



NORTH DAKOTA RACING COMMISSION

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Gunner laCour

Director

NORTH DAKOTA RACING COMMISSION

NDRC Meeting

State Capitol Building, Fort Totten Room

600 East Boulevard Avenue, Bismarck, ND

Thursday, September 22, 2016 – 10:30 a.m. (Central Time)

Minutes

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

Present: Chairman Jim Ozbun, Commissioner Mary Ann Durick, Commissioner Shane Martin, Commissioner John Hanson, Legal Counsel Edward Erickson, Director Gunner laCour, and Administrative Assistant Gail Allensworth

Not Present: Commissioner David Piepkorn

Others Present: Wayne Slater, Mike Schmitz, John Bubel, Avery Erfle, Leon Glasser, Randal Schwartz, and Ron Klein.

Chairman Jim Ozbun introduced the new Commissioner, Shane Martin.

AGENDA

1. **Approval of Minutes – April 21, June 21 & August 3, 2016 Meetings**
2. **Fiscal Year/Race Season End Financial Review**
3. **2016 Breed Fund Audit**
4. **2016 Meet Reports**
5. **“No Race” Rules and Issues**
6. **Global Wagering Group, LLC Application**
7. **Recommended Agency Bills**
8. **Any other business which may properly come before the Commission**
9. **Adjournment**

1. **Approval of Minutes – April 21, June 21 & August 3, 2016 Meetings**

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

A motion was made by Commissioner Durick and seconded by Commissioner Hanson to accept the minutes of April 21, June 21, and August 3, 2016 as presented. All Commissioners voted aye and hearing no negative vote the motion passed.

2. **Fiscal Year/Race Season End Financial Review**

Director laCour provided a PowerPoint presentation that illustrated the agency revenues and where the budget stands at this point in the current biennium. Director laCour stated that he will ask the Horsemen's Advisory Committee to meet sometime in October so that they can work on the Breed Fund and have that ready for the November meeting.

No motions needed.

3. **2016 Breed Fund Audit**

Director laCour presented the results of the Breed Fund audit for 2015. There were no findings other than what was identified previously.

A motion was made by Commissioner Hanson and seconded by Commissioner Durick to accept the Breed Fund Audit as presented. All Commissioners voted aye and hearing no negative vote the motion passed.

4. **2016 Meet Reports**

Mike Schmitz, General Manager of Horse Race North Dakota gave a report on the results of the race meet at the North Dakota Horse Park. Questions were asked by the Commissioners and answered by Mr. Schmitz.

Wayne Slater of ORDA gave a report on the results of the race meet at Chippewa Downs. Questions were asked by the Commissioners and answered by Mr. Slater.

Director laCour provided a synopsis of both race meets and provided a list of things that went well this year and areas where there needs to be improvement.

No motions needed.

5. **"No Race" Rules and Issues**

Director laCour gave a report regarding the ND Quarter Horse Racing Association Derby that was declared a "no race." Director laCour and Assistant Attorney General Edward Erickson had previously conferred on the matter of purse distribution in this race. As there were no applicable statutes, rules, or grant conditions nor did the Quarter Horse Association have any applicable rules on purse distribution in this situation, the Quarter Horse Association held a board meeting to determine how the purse should be paid. Without applicable statutes, rules, or grant conditions or any violation of such by the Quarter Horse Association, the Racing Commission did not have legal authority to demand return of funding or direct a different method of distribution.

Therefore, Director laCour stated the need to establish rules for a "no race", and in particular the purse distribution. Director laCour recommended that the new rules be based on the ARCI Rules regarding a "no race." This would have to go through the Administrative Rules process. In the interim, grant conditions can be established to address this situation.

Director laCour also addressed the matter of whether Breed Fund points could be awarded for a "no race." Legal Counsel Edward Erickson stated that that Breed Fund points could not be awarded for a "no race" per the current rules. Director laCour asked for authorization to move forward to make a rule change for a "no race."

A motion was made by Commissioner Martin and seconded by Commissioner Durick to authorize Director laCour to move forward on a rule change regarding a "no race." Martin -Y, Durick -Y, Ozbun -Y, and Hanson -Y. Motion passed.

6. Global Wagering Group LLC Application

Director laCour stated that Global Wagering Group LLC submitted an Service Provider application under the newly formed entity Skyland Pacific LLC. This change was instituted for tax and operational purposes and is in effect only a name change. Per statute the application should be considered a new application. Upon consultation with Legal Counsel Edward Erickson he recommended that a variance could be issued stating that if an entity changes corporate structure but without substantive changes that the fee for the new application be waived.

Director laCour asked the Commissioners to approve the application of Skyland Pacific LLC and recommended a variance that states the corporate structure has changed but with no substantive changes allowing for waiver of the fee.

