



NORTH DAKOTA RACING COMMISSION

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Gunner laCour

Director

NORTH DAKOTA RACING COMMISSION

Live and Telephone Meeting

Peace Garden Room, 600 E. Boulevard Avenue, State Capitol, Bismarck, ND

Friday, November 15, 2013 – 10:30 a.m. Central Time

Minutes

Present: Chairman Jim Ozbun, Commissioner Andy Maragos, Commissioner Ray Trottier, Commissioner Steve Hartman, Director Gunner laCour, Legal Counsel Edward Erickson and Administrative Assistant Gail Allensworth.

Absent: Commissioner Senftner.

Others Present: Debbie Eisenhauer, L.J. Harsche, Wes Heinert, Janelle Mitzel, Mike Schmitz, Ron Klein, Gail Hrdlicka, John Bubel, Michael Slater, Scott Horst, Wayne Slater, and Mike Slater.

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

Chairman Ozbun asked if there were any additions or corrections to the agenda.

Director laCour had three additions for the agenda: a report on 2012 Breeders Fund audit by Debbie Eisenhauer to be presented after the approval of minutes; ORDA Promotion Fund application: track resurfacing update to be presented during #8 on the agenda; a report from Horse Race North Dakota on their current efforts at the racetrack to be presented during #8 on the agenda. Chairman Ozbun asked for a motion to approve the agenda with the additions.

A motion was made by Commissioner Maragos and seconded by Commissioner Hartman to accept the agenda with the additions. All Commissioners voted aye and hearing no negative vote the motion was carried.

AGENDA

1. **Approval of Minutes – September 30 and October 29, 2013 Meetings**
2. **License Renewals for 2014**
 - a. **Simulcast Service Providers**
 1. 123Gaming, Inc.
 2. Avatar Ventures, LLC
 3. eBet Technologies, Inc.
 4. Horse Races Now, LLC
 5. I.B.N., LLC
 6. Lien Games Racing, LLC
 7. MegaTote, LLC

8. PariBet, LLC
9. Racing 2 Day, LLC
10. SocialGaming Technologies, Inc.
11. WatchandWager.com, LLC

b. Totalizator Providers

1. AmTote International, Inc.
2. Las Vegas Dissemination, Inc.
3. Sportech Racing, LLC
4. Typhoon Hub, Limited

c. Simulcast Site Operators

1. American Gold Gymnastics
2. Development Homes, Inc.
3. Horse Race North Dakota
4. Turtle Mountain Band of Chippewa

3. Live Race Date Requests for 2014

a. Outdoor Recreation Development Association

- Chippewa Downs – Belcourt

b. Horse Race North Dakota

- North Dakota Horse Park – Fargo

4. Promotion Fund Applications for 2014

- a. Horsemen's Award Banquet

5. Breeders Fund for 2014

a. Total Award

b. Harness Racing Eligible Dates

c. Double Breed Fund Points

6. Revised Variance for Simulcast Employee Licensing

7. Scheduling 2014 Commission Meetings

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

9. Adjournment

1. Approval of Minutes – September 30 and October, 2013 Meetings

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

A motion was made by Commissioner Trottier and seconded by Commissioner Maragos to accept the minutes of September 30, 2013, and October 29, 2013, as presented. All Commissioners voted aye and hearing no negative vote the motion carried.

1a. 2012 Breeders Fund Audit

Debbie Eisenhauer gave a report on the 2012 Breeders Fund Audit. There were no additional questions for Ms. Eisenhauer.

A motion was made by Commissioner Hartman and seconded by Commissioner Trottier to accept the audit report. Hartman – Y, Trottier – Y, Ozbun – Y, Maragos – Y. Motion carried.

2. License Renewals for 2014

a. Simulcast Service Providers

1. 123Gaming, Inc.

