



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 25, 2016 – 10:30 a.m. (Central Time)

Minutes

Call to Order: Chairman Jim Ozbun called the meeting to order at 10:34 a.m.

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

By Phone: Commissioner David Piepkorn

Not Present: Commissioner Ray Trottier

Others Present: Kathy Mawicke, Kevin Hall, Lorne Jay, Wayne Slater, Jennifer Malaterre, David Bernsen, Mike Schmitz, John Bubel, Leigh Backhaus, Leon Glasser, Scott Horst and Ron Klein

AGENDA

1. **Approval of Minutes – December 15, 2015 Meeting**
2. **New Service Provider & Account Deposit Wagering – License Application** - Global Wagering Group, LLC
3. **Promotion & Purse Fund Requests**
4. **2016 Race Season Director Authorizations**
5. **2016 Breeders Fund**
6. **Administrative Rule Changes – Revisions to Pari-Mutuel Wagering Sections**
7. **Date of Next Meeting**
8. **Any other business which may properly come before the Commission**
9. **Adjournment**

1. **Approval of Minutes – December 15, 2015 Meeting**

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 December 15, 2015, as presented. All Commissioners voted aye and hearing no negative vote the motion passed.

Chairman Ozbun introduced the new Commissioner, John Hanson.

Director laCour shared the results of the completed survey done of the North Dakota Horse Park track surface provided by Johnson Land Surveys.

2. **New Service Provider & Account Deposit Wagering – License Application** - Global Wagering Group, LLC

Director laCour introduced David Bernsen of Global Wagering Group, LLC. Mr. Bernsen gave a brief history of Global Wagering Group. Director laCour and the Commissioners asked questions which Mr. Bernsen answered.

A motion was made by Commissioner Durick and seconded by Chairman Ozbun to approve licensing Global Wagering Group, LLC, as a Service Provider & Account Deposit Wagering. Durick –Y, Ozbun –Y, Piepkorn –Y, and Hanson - abstained. Motion passed.

3. **Promotion & Purse Fund Requests**

Director laCour asked the Commissioners that any Promotion and Purse Fund requests that are awarded have the same conditions as last year.

A motion was made by Chairman Ozbun and seconded by Commissioner Piepkorn to include the additional conditions from last year to the Promotion and Purse Fund requests for 2016. Ozbun –Y, Piepkorn –Y, Hanson –Y, and Durick –Y. Motion passed.

Director laCour reported that the Commission received a Promotion Fund request from ORDA for Chippewa Downs in the amount of \$200,000 and a Purse Fund request from ORDA in the amount of \$100,000 for the 2016 race season. Director laCour requested that the Commission approve the funding for ORDA in the amounts of \$200,000 from the Promotion Fund and \$115,000 from the Purse Fund.

A motion was made by Commissioner Piepkorn and seconded by Commissioner Durick to approve the funding for ORDA in the amount of \$200,000 from the Promotion Fund and \$115,000 from the Purse Fund. Piepkorn –Y, Durick –Y, Ozbun –Y, and Hanson -Y. Motion passed.

Director laCour reported that the Commission received a Promotion Fund request from the Horse Race ND in the amount of \$200,000 and a Purse Fund request from HRND in the amount of \$100,000 for the 2016 race season. Director laCour requested that the Commission approve the funding for HRND in the amounts of \$200,000 from the Promotion Fund and \$115,000 from the Purse Fund contingent upon receiving a signed agreement between HRND and Lien Games.

Mike Schmitz of HRND and Kevin Hall of Lien Games provided an update on the agreement between the two entities. Director laCour and the Commissioners asked questions which Mr. Schmitz and Mr. Hall answered.

A motion was made by Commissioner Piepkorn and seconded by Commissioner Durick to approve the funding for HRND in the amount of \$200,000 from the Promotion Fund and \$115,000 from the Purse Fund contingent upon receiving a signed agreement between HRND and Lien Games. Piepkorn –Y, Durick –Y, Ozbun –Y, and Hanson -Y. Motion passed.

