

## AGENDA

North Dakota Racing Commission  
Live Meeting  
Wednesday, February 12, 2003  
1:00 p.m.

1. Approval of Minutes for December 18, 2002, and January 24, 2003
2. Legislative Update
3. Replenishment of Breeders' Administrative Fund
4. Breeders' Rules Advice and Interpretation by Counsel  
(Letter from Richard Nevins)
5. Fargo Meeting Update
6. Request of Ken Pawluk for Previously Granted Project Manager's Award
7. Salary Issues for ND Racing Commission Administrative Assistant and Director of Racing
8. Other Matters Which May Come Before the Commission
  - a. Letter from Norman Glinz

\* \* \* \* \*

If you plan to attend the meeting and will need special facilities or assistance relating to a disability, please contact the Racing Commission at 701-328-4633.

\* \* \* \* \*

North Dakota Racing Commission  
Live Meeting  
Wednesday, February 12, 2003  
1:00 p.m.

PRESENT:

Chair Commissioner Ann Mahoney, Commissioners Dr. Charlie Stoltenow, Howard W. Wrigley, James Boehm, and James Arthaud, Director of Racing Paul Bowlinger, Counsel Bill Peterson, Auditor Roger Thompson, and Administrative Assistant Kelly Boespflug.

OTHERS PRESENT:

Leon Glasser, NDQHRA  
Les Schmidt, ND Horse Park Foundation

The meeting was called to order at 1:00 p.m. by Chair Commissioner Mahoney. The roll call was taken as indicated above by Executive Director Bowlinger.

Chairman Stoltenow	-	Here
Commissioner Boehm	-	Here
Commissioner Wrigley	-	Here
Commissioner Arthaud	-	Here
Chair Mahoney	-	Here

Chair Mahoney stated Agenda Item #3 would be heard first, as Roger Thompson, the auditor, has another conflict this afternoon.

**AGENDA ITEM #3**  
**Replenishment of Breeders' Administrative Fund**

Executive Director Bowlinger stated the Commission awarded one-eighth of the OMB balance out of the breeders' fund last year to be given to the horsemen. It came to approximately \$124,000. Out of the \$124,000, the Commission retained 5% for the administrative fee. That goes into the administrative account, although the administrative account has not previously been a separate account. Executive Director Bowlinger has instructed Auditor Roger Thompson to set up a separate administrative account for checking purposes and for the ease of the Commission to look at it. In the past, there were award claims that were at first denied, but after reconsideration it was decided to pay those awards. The only way to pay them was out of that administrative account, because the Commission could not go back into the breeders' fund without another meeting. In the year 2000, those payments were made, but instead of coming out of the breeders' fund, it came out of the administrative account. For accounting purposes, the Racing Commission would like to take the money, which should have come out of the breeders' account, and replenish the administrative account. Roger Thompson has the amount needed to replenish the administrative account.

Roger Thompson stated he does this every year when he does his audit of the OMB funds. (Attachment #1) For the 1999 race season, \$1,693.48 was taken out of the administrative account instead of pulling it out of the OMB fund account. If this amount is reimbursed into the administrative fund, the balance would be \$11,357.80 versus the \$9,664.32 we have now in 2002. Roger Thompson explained the handout in more detail.

**Commissioner Wrigley moved to award from the breeders' fund account \$1,693.48 to be paid into the breeders' fund administrative account. Commissioner Arthaud seconded the motion.**

Executive Director Bowlinger called the roll as follows:

Commissioner Stoltenow	-	Yes
Commissioner Boehm	-	Yes
Commissioner Wrigley	-	Yes
Commissioner Arthaud	-	Yes
Chair Mahoney	-	Yes

**The motion carried unanimously.**

Executive Director Bowlinger stated it used to be kept all in one account with a separate accounting out of one checking account. There will be a minimal additional expense in that there is going to be two checking accounts, the breeders' fund and a breeders' fund administrative account.

**AGENDA ITEM #1**  
**Approval of Minutes for December 18, 2002, and January 24, 2003**

Executive Director Bowlinger stated Chair Mahoney had some language change, and the corrections have been made. It did not substantively change anything.