A motion was made by Commissioner Hanson and seconded by Commissioner Martin to approve the application from Skyland Pacific LLC with a variance that states if an entity changes corporate structure but with no substantive changes the fee is waived. Hanson –Y, Martin –Y, Ozburn –Y, and Durick –Y. Motion passed.

7. Recommended Agency Bills

Director laCour stated that he would like to have just one bill to go before the Legislature next year. It would add to one of our current statutes regarding the Breed Fund. The current statute states that Bred Fund payments must be made by the end of the calendar year which necessitates having an early cutoff date (October 31) for the out-of-state racing. The new rule would state that the Commission would have two months to distribute out-of-state checks (end of February) to allow out-of-state racing through the end of the year. The requirements for in-state would not change and checks would continue to be distributed by the end of the year as required.

Director laCour asked for authorization to move forward with preparing this bill for the Legislature.

A motion was made by Chairman Ozburn and seconded by Commissioner Durick to give Director laCour authorization to move forward in preparing a bill for the Legislature. Ozburn –Y, Durick –Y, Martin –Y, and Hanson –Y. Motion passed.

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

Director laCour provided an update on the Administrative Rule change – Tournament Wager. A draft of the change was distributed to the Commissioners. A public hearing will be held on October 20. A meeting with the Commissioners will be needed after the public hearing which would probably be October 31.

No motions needed.

Director laCour provided an update on the Economic Impact Study. The process has started and they will be contacting the associations for their input. All information will remain confidential.

No motions needed.

9. Adjournment

Chairman Ozburn requested the meeting be adjourned.

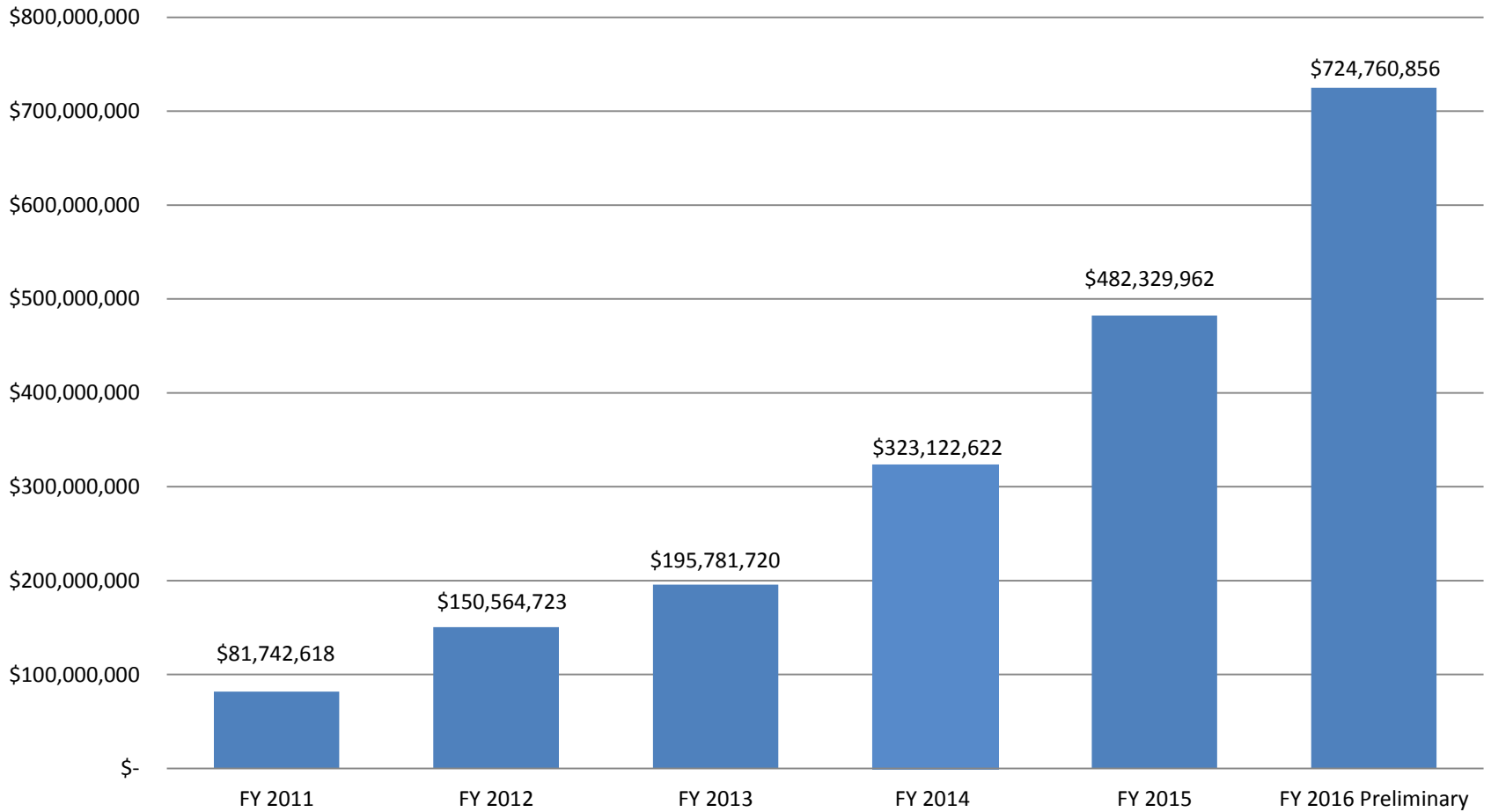
A motion was made by Commissioner Martin and seconded by Commissioner Durick. All Commissioners voted aye and hearing no negative vote the motion passed.