Director laCour asked for authorization to approve the Bismarck OTB site for HRND once the paperwork is received and reviewed.

Mike Schmitz of HRN gave an update regarding the setup of a Bismarck OTB. Director laCour and the Commissioners asked questions which Mr. Schmitz answered.

A motion was made by Chairman Ozburn and seconded by Commissioner Durick to give Director laCour authorization to approve the Bismarck OTB site for HRND once the paperwork has been received and reviewed. Ozburn –Y, Durick –Y, Hanson –Y, and Piepkorn –Y. Motion passed.

Director laCour asked the Commissioners to delegate authority to move forward on a regular basis to approve any additional OTB sites. He would report on any progress to the Commissioners at the next meeting.

A motion was made by Commissioner Piepkorn and seconded by Commissioner Hanson to delegate authority to Director laCour to approve any additional OTB sites for HRND and report back to the Commissioners at the next meeting. Piepkorn –Y, Hanson –Y, Ozburn –Y, and Durick – Y. Motion passed.

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

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

Director laCour reported that the Commission received requests from the ND Quarter Horse Racing Association and the ND Thoroughbred Association for Promotion and Purse Funds. The NDQHRA requested \$10,000 from the Promotion Fund and \$20,000 from the Purse Fund. The NDTA requested \$5,000 from the Promotion Fund and \$22,500 from the Purse Fund.

Scott Horst with the NDTA stated that with the funding they would run three races (\$12,500 each) at Chippewa Downs and two races at HRND (\$15,000 each).

Leon Glasser with the NDQHRA stated that with the funding they would run two races at Chippewa Downs and two races at HRND.

Director laCour made the recommendation of \$20,000 from the Purse Fund for both the NDQHRA and NDTA.

A motion was made by Commissioner Piepkorn and seconded by Commissioner Hanson to award funding \$20,000 from the Purse Fund to the NDQHRA and NDTA. Piepkorn –Y, Hanson –Y, Ozburn –Y, and Durick –Y. Motion passed.

4. 2016 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 and the University of Pennsylvania and the University of Florida as 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 condition books, ND-bred program and first race time;
- approve starting gate, timing device, and claim box.

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

A motion was made by Chairman Ozburn and seconded by Commissioner Durick to approve Director laCour to move ahead with all of the authorizations for the 2016 race season. Ozburn –Y, Durick –Y, Hanson –Y, and Piepkorn –Y. Motion passed.

Director laCour discussed inclusion of the Jockey & Driver Safety Rules in the condition books. There was discussion regarding drug testing and this was referred to the April Commission meeting. Director laCour is to come up with a proposal regarding this topic for the next meeting.

No motions necessary.

5. 2016 Breeders Fund

Director laCour made a recommendation to award the Standardbred horsemen additional days of racing this year. Historically, they normally receive three weeks of racing. The days would include three weeks in Minnesota (July 15-August 7) and three weeks in California (October 21 – November 7). This is considered in-state racing and they will be subject to the same rules as the other breed associations.

A motion was made by Chairman Ozbun and seconded by Commissioner Hanson to allow the additional dates for the Standardbred horsemen (July 15-August 7 and October 21-November 7). Ozbun –Y, Hanson –Y, Durick –Y, and Piepkorn –Y. Motion passed.

Director laCour stated that there was a Horsemen’s Advisory meeting on January 14 and primarily covered the Breed Fund awards for the 2016 season. The recommendation was for \$225,000 to be awarded for in-state racing and \$50,000 to be awarded for out-of-state racing. In addition, it was also agreed to extend the in-state minimum guaranteed Breed Fund pool of \$150,000 an additional year through 2019.