**Commissioner Stoltenow moved to approve the minutes of December 18, 2002, and January 24, 2003. Commissioner Boehm seconded the motion.**

Executive Director Bowlinger called the roll as follows:

Commissioner Stoltenow	-	Yes
Commissioner Boehm	-	Yes
Commissioner Wrigley	-	Yes
Commissioner Arthaud	-	Yes
Chair Mahoney	-	Yes

**The motion carried unanimously.**

**AGENDA ITEM #2**  
**Legislative Update**

Chair Mahoney asked Executive Director Bowlinger to give an update on the bills.

Executive Director Bowlinger stated that Senate Bill 2285, which is the Team Makers/Racing Services bill, is pending a hearing on February 13, at 3:00 p.m. The Commission has taken no position on that bill. Executive Director Bowlinger will distribute a letter from Tim Newman to each of the Commissioners that the Senators received regarding that bill.

Executive Director Bowlinger stated that Senate Bill 2130, which is a bill to allow the Racing Commissioners to serve more than one term, was prepared at the request of the Commission. This bill has gone in front of the Senate Judiciary. It was passed and passed out of the Senate. It has been referred to House Judiciary. The retroactive language was taken out and the word "shall" was changed to "may." The language change has no effect on the bill. The bill previously said, "This bill will be retroactive. . .," and that was stricken.

Executive Director Bowlinger stated that Senate Bill 2028 has gone to hearing and passed Judiciary and has gone to Appropriations. There has been no opposition to this bill, and it is presently pending in Appropriations. There have been no amendments.

Executive Director Bowlinger stated House Bill 1282 received a "do not pass" out of Committee with a seven to six vote. It then went to the House floor and was passed 63 to 31 over the "do not pass" recommendation. There has been one amendment to it. It says, "Of the members appointed by the governor, three must be appointed. . ." It really has no effect in that the Governor almost always appointed one from a list of four. Representative Froelich thought it should say "three," so they accepted the amendment and they passed the bill. Commissioner Stoltenow stated he found this interesting that they put "three" in because three are not appointed in a year, only one is appointed. Executive Director Bowlinger stated the bill is in Appropriations on the House side. If it passes, it will go the Senate side. After Appropriations, it has to be voted on again.

Chair Mahoney asked what the amount was in the fiscal note. Executive Director Bowlinger stated the amount was approximately \$1,000,000 out of special funds. The Racing Commission also required one full-time employee.

Commissioner Arthaud questioned if the House Appropriations would hear the bill again, and Executive Director Bowlinger stated he has been advised that they take it under advisement and they do not typically accept testimony.

Commissioner Arthaud stated the Commission may not have any luck to stop it at this point in time, but it would be a good time to do some educating. Commissioner Boehm stated they should talk to subcommittee members, so the subcommittee members could recommend to the full committee a "do not pass."

Executive Director Bowlinger has been advised that it is now up to each individual Commissioner to attempt to contact whom they need to contact regarding their feelings on this bill.

Chair Mahoney asked the Commissioners to attempt to contact as many senators, initially on the committee, and then extend to any other senators they know or feel that they can be persuasive to for when it comes to vote on the Senate floor.

Commissioner Boehm stated the Senate would be having a hearing, so they would be able to testify at that hearing. Counsel Peterson stated there have been no amendments to the language about "adequately funding" these races.

Executive Director Bowlinger encourages that if the Commission continues to oppose this bill that all members contact the senators that they can and all be available to testify at the judiciary hearing to explain why the Commission has taken the position that it has.

Chair Mahoney and Commissioner Wrigley stated they would make an effort to be at whatever hearing there is.

Commissioner Boehm stated one point RaeAnn Kelsh brought up is that they would like to have oversight into what the Commission does as far as finances. Commissioner Boehm told Minority Leader Boucher that these are not tax dollars, these are gambling revenues, which we need to emphasize.

Executive Director Bowlinger stated that if the bill passes, we may need to ask the Attorney General for an opinion on the constitutionality of it. The Commission has been attacked on the floor and in Committee, and the integrity of this Commission has been challenged.

Commissioner Wrigley stated from a Commission standpoint, if there is a challenge, this is an open meeting every time, someone can come in here and make any challenge they want at any time.