The meeting was adjourned at 12:30 p.m.

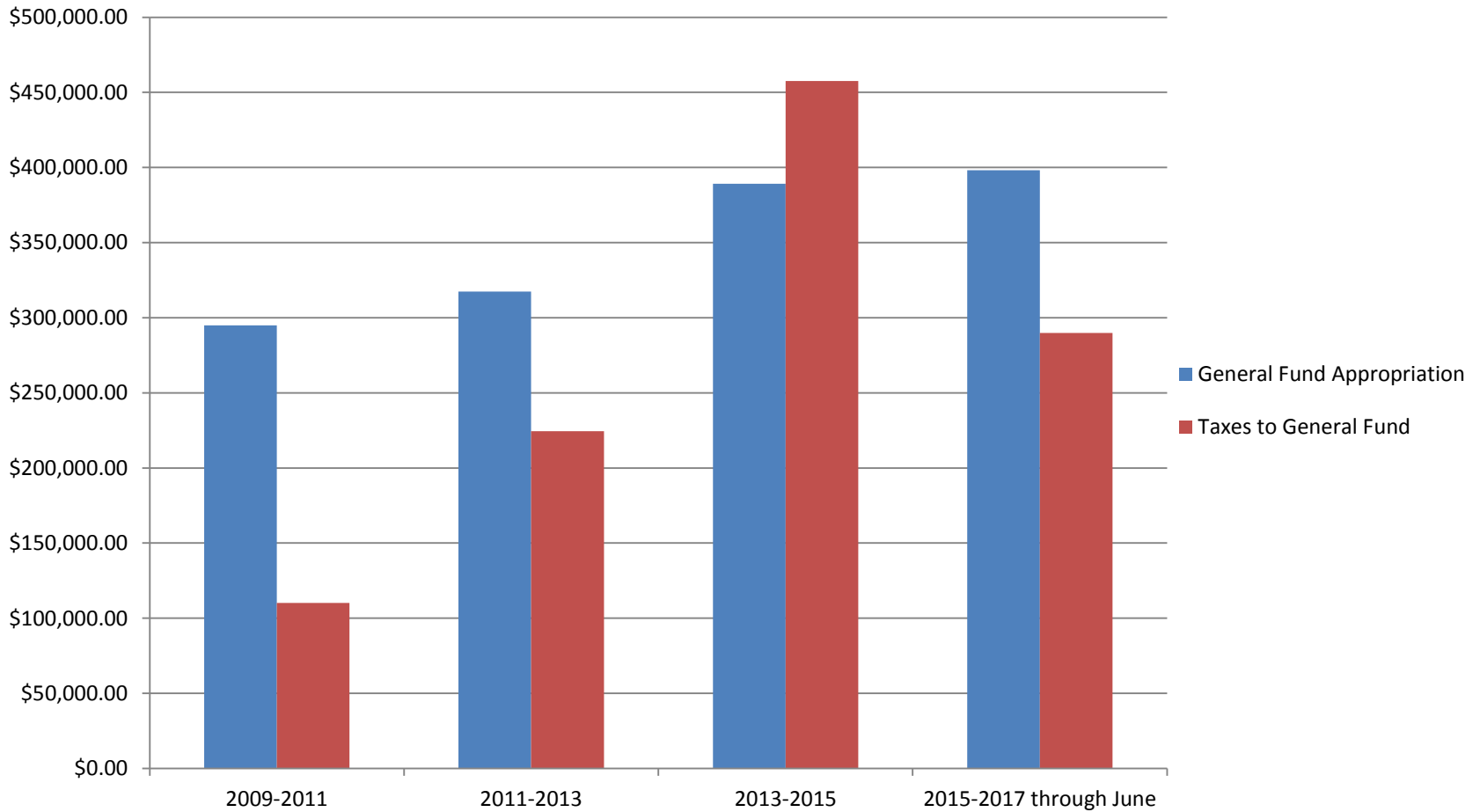
Recent Trends in Racing Commission Revenue Generation

September 22, 2016

ADW Handle by Fiscal Year



General Fund Appropriation and Revenue



Revenue Generation to Horsemen's Funds