A motion was made by Chairman Ozbun and seconded by Commissioner Piepkorn to provide \$225,000 for in-state racing, \$50,000 for out-of-state racing for the 2016 race season and to extend the in-state minimum guaranteed Breed Fund pool of \$150,000 an additional year through 2019. Ozbun –Y, Piepkorn –Y, Hanson – Y, and Durick –Y. Motion passed.

Director laCour stated that he is recommending that races worth \$10,000 or more be eligible for double points and races worth \$25,000 or more be eligible for triple points.

A motion was made by Commissioner Durick and seconded by Commissioner Hanson to award double points for races worth \$10,000 or more and award triple points for races worth \$25,000 or more. Durick –Y, Hanson –Y, Ozbun –Y, and Piepkorn – Y. Motion passed.

Director laCour recommended that the Commission impose a variance which states that any horse who is eligible for breed fund points in a race may not again be eligible for a period of no less than four days.

A motion was made by Chairman Ozbun and seconded by Commissioner Durick that imposes a variance which states that any horse who is eligible for breed fund points in a race may not again be eligible for a period of no less than four days. Ozbun –Y, Durick –Y, Hanson –Y, and Piepkorn –Y. Motion passed.

Director laCour reviewed the rules for out-of-state racing:

- points will be awarded January 1 – June 2 and August 5 – October 30;
- no out-of-state points will be awarded for races held June 3 – August 4;
- 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 results;
- only official race results from Equibase, Daily Racing Form or Trueform Racing Services will be accepted and must be sent to the ND Racing Commission office;
- all results must be postmarked no later than October 31, 2016.

Director laCour noted that out-of-state points could not be awarded for dates beyond October 30 due to NDCC 53-06.2-11(6) which requires that Breed Fund money to be distributed in the same calendar year it is earned. In order to comply with this state statute, the Breed Fund administrator needs the last month and a half to two months in order to calculate awards. Director laCour noted that to alleviate this problem a change to statute would be required.

A motion was made by Chairman Ozbun and seconded by Commissioner Durick to accept the rules for out-of-state racing. Ozbun –Y, Durick –Y, Piepkorn –Y, and Hanson – abstained. Motion passed.

Director laCour reported that the solicitation for a Breed Fund database proved to be too expensive. For the time being, the Commission will continue working with ProAssist Plus (Sally). The database solicitation can be re-scoped and reviewed again at a later date.

No motions needed.

6. **Administrative Rule Changes – Revisions to Pari-Mutuel Wagering Sections**

Director laCour stated that the rule changes are moving forward and that the Administrative Rules Committee meeting is set for March 14.

No motions needed.

Director laCour provided an update on the 2014 Breed Fund awards mistake discovered during the Breed Fund audit. Kevin Gefroh was overpaid \$271.09 and Randy Schwartz was underpaid the same amount. The amount was going to be corrected during the 2015 Breed Fund award payments but Kevin Gefroh did not receive an award. The recommendation is to pay Randy Schwartz \$271.09 now and deduct the same amount from any future awards for Kevin Gefroh.

A motion was made by Commissioner Hanson and seconded by Commissioner Piepkorn to award \$271.09 to Randy Schwartz from the Breed Fund for the underpayment of the 2014 Breed Fund award and to deduct the same amount from any future award for Kevin Gefroh. Hanson –Y, Piepkorn –Y, Ozbun –Y, and Durick –Y. Motion passed.

7. **Date of Next Meeting**

Director laCour asked if April 21 would work for the Commissioners as Commissioner Durick cannot make it for the previously scheduled date of April 28. All Commissioners agreed that April 21 would work for the next meeting.

No motions needed.

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

Director laCour provided an update on the positive test from 2015. Edward Erickson advised that he was just waiting to receive the signed settlement agreement from Amanda Haar. The owner, Ramon Salvidrez, has signed the settlement agreement and has agreed to the loss of purse.

No motions needed.

9. **Adjournment**

Chairman Ozbun requested the meeting be adjourned.

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

The meeting was adjourned at 1:05 p.m.