Commissioner Boehm stated that he had made the comment at the hearing, as Commission members, the decisions we make, we do not gain anything personally, so why would we make decisions that would hurt the racing industry. Commissioner Boehm stated he doesn't understand why the Commission's integrity is being attacked.

Chair Mahoney stated the Commission is to regulate racing and promote racing in North Dakota.

Commissioner Boehm stated Representative RaeAnn Kelsh stated that she does not think members should serve more than five years, but Commissioner Boehm thinks the comment should be made that a Legislator shouldn't serve more than five years either.

Commissioner Wrigley stated if an oversight group is being brought in, if decisions are made monthly, the Legislative Council would have to come in monthly to have a meeting and stay in Bismarck. That would be tax dollars spent to oversee this Board.

Chair Mahoney stated it will no doubt cause delays because whatever the Commission does, our decisions of funding anything over \$100,000 aren't going to be final until it goes before that Legislative oversight.

Commissioner Boehm stated he believes the budget section meets quarterly. Chair Mahoney stated that if the Commission does something in November as far as awarding purses to any of the tracks, the Commission may have to wait until February or March, depending upon when the budget section's quarterly meeting falls, for approval, so the tracks aren't going to know what they have for purses until that time.

Counsel Peterson stated if the budget section doesn't approve it, it comes back to the Commission, which would cause further delay.

Commissioner Stoltenow stated if the Commission puts out a single disbursement of the breeders' fund, can the Commission expect the horsemen to be patient for six months until it's approved?

Commissioner Wrigley asked for Leon Glasser's point of view. Leon Glasser stated as far as the North Dakota Quarter Horse Racing Association goes, they have taken a "no" response to the bill. It's mixed, some are in favor of it, and some are not in favor of the bill.

Executive Director Bowlinger asked Leon Glasser if it will decrease the amount of phone calls from the NDQHRA, and in particular the leadership of his association, if this bill passes. Executive Director Bowlinger questioned will there be no retribution on this Commission and himself personally that this bill went one way or the other since the NDQHRA was unwilling to commit to one position or another.

Leon Glasser stated they haven't had a meeting on this bill, and he doesn't know how to answer the question.

Commissioner Boehm stated to Leon Glasser, that as an individual from the association, there may be certain parts of the bill that Leon does support and certain parts that Leon does not support, and Commissioner Boehm would like Leon Glasser to make his interest known to the Legislative Committee on what parts of the bill he does not like.

Leon Glasser stated that he and some people he has talked to are not in favor of the Commission being bound over \$100,000. There are some huge figures, and the horsemen complain now because it's February and they don't have breeders' awards. If that would go into effect, the horsemen could be looking at six months or maybe longer to receive awards, so there's a part of that bill that they would be opposed to.

Commissioner Boehm stated that is something that should be made known at the hearings. The horsemen have a lot to gain or lose by this bill, more so than the Commission does.

Executive Director Bowlinger stated to Leon Glasser that he understands individual members of the horsemen community, that are not the leadership, calling him up and saying they disagree with their association. Executive Director Bowlinger doesn't want the associations' leadership to come back and say the Commission should have done it this way. Evidently the associations have no position.

Leon Glasser stated the North Dakota Quarter Horse Association hasn't taken a position, however, by the time that bill comes to be heard, they will have a quick meeting and will take it up with the Board of Directors.

Commissioner Arthaud stated the Commission may not want to ask someone to support certain parts of the bill when the Commission knows the whole bill is a terrible bill. There's danger in stuff getting amended out and the Commission ending up with something else. Commissioner Arthaud feels the Commission needs to make sure they do not lose focus of the whole thing being bad, not just certain parts of it, and that the Commission needs to be cautious.

Commissioner Arthaud stated he thinks the horsemen understand the importance of this bill.

Leon Glasser asked about House Bill 1282's amendment on whether they were talking about three commissioners or are they talking "three" as in three horsemen. Executive Director Bowlinger stated he believes the supporter wanted "horsemen." This language does nothing to change that. Executive Director Bowlinger thinks the intent was that horsemen be allowed, which would take a wholesale change in this statute. There are two arguments, one is that a Commission is best made up of people from outside the industry that have no biases, and the

other argument is that it's best made up of people from within the industry, so they have so much knowledge about it.

