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**Minnesota Racing Commission**

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<https://mn.gov/mrc/>

### AT A GLANCE

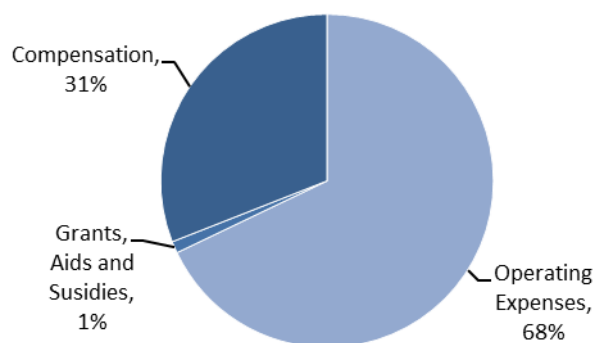
- Regulates wagering activities on Horse Racing (\$92 million annually) and Card Playing (\$82 million annually) at both Canterbury Park and Running Aces Casino, Hotel and Racetrack
- Licenses Advance Deposit Wagering (ADW) providers and regulates wagering conducted in Minnesota on horseracing via ADW platforms (\$69 million annually)
- Administers \$1.2 million in the Minnesota Breeders Fund for the benefit of owners and breeders of Minnesota bred racehorses
- Issues more than 4500 occupational and vendor licenses to industry participants per year

### PURPOSE

The Minnesota Racing Commission (MRC) operates in the public interest to ensure the integrity of horseracing and card playing by providing robust regulatory oversight, overseeing the distribution of funds back into the industry, and providing for the safety and welfare of the human and equine participants. Additionally, the commission works to promote the horse racing and breeding industries in Minnesota to provide economic stimulus, offer residents and visitors exciting entertainment options, and support agriculture and rural agribusiness.

### BUDGET

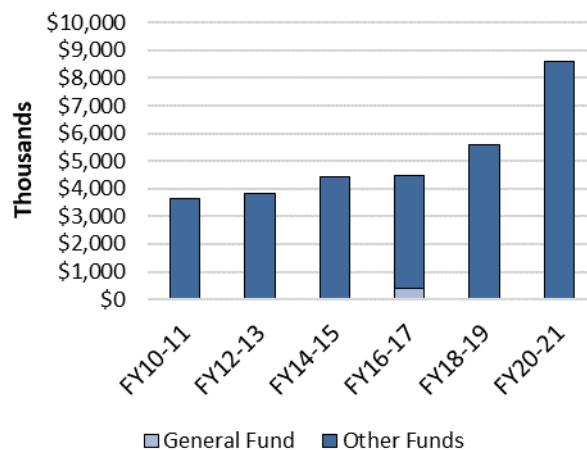
**Spending by Category  
FY 2021 Actual**



**Note:** FY 19 operating expenses include \$1,147,000 in breeder fund payouts, which is 49% of the total operating expenses.

Source: Budget Planning & Analysis System (BPAS)

**Historical Spending**



Source: Consolidated Fund Statement

The Racing Commission's basic operations are currently financed entirely by the industry it regulates. Racetrack and occupational license fees (limited by a direct appropriation from the special revenue fund per statute), reimbursements outlined in M.S. 240.30 Subd.9 (<https://www.revisor.mn.gov/statutes/cite/240.30>) and M.S. 240.155 Subd.1 (<https://www.revisor.mn.gov/statutes/cite/240.155>) paid by the racetracks, and regulatory fees paid by advance deposit wagering (ADW) providers provide the funding for Commission operations.

## STRATEGIES

To accomplish the Racing Commission's mission of regulating this extremely complex industry, administering the Breeders Fund, and overseeing the safety and welfare of the human and equine participants, several strategies are employed:

1. Licensing – Facilitate a licensing process that is detailed, accurate, and administered in a way that licenses are issued only to individuals and vendors who meet the criteria established in law and rule, and whose participation in racing and/or card playing is consistent with the best interests of the industry.
2. Fiscal Oversight – Ensure that all monies flowing through the pari-mutuel, ADW, and card revenue streams are reviewed, tested, and verified to keep associations in compliance with their obligations to the participants, the public, and the state.
3. Policing – Engage contractors and hire staff who are experts in the fields of veterinary science, criminal justice, and the rules of racing to conduct drug testing, investigate potential criminal activity, and administer the rules governing horseracing and card playing to maintain the highest level of integrity for the wagering public.
4. Civic Engagement – Lead the industry forward through active communication with all areas of state government to encourage public policy that will afford the greatest opportunity for the industry to expand and thrive.
5. Education – Educate all participants including licensees, vendors, and all those who work with our equines or the public, on what is expected under our laws and rules.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Total</i>	<i>Dates</i>
Quantity	Equine Drug Testing (blood, urine, and hair)	CY 20/ 4,420 samples CY21/ 5,160	CY 20/CY21
Quantity/Results	Purse Money Industry Awarded to Horse Owners	\$13.7/\$19.7 million	CY 20/CY 21
Quality	Overtime & Premium Compensation	1.5%/1.0% of total comp	FY 21/FY 22
Results	Breeders Awards	\$602,178/\$612,629	CY 20/CY 21

Source: Minnesota Racing Commission record

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The Minnesota Racing Commission's legal authority comes from M.S. Chapter 240 (<https://www.revisor.mn.gov/statutes/?id=240>).

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Enacted Budget	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
<b><u>Expenditures by Fund</u></b>								
1000 - General							1,000	
2000 - Restrict Misc Special Revenue	4,070	4,541	4,347	6,397	5,116	5,126	5,136	5,167
<b>Total</b>	<b>4,070</b>	<b>4,541</b>	<b>4,347</b>	<b>6,397</b>	<b>5,116</b>	<b>5,126</b>	<b>6,136</b>	<b>5,167</b>
Biennial Change				2,133		(502)		559
Biennial % Change				25		(5)		5
Enacted Budget Change from Base								1,061
Enacted Budget % Change from Base								10

# Racing Commission

# Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Enacted Budget FY24 FY25	
1000 - General								
Direct Appropriation							1,000	
Expenditures							1,000	
Biennial Change in Expenditures				0		0		1,000
Biennial % Change in Expenditures								
Enacted Budget Change from Base								1,000
Enacted Budget % Change from Base								
2000 - Restrict Misc Special Revenue								
Balance Forward In	2,673	3,193	3,275	3,961	2,530	2,766	2,530	2,766
Receipts	3,282	4,044	4,120	4,053	4,439	4,463	4,439	4,463
Transfers In	673	602	613	653	653	653	653	653
Transfers Out	673	602	613	653	653	653	653	653
Cancellations		464						
Balance Forward Out	2,798	3,145	3,961	2,530	2,766	3,016	2,766	3,016
Expenditures	4,070	4,541	4,347	6,397	5,116	5,126	5,136	5,167
Biennial Change in Expenditures				2,133		(502)		(441)
Biennial % Change in Expenditures				25		(5)		(4)
Enacted Budget Change from Base								61
Enacted Budget % Change from Base								1

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
Change Items				
Horseracing Integrity and Safety Act		1,000		1,000
<b>Total Enacted Budget</b>		<b>1,000</b>		<b>1,000</b>
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Planned Spending	6,397	5,116	5,126	10,242
Forecast Base	6,397	5,116	5,126	10,242
Change Items				
Maintain Current Service Levels		20	41	61
<b>Total Enacted Budget</b>	<b>6,397</b>	<b>5,136</b>	<b>5,167</b>	<b>10,303</b>
<b>Revenue Change Summary</b>				
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Forecast Revenues	4,053	4,439	4,463	8,902
<b>Total Enacted Budget</b>	<b>4,053</b>	<b>4,439</b>	<b>4,463</b>	<b>8,902</b>
<b>Non-Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Forecast Revenues	820	820	820	1,640
<b>Total Enacted Budget</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>1,640</b>

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
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### Horseracing Integrity and Safety Act

This provision provides onetime funding to assist the Racing Commission in its compliance with the federal Horseracing Integrity and Safety Act. This compliance will include the hiring of two FTEs to assist in complying with uniform safety and integrity rules on thoroughbred racing in the United States drafted by the new Horseracing Integrity and Safety Authority (HISA). This funding is provided for Fiscal Year 2024 to give the Racing Commission time to put together a long-term plan for payment of ongoing HISA compliance costs.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenditures	0	1,000	0	1,000	0	0	0

### Maintain Current Service Levels

This provision provides additional operating funds to maintain the current level of service delivery at the Minnesota Racing Commission.

<b>2000 - Restrict Misc Special Revenue Fund Cost (Savings)</b>	<b>0</b>	<b>20</b>	<b>41</b>	<b>61</b>	<b>41</b>	<b>41</b>	<b>82</b>
Expenditures	0	20	41	61	41	41	82