



NORTH DAKOTA RACING COMMISSION

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Gunner laCour

Director

NORTH DAKOTA RACING COMMISSION

NDRC Meeting

State Capitol Building, Fort Union Room

600 East Boulevard Avenue, Bismarck, ND

Thursday, February 22, 2018 – 10:30 a.m. (Central Time)

Minutes

Present: Chairman Mary Ann Durick, Commissioner Tim Kreidt, Legal Counsel Edward Erickson, Director Gunner laCour, and Administrative Assistant Gail Allensworth

By Phone: Commissioner Shane Martin and Commissioner John Hanson

Not Present: Commissioner Dave Piepkorn

Others Present: Blaine DeCoteau, Allison DeCoteau, Doug DeMontigny, Joyce DeMontigny, John Bubel, Wayne Slater, Mike Schmitz, Ethan Martin, Tyrrell DeCoteau, Lynn Gourneau, Kevin Gefroh, Leon Glasser, Avery Erfle, and Ron Klein

Call to Order: Chairman Durick called the meeting to order at 10:30 a.m.

AGENDA

1. **Approval of Minutes – November 14 & December 15, 2017 Meetings**
2. **Commission Financial Review**
3. **Promotion & Purse Fund Requests**
 - a. Conditions for Promotion & Purse Funding Applicable to Tracks
 - b. ORDA (Chippewa Downs)
 - c. HRND (ND Horse Park)
 - d. Jockey Incentives
 - e. Horsemen's Associations (ND Thoroughbred Association & ND Quarter Horse Racing Association)
 - f. Other Promotion Requests
 - 1) Horsemen's Banquet
 - 2) Licensing Staff
 - 3) Association of Racing Commissioners International (ARCI) Dues
 - 4) Lutheran Social Services (LSS)
 - 5) Bowman Second Chance Thoroughbred Adoption

4. 2018 Race Season Director Authorizations
5. 2017 Breed Fund Statistics
6. Administrative Rules Change
7. 2017 Meet Complaints
 - a. Duane Salvino
 - b. Larris Delorme
8. Status of Horse Park Special Assessments
9. Sports Betting
10. Legislative Relations
11. Date of Next Meeting
12. Any other business which may properly come before the Commission
13. Adjournment

1. Approval of Minutes – November 14 & December 15, 2017 Meetings

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

A motion was made by Commissioner Martin and seconded by Commissioner Kreidt to accept the minutes of November 14 and December 15, 2017 as presented. All Commissioners voted aye and hearing no negative vote the motion passed.

2. Commission Financial Review

Director laCour presented an overview of the Racing Commission's due to the budget cuts for the current biennium with emphasis on the three special funds with regards to the funding requests for the upcoming race meets.

No motions needed.

3. Promotion & Purse Fund Requests

- a. Conditions for Promotion & Purse Funding Applicable to Tracks
- b. ORDA (Chippewa Downs)
- c. HRND (ND Horse Park)
- d. Jockey Incentives
- e. Horsemen's Associations (ND Thoroughbred Association & ND Quarter Horse Racing Association)
- f. Other Promotion Requests
 - 1) Horsemen's Banquet
 - 2) Licensing Staff
 - 3) Association of Racing Commissioners International (ARCI) Dues
 - 4) Lutheran Social Services (LSS)
 - 5) Bowman Second Chance Thoroughbred Adoption
- a. Conditions for Promotion & Purse Funding Applicable to Tracks

Director laCour gave the current totals in the Breeders, Promotion and Purse Funds. He asked the Commissioners that any Promotion Fund requests that are awarded have the same conditions as last year which include withholding 10% of the funds until the Racing Commission receives copies of expenses for the meet from the racetracks.

Commissioner Martin dropped off the conference call.

A motion was made by Chairman Durick and seconded by Commissioner Kreidt to include the additional conditions from last year to the Promotion Fund requests for 2018 which withholds 10% of the funds until the Racing Commission receives copies of expenses for the meet from the racetracks. Durick –Y, Kreidt –Y, and Hanson –Y. Motion passed.

b. ORDA (Chippewa Downs)

Director laCour reported that the Commission received a Promotion Fund request from ORDA for Chippewa Downs in the amount of \$250,000 and a Purse Fund request from ORDA in the amount of \$192,000 for the 2018 race season. Director laCour requested that the Commission approve the funding for ORDA in the amounts of \$200,000 from the Promotion Fund and \$120,000 from the Purse Fund.

Commissioner Martin back on the conference call.

