racing Association</u>	\$ 25,000
d. <u>ND Thoroughbred Association</u>	\$ 10,000
e. <u>ND TOBA</u>	\$ 15,000

John Ford announced that Bet America would provide Purse supplements to run the second weekend in Fargo as follows:

- \$5,000 to ND Quarter Horse Racing Association
- \$5,000 to ND Thoroughbred Association
- \$2,500 to ND TOBA
- \$2,500 to ORDA for Grassroots races.

David Bernsen announced that Tote-X would provide to Outdoor Recreation Development Association Purse supplements as follows:

- \$2,500 to ORDA for Grassroots
- \$7,500 to ORDA for Thoroughbred Races
- \$5,000 to ND Thoroughbred Association

Director Satran and the Commission thanked John Ford and David Bernsen for their support to racing in North Dakota.

9. Promotion Fund Applications – 2013 Grant Requests

a. <u>ORDA – Grassroots Races</u>	\$ 2,500
b. <u>ND Quarter Horse Racing Association</u>	\$ 3,000
c. <u>ND Thoroughbred Association</u>	\$ 5,000
d. <u>ND TOBA</u>	\$ 2,500
e. <u>ORDA – Licensing Office Improvements</u>	\$ 500

A motion was made by Commissioner Maragos and seconded by Commissioner Trottier to grant payment from the Promotion Fund to ORDA – Grassroots races \$2,500, ND Quarter Horse Racing Association \$3,000, ND Thoroughbred Association \$5,000, ND TOBA \$2,500, and to ORDA – Licensing Office Improvements for \$500. No payments to be made from the Promotion Fund until dollars where available in the fund. Maragos-Y, Trottier-Y, Senftner-Y and Chairman Ozbun-Y. The motion passed.

Scott Horst on behalf of the ND Thoroughbred Association generously offered that the grant to ND Quarter Horse Racing Association and the ND Thoroughbred Association be equal at \$4,000 each.

A motion was made by Commissioner Senftner and seconded by Commissioner Trottier to amend the previous motion that instead of granting \$3,000 to ND Quarter Horse Racing Association and \$5,000 to the ND Thoroughbred Association to grant each \$4,000 from the Promotion Fund. Senftner-Y, Trottier-Y, Maragos-Y and Chairman Ozbun-Y. The motion passed.

10. Director's Reports

- a. Report on 2013 Legislative Issues

Director Satran reported on the results of the 2013 legislative issues and thanked Commission Maragos for his assistance during the Legislative Session.

Revised pari-mutuel tax law provisions were amended and passed by the ND State Legislature and will go into effect July 1, 2013.

b. Medications Limits – RCI Model Rules Medication & Withdrawal Times

A motion was made by Commissioner Maragos and seconded by Commissioner Trottier to adopt the rules set by RCI on medication limits pursuant to ND Administrative Rule 69.5-01-02-01 General Authority, Subsection 2 to permit the RCI Rules on Medication and Withdrawal Times to be used during the 2013 race season.. Maragos-Y, Trottier-Y, Senftner-Y and Chairman Ozbun-Y. The motion passed.

c. SocialGaming's kiosk location report

Director Satran reported on the successful installation of kiosks at various locations in the state by SocialGaming, Inc.

d. Interpretation on horse registration – Robert Herman & Randy Schwartz

A motion was made by Commissioner Maragos and seconded by Commissioner Trottier to go into Executive Session for discussion on horse registrations for attorney consultation as recommended by Legal Counsel, Edward Erickson. Maragos-Y, Trottier-Y, Senftner-N, and Chairman Ozbun-Y. The Motion passed.

Chairman Ozbun read the Executive Session Format as presented by Legal Counsel.

A motion was made by Commissioner Maragos and seconded by Commissioner Senftner to award 2012 Breeders Awards to Robert Herman and Randy Schwartz as presented by the Breeders' Administrator. Maragos-Y, Senftner-Y, Trottier- Y and Chairman Ozbun-Y. The motion passed.

Chairman Ozbun recommended a rule change be drafted to clarify the horse registration requirements and reported back to the Commission.

e. Report on Records Management Schedule

Director Satran thanked Administrative Staff Officer, Helen Tessmann, for her dedicated hard work in the Records Management Project of purging old records.

f. Guidelines for Track Licensing Applications

Director Satran announced a letter would be sent out shortly to the track participants with guidelines for completing the license applications.

g. Hiring of new director

Commissioner Senftner commended Winston Satran on his great leadership as Director for the ND Racing Commission, his interpretation of the law, understanding of horse racing, and for promoting racing in North Dakota.

A motion was made by Commissioner Senftner and seconded by Commissioner Trottier to hire Gunner LaCour as Director at \$6,250 per month with benefits and to begin June 2013. Senftner-Y, Trottier-Y, Maragos-N, Chairman Ozbun-Y. The motion passed.

11. **ND Horsemen's Council Issues or Recommendations**

No report.

12. **Any other business which may PROPERLY come before the commission**

No other business.

13. **Adjournment**

Chairman Ozbun requested the meeting be adjourned.

A motion was made by Commissioner Maragos and was seconded by Commissioner Trottier to adjourn the meeting. All Commissioners voted aye and hearing no negative vote the motion passed.