Commissioner Stoltenow stated having been on the racetrack, it certainly does not hurt to have people who have experience on the Commission, but he's against anyone having any vested interest in any portion of the racing industry because this is a Board under incredible scrutiny, and it requires a level of character to function on this Commission. Those things are usable to a Board, but not necessary.

Chair Mahoney asked if there was testimony directed to adequately funding a minimum of two race dates per year, and questioned who put that in the language.

Executive Director Bowlinger stated he doesn't know who put the language in, but he aggressively argued that it was illogical in front of the Committee.

Commissioner Stoltenow asked for a five-minute recess.

Chair Mahoney called the meeting back to order at 2:00 p.m. Since Counsel Peterson hasn't returned yet, the Commission moved to Agenda Item #5.

#### **AGENDA ITEM #5 Fargo Meeting Update**

Executive Director Bowlinger stated he and Commissioners Arthaud and Wrigley are going to try to meet with Jack Marquart right after the meeting. It's been a matter of getting schedules together, and that could not be done, so it's discontinued.

Chair Mahoney stated they will now will move back to Agenda Item #4, as Counsel Peterson has arrived back.

#### **AGENDA ITEM #4 Breeders' Rules Advice and Interpretation by Counsel**

Executive Director Bowlinger stated he received a letter from Richard Nevins. (Attachment #2) It is an extremely complicated issue in that do you want to restrict breeders to being North Dakota residents or citizens. That is something that can be studied and the Commission can look at it. The breeders' rules would need to be completely redone. If the Commission chooses to do that, the Commission would have an advisory group that would look into the issue. Executive Director Bowlinger recommended to table this issue, and he would look into it to present a more comprehensive view of it. Mr. Nevins' question is in the enforcement of it, and the Racing Commission does not have adequate staff to check on this.

Leon Glasser stated, from history, and it's been a long time since the advisory Board has met, a lot of the blame is on the horsemen themselves because they wind up with so many special interests. At one time it was where it would have been manageable. It was 30 days after the foal was born to get a certificate so that you would know this foal was born North Dakota and then you could follow-up on it. Later on it got loose and everybody, for whatever reason, extended this back to December 1. At that present rate, Leon Glasser stated he does not know how this Commission could ever check the accuracy if a foal was born in North Dakota or not,

when you talking about six months after the fact it's foaled. In most states what is done is the horseman has to give the Commission an affidavit in advance that he's bringing this mare in there, where he's taking her, and what stallion the mare will be bred to, and then both need to be there so many days before foaling. Once that foal is born, someone has to come over and certify that that foal was born. What they are doing is to make sure that, in this case, a North Dakota bred really is a North Dakota bred because there are surrounding states that do not have the breed program that we're getting here. Leon Glasser stated he thinks that is what Richard Nevins' letter is about, but he really wasn't clear the way it should be. The Commission would have to clean that up, in Leon Glasser's view, to more of the old format of that a foal must be registered here in the office within at least 90 days, and that's pretty generous.

Executive Director Bowlinger agreed and for time sake he suggested to table this issue.

**Commissioner Stoltenow moved to defer action consideration until the Executive Director can explore a rule change pursuant to Richard Nevins' request. Commissioner Wrigley seconded the motion.**

Executive Director Bowlinger called the roll as follows:

Commissioner Stoltenow	-	Yes
Commissioner Boehm	-	Yes
Commissioner Arthaud	-	Yes
Commissioner Wrigley	-	Yes
Chairman Mahoney	-	Yes

**The motion carried unanimously.**

Executive Director Bowlinger stated some issues have come up in 69.5-01 (Attachment #3) as the office was administering these new breeders' rules. This is the first year that the Racing Commission has gone through them under the new rules. There are a couple glitches. The first one is on page eight, "Thirty percent of the scheduled award payment to the owner of the dam of an accredited North Dakota-bred who earns awards. . ." Executive Director Bowlinger explained if a horse is run in North Dakota and wins a race, that runner receives 60%. The dam of that runner receives 30% if it is in the fund. It used to read, "Thirty percent of the scheduled award payment to the breeder of the dam. . .," which made no sense because it couldn't go to the breeder of the dam because you would be looking at the breeder of the mother, and you're actually looking at the breeder of the foal. This language should have stayed "breeder," and in looking through notes, there was never any change meant.