2. Avatar Ventures, LLC
3. eBet Technologies, Inc.
4. Horse Races Now, LLC
5. I.B.N., LLC
6. Lien Games Racing, LLC
7. MegaTote, LLC
8. PariBet, LLC
9. Racing 2 Day, LLC
10. SocialGaming Technologies, Inc.
11. WatchandWager.com, LLC

b. Totalizator Providers

1. AmTote International, Inc.
2. Las Vegas Dissemination, Inc.
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c. Simulcast Site Operators

1. American Gold Gymnastics
2. Development Homes, Inc.
3. Horse Race North Dakota
4. Turtle Mountain Band of Chippewa

Director laCour provided all Commissioners a brief summary on all of the applicants and a recommendation for renewal of the licenses. There were no additional questions and it was recommended that all licenses be approved at the same time.

A motion was made by Commissioner Maragos and seconded by Commissioner Trottier to approve all of the Service Provider, Totalizator Provider and Simulcast Site Operator licenses for 2014. Maragos –Y, Trottier –Y, Ozbun -Y, Hartman – Y. Motion carried.

3. Live Race Date Requests for 2014

a. Outdoor Recreation Development Association

- Chippewa Downs – Belcourt

Director laCour indicated that Chippewa Downs had requested eight days over a range of six weekends and he discussed that with Doug DeMontigny. They agreed on eight days over the weekends of June 14/15, June 21/22, June 28/29 and July 5/6 for live racing.

b. Horse Race North Dakota

- North Dakota Horse Park – Fargo

Director laCour indicated that Horse Race North Dakota had requested nine days over three weekends and he discussed that with HRND. They agreed on six days over the weekends of July 19/20, July 26/27 and August 2/3 for live racing. There were no additional questions and it was recommended that the dates be approved.

A motion was made by Commissioner Maragos and seconded by Commissioner Hartman to approve the race dates for Chippewa Downs and Horse Race North Dakota as recommended. Maragos –Y, Hartman –Y, Ozbun -Y, Trottier –Y. Motion carried.

4. Promotion Fund Applications for 2014

a. Horsemen's Award Banquet

Director laCour stated two organizations submitted applications to host the 2014 Horsemen's Award Banquet: ND TOBA requested \$2,500 and ND Thoroughbred Association requested \$3,500. Director laCour gave both Associations a chance to make a presentation. Scott Horst of the ND Thoroughbred Association made a presentation and L.J. Harsche of ND TOBA made a presentation. Director laCour recommended awarding \$3,500 to the ND Thoroughbred Association for the 2014 Horsemen's Award Banquet based on their thorough proposed plans and breakdown of costs.

A motion was made by Commissioner Trottier and seconded by Commissioner Hartman to approve the recommendation to award the ND Thoroughbred Association in the amount of \$3,500 to be paid out of the Promotion Fund for the 2014 Horsemen's Award Banquet. Trottier –Y, Hartman –Y, Ozbun -Y, Maragos –Y. Motion carried.

5. **Breeders Fund for 2014**
a. **Total Award**

Gail Hrdlicka of MCC Services made a presentation of the Breeders Fund. After the presentation, questions were asked by the Commissioners and answered by Ms. Hrdlicka. A recommendation was made to authorize Director laCour to move ahead with an Administrative Rule change regarding the registration of mares and foals.

A motion was made by Commissioner Maragos and seconded by Commissioner Trottier to authorize Director laCour to make the Administrative Rule change. Maragos –Y, Trottier –Y, Ozbun -Y, Hartman –Y. Motion carried.

Director laCour stated that the Breeders Fund total at the time awards calculations began was \$814,363.24. The total amount of the awards (at 12.5%) for 2014 would be \$101,796. Questions were asked by the Commissioners and answered by Director laCour. It was recommended to allow Director laCour to distribute the funds in the amount of \$101,796.

A motion was made by Commissioner Maragos and seconded by Commissioner Hartman to authorize Director laCour to distribute \$101,796 from the Breeders Fund for 2013 awards. Maragos –Y, Hartman –Y, Ozbun -Y, Trottier –Y. Motion carried.