A motion was made by Commissioner Kreidt and seconded by Chairman Durick to approve the funding for ORDA in the amount of \$200,000 from the Promotion Fund and \$120,000 from the Purse Fund. Kreidt –Y, Durick –Y, Hanson –Y, and Martin –Y. Motion passed.

Commissioner Martin left the call.

c. HRND (ND Horse Park)

Director laCour reported that the Commission received a Promotion Fund request from the Horse Race ND in the amount of \$225,000 and a Purse Fund request from HRND in the amount of \$115,000 for the 2018 race season. Director laCour requested that the Commission approve the funding for HRND in the amounts of \$200,000 from the Promotion Fund and \$120,000 from the Purse Fund.

A motion was made by Commissioner Hanson and seconded by Commissioner Kreidt to approve the funding for HRND in the amount of \$200,000 from the Promotion Fund and \$120,000 from the Purse Fund. Hanson –Y, Kreidt –Y, and Durick –Y. Motion passed.

d. Jockey Incentives

Director laCour recommended that \$5,000 from the Promotion Fund be provided to ORDA and HRND to support the jockey incentives at the racetracks. Both racetracks will match the funds.

A motion was made by Commissioner Kreidt and seconded by Chairman Durick to approve \$5,000 from the Promotion Fund to both ORDA and HRND to support the jockey incentives at the racetracks. Kreidt –Y, Durick –Y, and Hanson –Y. Motion passed.

e. Horsemen's Associations (ND Thoroughbred Association & ND Quarter Horse Racing Association)

Director laCour reported that the Commission received Promotion Fund requests from the ND Quarter Horse Racing Association and the ND Thoroughbred Association. Director laCour recommended awarding \$7,500 to each Association. These funds can be used towards the stallion auction, point system, or other effort aimed at increasing membership and participation at each group's discretion. The Associations need to report back to the Commission on how the funds were used.

A motion was made by Commissioner Hanson and seconded by Commissioner Kreidt to award funding \$7,500 from the Promotion Fund to the NDQHRA and \$7,500 to the NDTA. Hanson –Y, Kreidt –Y, and Durick –Y. Motion passed.

Director laCour reported that the Commission received Purse Fund requests from the ND Quarter Horse Racing Association and the ND Thoroughbred Association to support association races at Chippewa and the Horse Park in 2018. Director laCour made the recommendation of awarding \$15,000 from the Purse Fund for both NDQHRA and NDTA.

A motion was made by Commissioner Kreidt and seconded by Chairman Durick to award funding \$15,000 from the Purse Fund to both NDQHRA and NDTA. Kreidt –Y, Durick –Y, and Hanson –Y. Motion passed.

- f. Other Promotion Requests
1) Horsemen's Banquet

Director laCour stated that there was a Promotion Fund request from the ND Thoroughbred Association to fund the Horsemen's Banquet. Director laCour recommended awarding \$4,000 from the Promotion Fund to host the horsemen's banquet at the ND Horse Park during this year's race meet as it was done in 2017.

A motion was made by Commissioner Kreidt and seconded by Commissioner Hanson to approve funding from the Promotion Fund in the amount of \$4,000 to the NDTA to fund the Horsemen's Banquet at the North Dakota Horse Park. Kreidt –Y, Hanson –Y, and Durick –Y. Motion passed.

- 2) Licensing Staff

Director laCour asked for authority to pay the Licensing Staff expenses for the racetrack meets from the Promotion Fund due to the budget cuts.

A motion was made by Commissioner Hanson and seconded by Commissioner Kreidt to authorize Director laCour to pay the Licensing Staff expenses from the Promotion Fund. Hanson -Y, Kreidt -Y, and Durick -Y. Motion passed.

- 3) Association of Racing Commissioners International (ARCI) Dues

Director laCour asked for authorization to pay the dues to the Association of Racing Commissioners International (ARCI) from the Promotion Fund due to the budget cuts.

A motion was made by Commissioner Kreidt and seconded by Chairman Durick to authorize Director laCour to pay the dues to ARCI from the Promotion Fund. Kreidt – Y, Durick -Y, and Hanson -Y. Motion passed.

- 4) Lutheran Social Services (LSS)

Director laCour asked for authorization to award a Promotion Fund Grant in the amount of \$6,000 to Lutheran Social Services for their Gamblers Choice program to be utilized in their e-learning curriculum.

A motion was made by Commissioner Hanson and seconded by Commissioner Kreidt to award a Promotion Fund Grant to Lutheran Social Services in the amount of \$6,000 for their Gamblers Choice Program. Hanson -Y, Kreidt -Y, and Durick – Y. Motion passed.

