

NORTH DAKOTA RACING COMMISSION

Live and Telephone Meeting
500 North 9th Street, Bismarck, ND
Thursday, May 25, 2006
1:00 p.m. (central time)

AGENDA

1. **Approval of Minutes**
2. **Director's report on attendance at the spring RCI Conference in New Mexico**
3. **Approval of 2006 Variances to provisions to the Administrative Rules**
4. **Approval of 2006 track officials at Belcourt and Fargo**
5. **Increase of Bond limits for Simulcast Sites and Service Provider**
6. **Increase of Registration fees for horses into the ND Breeder's Fund**
7. **Increase of licensing fees**
8. **Request by Roger Thompson for increase to monthly auditing service fee**
9. **Quote on replacing office copier**
10. **ITD proposal on development of software for the ND Breeders' Fund**
11. **Request by Les Schmidt regarding issuing of owner's license**
12. **Any other business which may PROPERLY come before the commission**
13. **Adjournment**

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NORTH DAKOTA RACING COMMISSION

**Live and Telephone Meeting
500 North 9th Street, Bismarck, ND
Thursday, May 25, 2006
1:00 p.m. (central time)**

PRESENT:

Chairman Jim Arthaud, Commissioners Jim Clement, Clarence Frederick, DeAnn Pladson, Tom Secret, Legal Counsel Bill Peterson, Director Randy Blaseg and Administrative Officer Helen Tessmann.

OTHERS PRESENT:

Kenneth Lien and Kevin Hall – Lien Games Racing LLC
Scott Horst – NDTBA
Les Schmidt, Track Manager – Horse Race ND
Leon Glasser – NDQHRA
Roger Thompson – Auditor
Janell Cole, The Forum

Chairman Arthaud called the meeting to order at 1:12 p.m. central time and asked Director Blaseg to call the roll:

Chairman Arthaud	-	Here
Commissioner Clement	-	Here
Commissioner Secret	-	Here
Commissioner Pladson	-	Here (by phone)
Commissioner Frederick	-	Here (by phone)

Chairman Arthaud congratulated Commissioner Clarence Frederick on his reappointment to the commission.

1. Approval of Minutes

Commissioner Clement made the motion to approve the minutes of the December 16th, December 27th and the January 26, 2006 commission meetings. Commissioner Secret seconded the motion and all commissioners voted aye. Motion carried.

2. Director's report on attendance at the spring RCI Conference in New Mexico

Chairman Arthaud asked the Director to report on his attendance at the RCI conference in New Mexico.

Director Blaseg reported that the item that was covered the most intently and observed by the most people was that involving wagering that is going on across the nation and how we can keep track of off-shore and any revenues the states may or may not be losing.

Director Blaseg commented that the former ND Racing Commission Director, Mr. Paul Bowlinger, is now the Vice President of the Association of Racing Commissioners International. Director Blaseg also mentioned that he, himself, was appointed to the Steward Accreditation committee.

3. Approval of 2006 Variances to provisions to the Administrative Rules

The variances were the same as the previous year except for item # 11 in which the wordage was changed to "The stewards shall cancel trifecta wagering any time there are fewer than five betting interests."

Commissioner Secrest made the motion to approve the variances to the Administrative Rules. Commissioner Clement seconded the motion. All commissioners voted aye and motion carried.

4. Approval of 2006 track officials at Belcourt and Fargo

The commissioners had previously been provided with a list of officials at each of the tracks. The Director made the recommendation to approve the officials pending a satisfactory application at the each track which is then approved by the state steward.

Commissioner Frederick made the motion to approve the 2006 track officials and Commissioner Secrest seconded the motion. All commissioners voted aye and the motion carried.

5. Increase of Bond limits for Simulcast Sites and Service Provider

Chairman Arthaud explained the limit on the bond is \$50,000 for the provider. The purpose of the bond is to make sure that the state's portion of the wagers is backed up by a bond. The Chairman asked for comments from the provider. Kenneth Lien stated he had no questions but asked that the sites have the same limit.

Discussion was held on the limit on the bonds for the simulcast sites. Discussions included Kevin Hall stating Lien Games Racing LLC's bonding is fulfilled by a letter of credit. Director Blaseg suggested that the sites that do not have the large volume of wagering to keep their bond at the current level of \$10,000. Legal Counsel Peterson stated that in any case both the service provider and the simulcast sites are required to obtain a bond to secure the taxes that are due. Chairman Arthaud made the recommendation that the bond limit for the provider be set at \$100,000 and to raise the limit for a bond for the simulcast sites that have over ten million in handle a year to \$50,000.

