

North Dakota Racing Commission Meeting
State Capitol Building, Peace Garden Room
600 East Boulevard Avenue, Bismarck, ND
Thursday, November 17, 2022 – 10:30 a.m., Central Time

701-328-7850, meeting ID: 16104798#

Minutes

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

Present: Chairman John Hanson, Commissioner Tracy Hanson, Legal Counsel Dave Schaibley and Josh Amundson, Executive Director Jack Schulz, Administrative Officer Gail Allensworth, and Safety Steward/Investigator Brian Burkett

On the Phone: Commissioner Jessica Benson and Commissioner Mike Nason

Not Present: Commissioner Richard LaFromboise

Others Present: LaRoy Kingsley, Jason King, Scott Horst, Robert Wilson, Leigh Backhaus, James Pettie, Hugh Drexler, Jay Alsop, Jamie Herman, John Bubel, Janelle Mitzel, Doug Plummer, and Avery Erfle

Chairman Hanson asked if there were any additions or corrections to the agenda. Exec. Director Schulz stated that item #2 would be moved to the February 2023 meeting.

AGENDA

1. **Approval of Minutes – July 27 & 29, 2022 Meeting Minutes**
2. **Presentation**
3. **KK Bold Update**
4. **Reduced Licensing Fees for 2023**
5. **License Renewals for 2023**
 - a. **Service Providers/ADWs**
 1. 123 Gaming, Inc.
 2. Apple iSports Inc.
 3. Colossusbets, Ltd.
 4. eBet Technologies, Inc.
 5. The Elite Turf Club, N.V.
 6. ELS Gaming, LLC
 7. Game Play Network, Inc.
 8. Hartlane, LLC

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9. Horse Racing Labs, LLC
10. Lien Games Racing, LLC
11. MegaTote, LLC
12. PariBet, LLC
13. PlayUp Interactive ND Inc.
14. Skyland Pacific, LLC
15. StableDuel, LLC
16. WatchandWager.com, LLC

b. **Totalizator Providers**

1. AmTote International, Inc.
2. Exacta Systems LLC
3. The Global Tote Ltd.
4. Global Tote US, LLC
5. I-Neda Ltd.
6. Las Vegas Dissemination Company, Inc.
7. Sky Racing World, LLC
8. United Tote Company

c. **Site Operators**

1. Development Homes, Inc.
2. Horse Race North Dakota
3. ND Quarter Horse Racing Association
4. ND Thoroughbred Association
5. Turtle Mountain Band of Chippewa (Sky Dancer Casino)

6. **Live Race Meet & Grant Reports**

- a. ORDA
- b. Horse Race ND
- c. NDQHRA
- d. NDTA
- e. Exec. Director
 1. Trident Network Services (Photo Finish & Video) Trident Video
 2. Racetrack Offices
 3. Purse Funding

7. **2023 Live Race Date Requests**

- a. ORDA (Chippewa Downs)
- b. Horse Race ND (ND Horse Park)

8. **Financial Update**

9. **Breeders Fund Report**

- a. 2021 Breed fund error
- b. New Breed Fund Forms

10. **2023 Executive Director Authorizations**

11. **Promotion Fund Request** - Dusty Way Chapel

12. **Presentation on 2023 Legislative Bills**

13. **2023 Internship Program**

14. **Scheduling 2023 Commission Meetings**

- a. February 16, May 18, August 17, November 16
- b. Location

15. **Any other business which may properly come before the Commission**

16. **Adjournment**

1. **Approval of Minutes – July 27 & 29, 2022 Meetings**

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

A motion was made by Commissioner Hanson and seconded by Commissioner Nason to accept the minutes of July 27 & 29, 2022, as presented. All Commissioners voted aye and hearing no negative vote, the motion passed.

3. **KK Bold Update**

Legal Counsel Dave Schaibley introduced the new Legal Counsel Josh Amundson, who will now work with the Racing Commission.

Legal Counsel Dave Schaibley recommended that the Racing Commission revise the scope of the current contract with KK Bold.

LaRoy Kingsley spoke to the Commissioners. The Commissioners asked questions which Mr. Kingsley answered.

No motions needed.

4. **Reduced Licensing Fees for 2023**

Executive Director Schulz made a recommendation to offer the reduced licensing fees for 2023 as the Commission has done in the past. There was discussion and the decision was made to put this on hold until the February 2023 meeting.

No motions needed.

5. **License Renewals for 2023**

a. **Service Providers/ADWs**

1. 123 Gaming, Inc.
2. Apple iSports Inc.
3. Colossusbets, Ltd.
4. eBet Technologies, Inc.
5. The Elite Turf Club, N.V.
6. ELS Gaming, LLC
7. Game Play Network, Inc.
8. Hartlane, LLC
9. Horse Racing Labs, LLC
10. Lien Games Racing, LLC
11. MegaTote, LLC
12. PariBet, LLC
13. PlayUp Interactive ND Inc.
14. Skyland Pacific, LLC
15. StableDuel, LLC
16. WatchandWager.com, LLC

Executive Director Schulz made the recommendation to approve all the Service Provider/ADW license applications for 2023.