Mr. John Bubel recommended increasing the percentage of the Breed Fund made available for awards. Director laCour and the Commissioners believed this was a reasonable request and would investigate further. Director laCour stated that this type of consideration was within the scope of the Racing Industry Advisory Committee. If Director laCour was provided with a nominee from each of the associations who are on the Racing Industry Advisory Committee, he would present his recommendations for reappointment at the next Commission meeting. Thereafter, Director laCour stated he would submit the matter of Breed Fund payout percentage increase for their consideration and recommendations.

b. **Harness Racing Eligible Dates**

Director laCour, based on discussions with the ND Harness Racing Association President Dale Lagerquist, recommended that Harness Racing be awarded three weeks of eligibility for Breeders Funds in 2013: July 19 through August 11.

A motion was made by Commissioner Hartman and seconded by Commissioner Maragos to award July 19 through August 11 as eligible Breed Fund dates for Harness Racing in 2013. Hartman –Y, Maragos –Y, Ozbun -Y, Trottier –Y. Motion carried.

c. **Double Breed Fund Points**

Director laCour indicated that there were two races at HRND on July 20: races 4 and 9 that were NDTA races and their purses were \$10,000 estimated. Discussion was held regarding the relative benefits to the horsemen of accepting \$10,000 estimated purses. Director laCour recommended that \$10,000 estimated purses be accepted for double breed fund points.

A motion was made by Commissioner Hartman and seconded by Commissioner Trottier to accept \$10,000 estimated purses for double breed fund points. Hartman –Y, Trottier –Y, Ozbun -Y, Maragos –Y. Motion carried.

Director laCour indicated that there were three races at HRND on July 21: races 3, 6, and 10 that were \$10,000 purses. Director laCour recommended that \$10,000 purses be accepted for double breed fund points.

A motion was made by Commissioner Maragos and seconded by Commissioner Trottier to accept \$10,000 purses for double breed fund points. Maragos –Y, Trottier –Y, Ozbun -Y, Hartman –Y. Motion carried.

Before concluding this part of the agenda, Director laCour addressed an issue regarding late increases to purses in races 3, 6 and 10. Director laCour explained that because increases after taking entries could be used as a method of cheating, he would include in his recommendation for this year's purse and promotion awards a withholding of a percentage of the award to be released upon the condition that no such changes were made in 2014 without the approval of the Commission. Further,

Director laCour stated that he would recommend not awarding double breed fund points in 2014 to any race with similar late purse increases. Director laCour stated that the purpose of this recommendation is to require the horsemen to work with the Commission to monitor such activity and immediately bring it to the Commission's attention (via the Director) rather than waiting until a Commission meeting to bring up the issue.

6. Revised Variance for Simulcast Employee Licensing

Director laCour recommended modifying the variance of service provider employee licensing approved at the last meeting. The recommendation was to revise the variance to read in full:

“Employees of a Service Provider shall not be required to obtain a license from the Racing Commission if they are already licensed to engage in the same type of employment related to pari-mutuel wagering in another jurisdiction which has the same or similar licensing requirements and standards. The foregoing exception shall not apply to the principals or supervisory personnel of a Service Provider.”

Director laCour stated that he believed, after consultation with the ADWs, that this variance provided the correct amount of regulation while not requiring unnecessarily redundant licensing burdening both the ADWs and the NDRC.

A motion was made by Commissioner Hartman and seconded by Commissioner Trottier to modify the rules as recommended by Director laCour. Hartman –Y, Trottier –Y, Ozburn –Y, Maragos –Y. Motion carried.

7. Scheduling 2014 Commission Meetings

Director laCour recommended the following dates for the next ND Racing Commission meetings: February 28 and April 25.

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

a. ORDA Promotion Fund – Track Resurfacing Update

Wayne Slater from ORDA made a presentation of the Chippewa Downs track resurfacing. At that time it was still hoped that the project could be completed before the ground froze. If not, it would be completed in the spring before the meet. Questions were asked by the Commissioners and answered by Mr. Slater.

b. Horse Race North Dakota Presentation

Mike Schmitz from Horse Race North Dakota made a presentation on preparations for the 2014 race meet in which he addressed the concerns raised in Director laCour's 2013 meet report. Questions were asked by the Commissioners and answered by Mr. Schmitz.

9. Adjournment

Chairman Ozburn requested that the meeting be adjourned if there was no further comment from members of the public.

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

Meeting was adjourned at 12:30 p.m.