

**NORTH DAKOTA RACING COMMISSION**

**Live and Telephone Meeting**

500 North 9<sup>th</sup> Street, Bismarck, ND

Wednesday, December 20, 2006

10:00 a.m. (central time)

Chairman Arthaud called the meeting to order at 10:00 a.m. central time and asked Director Blaseg to take the roll:

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

**PRESENT:**

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

**OTHERS PRESENT:**

Ken Lien, Mike Cichy, Kevin Hall, Howard Wrigley, Scott Horst, Les Schmidt, Richard Nevin, Janell Cole, Ralph Buchholz, Roger Thompson, Leon Glasser, Warren DeKrey, Barb Nelson, Dave Payton, Rob Lynch and Jon Rivoli.

**AGENDA**

1. **Approval of ND Racing Commission's 2007-2009 Budget**
2. **Finalization of the 2007 service provider's license for Premier Turf Club**
3. **Recommendations for rule changes**
4. **Proposed 2007 Legislative Issues**
5. **Horse Race North Dakota presentation of Historic Races**
6. **Any other business which may PROPERLY come before the commission**
7. **Adjournment**

Chairman Arthaud announced agenda item number 5, Horse Race North Dakota's presentation of Historic Races would be heard as the first item on the agenda.

**5. Horse Race North Dakota presentation of Historic Races**

Rob Lynch, Executive Director of the ND Horse Park, handled out information on Instant Racing, introduced Dave Payton representative of Race Tech and gave the presentation and demo on the instant racing machines.

After the presentation, Rob Lynch asked on behalf of the Horse Race North Dakota, the operators of the ND Horse Park, that the commission pass a resolution in support of instant racing in North Dakota.

Dave Payton gave a summary of the states that are looking at instant racing and gave Oakland as a perfect example as to the success of the instant racing machines and explained the marketing that Oakland of Hot Springs, Arkansas is using.

Legal Counsel Peterson explained that instant racing or historic racing would require legislative change to the current laws to authorize this type of gambling. He also cautioned to giving any support to legislation before the commission sees what the legislation is. Rob added that they are not asking the commission to support any legislation but were asking for support of the concept of the product.

Commissioner Pladson stated she did not feel that she would be ready to vote either for or against support without looking at the material presented, checking the contact list and the web sites as suggested. Chairman Arthaud asked Commissioner Pladson with the Director's assistance to further look into the matter. Rob will provide Commissioner Pladson with the material presented at the meeting. Legal Counsel also asked that the specific legislation they intend to propose be given to Commissioner Pladson.

Chairman Arthaud asked for any questions from the audience which Rob Lynch answered.

The Chairman proceeded with the next agenda item being the 2007-09 budget.

**1. Approval of ND Racing Commission's 2007-2009 Budget**

The Director previously provided the Commissioners with information regarding the budget. The Chairman asked for any questions, suggestions, or changes and with none asked for the motion.

**Commissioner Secret made the motion to approve the budget as submitted. Commissioner Clement seconded the motion.**

Chairman Arthaud asked the Director to take the roll:

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

**The motion carried.**

**2. Finalization of the 2007 service provider's license for Premier Turf Club**

Legal Counsel explained that questions had been answered as to who owns the companies who own Premier Turf Club, and a better explanation was given as to who was managing the company.

**Commissioner Secrest made the motion to amend and approve the application of Premier Turf Club LLC to reflect the ownership as Palm Beach Gaming Advisors LLC, Wes Berman Revocable Trust, and Morgan Howard Holdings LLC. The application to include Ian Meyer's memo reflecting the percentage of ownership and individuals involved. Commissioner Clement seconded the motion.**

After further discussion, Chairman Arthaud asked the Director to take the roll:

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

**The motion carried.**

**3. Recommendations for rule changes**

Director Blaseg stated he had received two recommendations. Doug DeMontigny of Outdoor Recreation Development Association (ORDA) had discussed the rule which "addresses the necessity of having an ambulance on hand during training as well as racing hours." Director Blaseg stated that this wasn't a rule change as it is currently a rule in place. ORDA would like to see the rule modified.

Commissioner Frederick explained the ambulance service available to the Chippewa Downs Track in Belcourt. Les Schmidt, Track Manager of ND Horse Park, reported that the Fargo race track has always had an ambulance on duty for both training hours and racing hours.

Legal Counsel Peterson stated the rule (69.5.010418) states "each association shall maintain on the ground during every day that its' track is open for racing or exercising, an ambulance for humans equipped according to prevailing standards and manned by medical doctors, paramedics or other personnel trained to operate them".

Further discussion was held with Commissioner Frederick and Chairman Arthaud suggesting tabling the recommendation, having the tracks revisit the issue with the horsemen and submitting their formal request in writing for the commission's review for any changes.

Director Blaseg stated the other was a rule (69.50109-10) that at the present time has a minimum purse of \$1,000 in order for a horse to receive a North Dakota Breeders' fund award. The rule was recommended to be changed to a minimum purse of \$2,000 to receive a breeders' award. ORDA felt that was too high a dollar figure. Director Blaseg went on to explain that the request very simply was they felt that in order to maintain the Breeders' Fund at a suitable level the horses should be running for a better purse in order to be eligible to receive awards. They

did not want to see a lot of races run at a very minimum purse and then to still be able to take advantage of the Breeders' Fund awards.

Commissioner Frederick and Chairman Arthaud recommended the trials at both tracks should be at a minimum of \$1,000 and regular race finals be run at a minimum of \$1,500.

Legal Counsel Peterson explained again the process for making rule changes, stated any rule changes won't be effective for at least six months and then the commission needs to see what will take place during the current legislative session. It was decided to table any action of rule changes until the commission has some idea what changes may take place due the legislative session. Legal Counsel also commented that the rule making process typically for boards and commissions requires many hours of study of each rule change and that it is a long tedious process.

**4. Proposed 2007 Legislative Issues**

Chairman Arthaud explained the Attorney General's office has been in contact with him regarding their bill and the issue is the cost of any auditing and investigating. The commission's bill on the pari-mutuel tax is scheduled to be heard on January 10<sup>th</sup>. The Chairman asked for any comments or concerns from the commissioners to be given to him immediately.

**5. Horse Race North Dakota presentation of Historic Races**

(This item had been moved to the first item to be heard by the commission.)

**6. Any other business which may PROPERLY come before the commission**

The accountant, Roger Thompson, asked the chairman that once the Premier Turf Club was up and running to meet with them to set up the proper reporting requirements. The Chairman suggested Roger coordinate the procedure with the director.

The Commission reviewed the **site application for Horse Race North Dakota**. The Chairman added that a final site inspection would be completed by the Director at 601 NP Avenue in Fargo.

**Commissioner Clement made the motion to approve the Horse Race North Dakota site application in Fargo. Commissioner Frederick seconded the motion.** Chairman Arthaud asked the Director to take the roll:

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

**The motion carried.**

**7. Adjournment**

With no further business, Chairman Arthaud asked for the motion to adjourn.

**Commissioner Frederick made the motion to adjourn the meeting. Commissioner Clement seconded the motion. By voice vote all said aye. Motion carried.**