Counsel Peterson stated what this Commission approved as the rule said, "breeder of the dam," and through a typographical error came out published as "owner of the dam." The typographical error can be corrected through Legislative Council.

Executive Director Bowlinger stated this will be one the languages he will try to clear up. He has gone over this issue with Counsel Peterson. In the event someone would challenge the Racing Commission on paying out the way we're going to pay it out, Counsel Peterson has recommended this is how the Racing Commission should interpret it, the way it always has been interpreted. This published rule is typographically incorrect. Counsel Peterson recommended to clear this up with Legislative Council.

Executive Director Bowlinger stated the reason Counsel Peterson is at the meeting is because the Racing Commission will be sending out checks and should anyone come back and say the Racing Commission incorrectly interpreted the rules, it is known the Commission relied on the advice of counsel. Counsel Peterson was asked to come to this meeting to state how the Commission is going to interpret the rules.

Counsel Peterson stated it should read, “. . .payment to the breeder of the dam. . .,” instead of, “. . .the owner of the dam.”

Executive Director Bowlinger stated the next issue is under 69.5-01-09-10. The Commission had added, “All amount minimums will be determined in United States currency.” In order to receive an award, you have to win a race under two conditions. It has to be at recognized racetrack, meaning sanctioned by a licensing body, and that it has met requirements that it needs to be either a claiming price of \$2,500 or a purse of \$1,000. The problem that the Commission had was that many of the horses ran at tracks in Canada, where the purse was \$1,000, but it was only \$600 or \$550 in US dollars, so the Commission changed this through the administrative process, and was changed to, “minimums will be determined in United States currency.” The only thing that came up was that there was an additional item on double or triple points, should that also be considered in US currency. Executive Director Bowlinger stated the issue how Counsel Peterson and he interpreted it is the US currency amount only applies to minimums.

Executive Director Bowlinger stated the next issue is on page one, number three, “North Dakota-Bred.” These rules have not been changed. This is the way these rules have always read. It states, “North Dakota-bred means a foal born in North Dakota out of a mare registered with the North Dakota racing commission. . .” That language cannot be any more clear; however, it has not been followed. There have been horses registered by the Racing Commission, which broodmare was not in the program. Executive Director Bowlinger stated as soon as this came to his attention, he spoke with Counsel Peterson and stated this won't happen again. Foals will not be registered unless the broodmare is registered. An e-mail and fax to the breed organizations was immediately sent out telling them to get their broodmares registered. On page eight, it says, “Sixty percent of the scheduled award payment to owners of accredited North Dakota-breds who earn such awards, provided however, that if either the dam or sire, or both, are not duly registered in the program. . .be paid to the owner of the accredited foal. . .” How can you be in the program if the broodmare isn't in the program? That language needs to be changed.

Executive Director Bowlinger stated, under advice from counsel, the Racing Commission will only accept foals if their mare is registered. There is one other issue. Anybody who had been accredited as a North Dakota bred, even though the broodmare was not in the program, the Commission will consider them accredited because the Commission has accredited them, and in all fairness, they should not be denied because the Commission office did not interpret the rules correctly three or four years ago. Counsel Peterson stated that is correct. The only rule that is affected is a rule that states that the broodmare has to be registered prior to the time of foaling in order to get broodmare points, and we are interpreting that to mean exactly what it says. Counsel Peterson had advised the Racing Commission that this provision will be followed.

Executive Director Bowlinger stated he requested a half-time position to do some spot-checking. He has approached the Legislature for funding to allow the Racing Commission to go out and do this sort of checking, but the Legislature evidently has not thought it appropriate to give the Racing Commission the extra funding.

**AGENDA ITEM #6**  
**Request of Ken Pawluk for Previously Granted Project Manager's Award**

Executive Director Bowlinger stated this Commission previously granted the request of the Fargo Horse Park to get an award of \$55,000 for Les Schmidt, Project Manager. This Commission approved that. After that meeting, Executive Director Bowlinger received a call from Ken Pawluk asking to make the check out to Horse Race North Dakota. Executive Director Bowlinger stated he can't make that decision and that is why it has been brought before the Commission. (Attachment #4.)