Commissioner Secrest made the motion to set the bond limit for the provider at \$100,000, raise the limit to \$50,000 for the sites that have over ten million annual handle and for sites having under the ten million annual handle the bond level to remain at \$10,000. Commissioner Clement seconded the motion. All commissioners voted aye. The motion carried.

6. Increase of Registration fees for horses into the ND Breeder's Fund

7. Increase of licensing fees

Chairman Arthaud explained that items #6 and #7 needed to be dealt with as a rule change and therefore were removed from the agenda.

8. Request by Roger Thompson for increase to monthly auditing service fee

Roger Thompson requested a \$100 monthly increase to \$800. The last increase was in 1999. Chairman Arthaud made the recommendation to allow the increase.

Commissioner Clement made the motion to approve the \$100 increase to the auditor's monthly fee. Commissioner Secrest seconded the motion. All commissioners voted aye. The motion carried.

9. Quote on replacing office copier

Administrative Officer Tessmann reported on a quote received for a used copier from Fireside Office Products. The copier had only been used two months by a federal agency and was traded in as that agency needed a copier that had the scanning feature. The copier's new cost was listed as \$9,000 and was now being sold at estimated \$3,300. The service contract annual fee including toner would run an estimate of \$250 - \$400 annually. Chairman Arthaud made the recommendation to approve the request to purchase the used copier.

Commissioner Secret made the motion to approve the purchase of the used copier. Commissioner Clement seconded the motion. Chairman Arthaud asked the Director to call the roll:

Chairman Arthaud	-	Yes
Commissioner Clement	-	Yes
Commissioner Secret	-	Yes
Commissioner Pladson	-	Yes
Commissioner Frederick	-	Yes

The motion carried.

10. ITD proposal on development of software for the ND Breeders' Fund

Administrative Officer Tessmann reported that the individual who was to make the ITD's presentation of the software proposal had a family emergency so was unable to attend and asked that this item be removed from the agenda and be placed on the next meeting's agenda.

11. Request by Les Schmidt regarding issuing of owner's license

Chairman Arthaud reported that the Director had investigated issuing an owner's license to a track manager. Legal Counsel Peterson explained rule 69.5.01.03.01. Lengthy discussion was held regarding this matter.

Commissioner Secret made the motion that since track managers at either track within North Dakota have a conflict of interest, they should not be allowed an owner's license nor allowed to run at any licensed North Dakota track. Commissioner Frederick seconded the motion.

Commissioner Clement stated for the record he disagreed in not allowing the Fargo track manager to run at Belcourt and the Belcourt manager to run at Fargo.

Chairman Arthaud asked the Director to call the roll:

Chairman Arthaud	-	Yes
Commissioner Clement	-	No
Commissioner Secret	-	Yes
Commissioner Pladson	-	Yes
Commissioner Frederick	-	Yes

The motion carried.

12. Any other business which may PROPERLY come before the commission

Chairman Arthaud explained a late request came from Les Schmidt, Fargo Track Manager, for the Horse Race North Dakota's **Jockey Incentive program**.

Les Schmidt, Track Manager, stated that the requested \$4,100 for the Jockey Incentive program would be matched by Horse Race North Dakota to create an incentive of \$8,200 for the jockey program. Les further explained the jockey incentive program. Chairman Arthaud stressed the importance of grant requests coming in a timely manner when the annual dollars are being distributed. Chairman Arthaud recommended granting the \$4,100 since Horse Race North Dakota is willing to match the \$4,100. Legal Counsel Peterson made reference to the rule for Promotion Fund requests. The application for

Promotion Fund awards must be received in the North Dakota Racing Commission office by October 1st of the year preceding the year in which the award is to be received. Legal Counsel added that the commission in its discretion may grant exceptions to this requirement.

Commissioner Secrest made the motion to approve granting \$4,100 from the Promotion Fund to cost share with Horse Race North Dakota for the jockey incentive program. Commissioner Pladson seconded the motion.

Commissioner Clement stated he believed it was unfair to address this motion as it was late when Fair Circuit Horse Racing Association also had a late request to be on this same agenda and was denied.

With no further discussion Chairman Arthaud asked the Director to call the roll:

Chairman Arthaud	-	Yes
Commissioner Clement	-	No
Commissioner Secrest	-	Yes
Commissioner Pladson	-	Yes
Commissioner Frederick	-	No

The motion carried.

13. Adjournment

With no further business **Commissioner Secrest made the motion to adjourn the meeting. Commissioner Clement seconded the motion. All commissioners voted aye. The motion carried.**
The commission meeting adjourned at 2:21 p.m.