A motion was made by Commissioner Nason and seconded by Commissioner Hanson to approve the Service Provider/ADW license applications for 2023. Nason – Y, T. Hanson – Y, J. Hanson – Y, and Benson – Y. Motion passed.

b. **Totalizator Providers**

1. AmTote International, Inc.
2. Exacta Systems LLC

3. The Global Tote Ltd.
4. Global Tote US, LLC
5. I-Neda Ltd.
6. Las Vegas Dissemination Company, Inc.
7. Sky Racing World, LLC
8. United Tote Company

Executive Director Schulz made the recommendation to approve all the Totalizator Provider license applications for 2023.

A motion was made by Commissioner Nason and seconded by Commissioner Hanson to approve the Totalizator Provider license applications for 2023. Nason – Y, T. Hanson – Y, J. Hanson – Y, and Benson – Y. Motion passed.

c. Site Operators

1. Development Homes, Inc.
2. Horse Race North Dakota
3. ND Quarter Horse Racing Association
4. ND Thoroughbred Association
5. Turtle Mountain Band of Chippewa (Sky Dancer Casino)

Executive Director Schulz made the recommendation to approve all the Site Operator license applications for 2023.

A motion was made by Commissioner Nason and seconded by Commissioner Hanson to approve the Site Operator license applications for 2023. Nason – Y, T. Hanson – Y, J. Hanson – Y, and Benson – Y. Motion passed.

6. Live Race Meet & Grant Reports

a. ORDA

Jamie Herman from ORDA gave a report on the 2022 race meet at Chippewa Downs. The Commissioners asked questions which Mr. Herman answered.

b. Horse Race ND

Hugh Drexler from HRND gave a report on the 2022 race meet at the ND Horse Park. The Commissioners asked questions which Mr. Drexler answered.

c. NDQHRA

Leon Glasser from the ND Quarter Horse Racing Association was unable to attend the meeting. Mr. Glasser will present his report at the February 2023 meeting.

d. NDTA

Scott Horst from the ND Thoroughbred Association gave a report on the 2022 race meets. The Commissioners asked questions which Mr. Horst answered.

e. Exec. Director

1. Trident Network Services (Photo Finish & Video) Trident Video

Executive Director Schulz provided information/results regarding photo finish at both racetracks. The photo finish results at Chippewa Downs were good. Photo finish was not provided by Trident at Chippewa Downs. The Trident results at the ND Horse Park were not good. Hugh Drexler of HRND stated he is working with them and will provide recommendations at the February 2023 meeting.

No motions needed.

2. Racetrack Offices

Executive Director Schulz explained the Racing Commission office situation at both racetracks since the Stewards don't have a separate office from the Licensing staff and they need separate offices. It was asked that the racetracks address the situation.

No motions needed.

3. Purse Funding

Executive Director Schulz explained that this item was in the wrong spot on the agenda.

Brief break at 11:57 am. Meeting resumed at 12:09 pm.

7. 2023 Live Race Date Requests

a. ORDA (Chippewa Downs)

Executive Director Schulz explained that the race dates requested previously from both racetracks have changed.

Jamie Herman with ORDA stated that they were requesting 10 days and would like 5 weekends or at least 8 days of racing beginning in June and the first weekend of July. The dates are June 3 & 4, 10 & 11, 17 & 18, 24 & 25, and July 1 & 2.

b. Horse Race ND (ND Horse Park)

Hugh Drexler with HRND explained that they could not switch dates with Chippewa Downs in 2023 as previously discussed due to stabling capabilities. Mr. Drexler stated that HRND was requesting 4 weekends in July but will run 3 weekends and will coordinate with ORDA.

A motion was made by Commissioner Nason and seconded by Commissioner Benson to accept the dates as requested for ORDA (Chippewa Downs) and HRND (ND Horse Park). Nason – Y, Benson – Y, J. Hanson – Y, and T. Hanson – N. Motion passed.

8. Financial Update

Executive Director Schulz provided an update on the ADW handle for the current biennium and how it translates to taxes paid into the Racing Commission and the balances in the Breeders, Promotion and Purse Funds.

No motions needed.

9. Breeders Fund Report

a. 2021 Breed fund error

Executive Director Schulz explained that the 2021 Breed Fund Audit revealed an error in calculating the out-of-state results. One win was calculated as a placing which resulted in an underpayment to Steve Leonard of \$1,225.48. The other eight individuals were overpaid, and the Commission is asking those individuals to pay back the overpayment.

Executive Director Schulz stated that Administrative Officer Gail Allensworth would be working with NDIT beginning in January 2023 to get a new and improved database for the Breed Fund.

A motion was made by Commissioner Nason and seconded by Commissioner Hanson to approve the additional funding owed to Steve Leonard in the amount of \$1,225.48 and to work with the horsemen to return the overpayments. Nason – Y, T. Hanson – Y, J. Hanson – Y, and Benson – Y. Motion passed.