Les Schmidt stated he was asked by Ken Pawluk to explain the request to the Commission. The request was made under North Dakota Horse Park. At that time there was no charitable organization designation. Since then we have been certified as a C3 and a C4. C3 is what the North Dakota Horse Park is under, and one of the rules under there is strictly to be used to the educational aspect of the North Dakota Horse Park. C4 is to the Horse Race North Dakota, which along with Fair Circuit Racing Association, is putting on the race meet. So the request is to just transfer that request from the North Dakota Horse Park to Horse Race North Dakota.

**Commissioner Wrigley moved that the previous grant for project manager's contract in the amount of \$55,000 be made payable to Horse Race North Dakota instead of the North Dakota Horse Park Foundation. Commissioner Arthaud seconded the motion.**

Executive Director Bowlinger called the roll as follows:

Commissioner Stoltenow	-	Yes
Commissioner Boehm	-	Yes
Commissioner Wrigley	-	Yes
Commissioner Arthaud	-	Yes
Chairman Mahoney	-	Yes

**The motion carried unanimously.**

**AGENDA ITEM #7**  
**Salary Issues for ND Racing Commission's Administrative Assistant  
and Director of Racing**

Executive Director Bowlinger stated Kelly has worked for the Racing Commission for six months. Typically a person receives a 4% raise at the end of the probation period. Because the Racing Commission is our own agency, Executive Director Bowlinger needs to get the Commission to approve the 4% raise.

**Commissioner Stoltenow moved to authorize a salary increase of 4% to the Racing Commission's Administrative Assistant from her current salary to be effective upon the ending of her probationary period. Commissioner Boehm seconded the motion.**

Executive Director Bowlinger called the roll as follows:

Commissioner Stoltenow	-	Yes
------------------------	---	-----

Commissioner Boehm	-	Yes
Commissioner Arthaud	-	Yes
Commissioner Wrigley	-	Yes
Chairman Mahoney	-	Yes

**The motion carried unanimously.**

Executive Director Bowlinger stated with all the legislative work he has not had adequate time to address his salary. He stated he is unprepared to address this issue to the Commission at this time regarding an increase. Executive Director Bowlinger requested to withdraw his request at this time with the understanding that he will be addressing it at a later date.

**AGENDA ITEM #8**  
**Other Matters Which May Come Before the Commission**

a. Letter from Norman Glinz (Attachment 5)

Executive Director Bowlinger stated he received a call from Monty Rauser, the head of Constituent Services from the Governor, today. He explained to her the position of the Racing Commission. We've also informed Mr. Glinz why the Commissioners have taken the stance that they have. Executive Director Bowlinger informed for the new Commissioners, typically whatever someone sends the Racing Commission, it is placed on the agenda.

Chair Mahoney stated as far as racing in Bottineau, they can still race there. As far as the pari-mutuel races, it is her understanding they still have not contacted Fargo to try to work out something there. As far as them not being able to run pari-mutuel in the state this year is really due to their own lack of going forward to pursue some relationship with the track.

Commissioner Stoltenow stated in the five years that he and Chair Mahoney have been on the Commission, they have worked towards making this function as a professional Commission. Previously the Commission had a history of reversing itself, not meeting its own deadlines, and making variances whenever it felt like it needed to. Commissioner Stoltenow thinks what we're seeing here is a Commission that's moving forward and we're changing the way business is done to a professional manner in this state. However, we have a few constituents who would prefer that we return back to the days of, we'll just reverse ourselves. He stated he has made it a point to try and move this Commission to a professional level. For instance, there are application deadlines and disbursement deadlines that are met unless there are terribly extenuating circumstances which we have provisions for. Commissioner Stoltenow agreed with Chair Mahoney. Part of what is being said is that we just don't want to take the initiative or we feel we don't need to abide by the rules, but that's not how he sees this Commission operating. This Commission represents everybody in the state, and without deadlines and without these rules, it becomes chaos and we can't afford to work in an environment of chaos in this Commission anymore.