- 5) Bowman Second Chance Thoroughbred Adoption

Director laCour asked for authorization to award \$5,000 from the Promotion Fund to Bowman Second Chance Thoroughbred Adoption.

A motion was made by Commissioner Hanson and seconded by Chairman Durick to award \$5,000 from the Promotion Fund to Bowman Second Chance Thoroughbred Adoption. Hanson -Y, Durick -Y, and Kreidt -Y. Motion passed.

4. 2018 Race Season Director Authorizations

Director laCour asked for authorization to:

- hire the State Veterinarian, State Stewards, Compliance Investigator and licensing staff;
- use Industrial Labs for testing services as the main lab;
- use the labs listed on the RMTC provided list for split sample testing services;
- approve Tote, Photo finish and Official's contracts;
- require the tracks to submit electrical and fire safety reports, and proof of insurance;
- require that a bond or letter of credit be provided for pari-mutuel wagering;
- approve the condition books, ND-bred program and first race time;
- approve the starting gate, timing device, and claim box;
- require the inclusion of Jockey and Driver Safety Rules in the condition books.

Director laCour asked that the Commission approve all as a group instead of individually.

A motion was made by Commissioner Kreidt and seconded by Chairman Durick to approve Director laCour to move ahead with all authorizations for the 2018 race season. Kreidt -Y, Durick -Y, and Hanson -Y. Motion passed.

5. 2017 Breed Fund Statistics

Director laCour provided an update on the Breeders Fund regarding registrations by breed, and awards for in-state and out-of-state.

No motions needed.

6. Administrative Rules Change

Director laCour asked for authorization to make Administrative Rules change to 69.5-01-09-10(5)(b) to revise the conflicting language of the Breeders Fund from "owner of the dam" to "breeder" (owner of the dam at time of foaling). The Director also asked that the cost of publication be made from the Breeders Fund for the cost of this rule change.

A motion was made by Commissioner Kreidt and seconded by Chairman Durick to authorize Director laCour to make the Administrative Rule change to 69.5-01-09-10(5)(b) to revise the conflicting language and to make payment for the cost of publication from the Breeders Fund for this rule change. Kreidt -Y, Durick -Y, and Hanson -Y. Motion passed.

Director laCour asked for authorization to moved forward with the Administrative Rule changes regarding tournament wagering. These rules were approved in a variance at the November 2017 meeting so they are in effect and there are not any changes.

A motion was made by Commissioner Kreidt and seconded by Commissioner Hanson to give Director laCour authorization to move forward with the Administrative Rule change regarding tournament wagering. Kreidt -Y, Hanson -Y, and Durick -Y. Motion passed.

Director laCour asked for authorization to move forward with the Administrative Rule changes regarding the requirement of Site Operators to have a bond. The wording would be changed from "shall" to "may" if the statutes allow this.

A motion was made by Commissioner Hanson and seconded by Commissioner Kreidt to authorize Director laCour to move forward with the Administrative Rule changes with bond requirements for Site Operators. Hanson -Y, Kreidt -Y, and Durick -Y. Motion passed.

7. 2017 Meet Complaints

- a. Duane Salvino
- b. Larris Delorme

Director laCour recommended sending these matters to Civil Litigations to pursue a licensure case against these individuals.

A motion was made by Commissioner Hanson and seconded by Commissioner Kreidt to approve sending this to Civil Litigations to pursue a licensure case against Duane Salvino and Larris Delorme. Hanson -Y, Kreidt -Y, and Durick -Y. Motion passed.

Commissioner Hanson left the call.

8. Status of Horse Park Special Assessments

Director laCour stated that there is nothing new to report on the subject. However, emphasis was placed on why all parties involved need to keep in contact with the City of Fargo to resolve this issue.

No motions needed.

9. Sports Betting

Director laCour stated that there have been recent arguments before the U.S. Supreme Court regarding the constitutionality of laws prohibiting sports wagering nationally. The general consensus has been that the arguments and responses of the Justices fell heavily in favor of a likely repeal of these laws. The result could be that the opinion, likely issued this June, will allow each state to legalize (or not) sports wagering as they see fit. Director laCour has contacted the ND Attorney's General office regarding this but there is nothing, as of yet. There is nothing to do until the new Legislative session in January. This would affect historic horse racing as well.

No motions needed.

10. Legislative Relations

Director laCour provided an update to legislative relations and what is the best way to work with the Legislature.

No motions needed.

11. Date of Next Meeting

The date of the next meeting is Thursday, May 3.

12. Any other business which may properly come before the Commission

13. Adjournment

Meeting was adjourned at 12:38 p.m.