Executive Director Schulz stated that after meeting with the Horsemen's Advisory Group, he recommends the following:

- In-State Racing
 - \$225,000 available to provide breeders awards for 2023 for in-state racing;
- Out-of-State Racing
 - \$25,000 available from the ND Breed Fund to provide breeders awards for ND-breds racing in out-of-state races. The following rules apply:
 - Points will be awarded January 1 through June 2, and August 1 through December 31, 2023;
 - No out-of-state points will be awarded for races held June 3 through July 31, 2023;
 - Distributions shall be in accordance with current in-state rules;

- It is the responsibility of the foal/mare/stallion owner to provide the Commission with out-of-state race results;
 - Only official race results from Equibase, Daily Racing Form, or Trueform Racing Services will be accepted and must be mailed to the ND Racing Commission Office;
 - All results must be postmarked no later than January 3, 2024.
- Double and Triple Points
 - Historically the Racing Commission has offered double breed fund points to those races worth \$10,000 or more and triple breed fund points to those races worth \$25,000 or more. This will be the same for 2023.
 - Eligibility for "Back-to-Back" Racing
 - Any horse that is eligible for breed fund points in a race may not again be eligible to receive points for a period of four (4) days from that race. For example, horses racing Saturday would not again be eligible until Thursday. This is an equine welfare rule implemented by the Commission to dis-incentivize "back-to-back" racing. This rule is applicable to in-state and out-of-state racing for all breeds.
 - Standardbreds
 - Due to the lack of racing opportunities in North Dakota, Standardbreds have been awarded the following eligible in-state dates for 2023: June 3 through July 30 at Running Aces in Minnesota.

A motion was made by Commissioner Nason and seconded by Commissioner Hanson to accept the recommendations for the 2023 Breed Fund. Nason – Y, T. Hanson – Y, J. Hanson – Y, and Benson – Y. Motion passed.

10. 2023 Executive Director Authorizations

Executive Director Schulz asked for authorizations to approve Promotion Fund expenditures, authorizations, and licensing approvals for the 2023 calendar year including but not limited to the following:

- All NDRC live race meet staff including the State Veterinarian, State Steward, Industrial Laboratories, and State Internships;
- All required track authorizations including condition books (**60 days in advance**) of the first race day, first race time, Tote, Photo Finish and Race Official contracts;
- All required inspections and testing of equipment, grounds, track, barns, and buildings;
- All required submissions and documents for live racing events.

A motion was made by Commissioner Nason and seconded by Commissioner Benson to accept the recommendations from Exec. Director Schulz for the authorizations needed for the 2023 calendar year. Nason – Y, Benson – Y, J. Hanson – Y, and T. Hanson – Y. Motion passed.

9. b. New Breed Fund Forms

Executive Director Schulz stated that all Breed Fund forms have been updated to reflect the changes in the Administrative Rule change passed in October 2022.

No motions needed.

11. Promotion Fund Request – Dusty Way Chapel

Executive Director Schulz stated that a Promotion Fund request was received from Nick Geray with Dusty Way Chapel in the amount of \$2,500. They are affiliated with the Race Track Chaplaincy of North America.

Legal Counsel Dave Schaibley stated that there should be a separation of Church and State.

There was discussion between the Commissioners and the breed organizations. The breed organizations and racetracks will consider funding.

No motions needed.

12. Presentation on 2023 Legislative Bills

Executive Director Schulz made the following recommendations for the proposed 2023 Legislative bill:

- Add the definition of ADW; change the wording of horse racing to racing in the definition section;
- Change the wording of tax percentage from 1/16 of 1% to 1/8 of 1% for the Promotion Fund;
- Change the tax cap from \$420,000 to \$500,000;
- Eliminate breakage completely;
- Change the percentage that can be used as operating expenses in Promotion Fund from 25% to 35%.

Jason King, one of the owners of Potent Systems who works with Lien Games Racing, stated that he supports all of Director Schulz's recommendations.

Executive Director Schulz advised the Commission that he will be retiring in 2023, probably during the Legislative session.

A motion was made by Commissioner Hanson and seconded by Commissioner Nason to accept the recommendations for the proposed 2023 Legislative bill. T. Hanson – Y, Nason – Y, J. Hanson – Y, and Benson – Y. Motion passed.

13. 2023 Internship Program

Executive Director Schulz asked for approval to continue the Internships for 2023.

A motion was made by Commissioner Nason and seconded by Commissioner Benson for approval to continue the Internships for 2023. Nason – Y, Benson – Y, J. Hanson – Y, and T. Hanson – Y. Motion passed.

14. Scheduling 2023 Commission Meetings

- a. February 16, May 18, August 17, and November 16
- b. Locations to be decided

No motions needed.

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

- Racing Symposium in Tucson
- James Pettie gave a report on his ROAP training
- Track licensing issue in Fargo
- John Lewis request – Mr. Lewis not present. Will table for a future meeting.
- Executive Director Schulz will be retiring in 2023

No motions needed.

16. Adjournment

Meeting was adjourned at 2:34 p.m.