Les Schmidt stated he talked to Norman Glinz and his wife at the banquet, and asked them if they were aware of the fact that all they had to do was come to Fargo and request dates, that the Racing Commission had tabled their request. The Glinzes stated they didn't want to, as they want to race in Bottineau because it's their 100<sup>th</sup> year. They have not contacted Fargo; we have contacted them.

Commissioner Arthaud stated at a previous meeting the Commission said they were going to rely on groups working together and working with Les on getting race dates. Commissioner Arthaud thinks the burden should be on Les at this point in way of promoting the Fargo track and push it that way. Commissioner Arthaud asked Les Schmidt if he goes out and meets with the associations and asks when they're going to set dates or how dates can be set. Commissioner Arthaud feels Les should be the promoter of the track and should be trying to get people there.

Les Schmidt stated he has been to two Sunday Thoroughbred meetings, and personally tried to contact the Pacer/Trotter people by telephone, but the calls have not been returned. He stated he has not been notified of or made aware of a Quarter Horse Association meeting that he could attend. He agreed with Commissioner Arthaud, but he has to have cooperation, also.

Commissioner Arthaud stated if Les Schmidt is trying to promote the Fargo track, the associations should be notified by letter asking for a time to visit or meet.

Chair Mahoney agreed and stated this way Les Schmidt can come to the Commission and tell the Commission why harness racing isn't running.

Commissioner Arthaud stated it should be Les's obligation to go out and try to make the track successful and if the people are not being cooperative, he has done his part.

Executive Director Bowlinger stated if letters are sent, you then have the documentation, and it should be copied to the Commission.

Leon Glasser stated, as President of the North Dakota Quarter Horse Racing Association, he will make sure that the secretary sends Les and Paul correspondence informing them of meetings. Executive Director Bowlinger stated, as a regulator, he needs to distance himself from those meetings, but the Commission has turned over the promotion aspect of this via the money to the Fargo track, so it is appropriate that they should attend.

Chair Mahoney asked if there is any other business.

Executive Director Bowlinger stated he has been asked to speak at the NAPRA convention in April. The issue they want him to speak on is simulcast regulation and tote regulation because we are one of the few states that regulates the tote service provider. Executive Director Bowlinger stated he is prepared to talk to them about most of the issues; however, the one issue he feels least comfortable with is that he has never been to the Am Tote hub, which is in Chicago. He'd like to go to Chicago in the next month or so, to see how records are put out so he can explain it to the Commission, the auditor, and to the NAPRA people who will be relying upon me.

Commissioner Stoltenow stated it's not a bad deal since we do regulate that aspect of it, to have a very thorough knowledge of how that hub actually works.

More discussion held.

**Commissioner Stoltenow moved the Chair be authorized to authorize Executive Director Bowlinger for out-of-state travel to go to the Tote facility. Commissioner Arthaud seconded the motion.**

Executive Director Bowlinger called the roll as follows:

Commissioner Stoltenow	-	Yes
Commissioner Boehm	-	Yes
Commissioner Arthaud	-	Yes
Commissioner Wrigley	-	Yes
Chair Mahoney	-	Yes

**The motion carried unanimously.**

Commissioner Wrigley read a portion of Norman Glinz's letter, "We were out last year so two weekends should not be wrongful." Chair Mahoney stated they were late last year, and Executive Director Bowlinger stated they've actually been late for two years. The first year the Commission gave them a reprieve, but told them not to come in late again, and then they came in late again, so they were denied.

Commissioner Wrigley stated he wanted this on record, as it was not the Commission's fault.

Commissioner Arthaud asked whether the Commission appropriates anything over \$100,000 in the promotion, purse, and breeders' funds. Executive Director Bowlinger stated Kathy Roll, in the Attorney General's Finance Division, did a record search on how many times the Commission has been over \$100,000, and it had been eight times. Most of the grants out of the promotion fund are much less than that. Fargo would be affected now, and the breeders' fund and the purse fund would also be affected now.

A live Racing Commission meeting was tentatively scheduled on March 11, 2003, at 1:00 p.m.

Chair Mahoney adjourned the meeting at 2:50 p.m.