

Minnesota Racing Commission
Meeting

Thursday, **January 18**, 2024

PUBLIC COPY

DO NOT REMOVE
FROM ROOM

**Full Commission Meeting
Thursday, January 18, 2024 – 4:00 p.m.
Nutrena Conference Center
1801 Dudley Avenue, Saint Paul, MN 55108**

AGENDA

- 1) Call to Order
- 2) Roll Call
- 3) Adoption of Agenda
- 4) Approval of Minutes –December 21, 2023

Action Items

- 5) Final Approval to Publish Racing Rules
- 6) Canterbury Trackage Development Area Improvements & Class A License Modification Request

Informational Items

- 7) Informational Overview of Tracks' Request for On-Track Advanced Deposit Wagering on Historical Horse Racing – Request will be referred to appropriate committees for further review
- 8) Status Reports
 - a. Canterbury Park Entertainment
 - b. Running Aces Casino, Hotel, and Racetrack
- 9) Executive Director's Report
 - a. HISA Update
 - b. Legislative Update
 - c. Contract Approvals
 - d. ADW Report
 - e. Licensing Report
 - f. Other
- 10) MQHRA/MTA/MHRI/MNHBPA Reports

11) Future Meetings

- a. Full Commission-Thursday, February 15, 2024

12) Adjourn

The Commission meeting packet may contain not public data pursuant to the Minnesota Government Data Practices Act. Commission staff has marked such data as not public. Please discard the data in a safe and confidential manner. Should you have questions about the classification of any data please contact Commission staff.

Please notify the Racing Commission if you need special accommodations for this meeting. This material can be given to you in different forms, like large print, Braille or on a tape. If you use a TTY, you can call us using the Minnesota Relay Service at 7-1-1 or 1-800-627-3529.

Item 4 –
Minutes from
December 21, 2023

Full Commission Meeting

Thursday, December 21, 2023 – 4:00 p.m.

Nutrena Conference Center

1801 Dudley Avenue, St. Paul, MN 55108

MINUTES

Call to Order:

Agenda Item 1 – Call to Order

Chair McArdle called the meeting to order at 4:00 p.m.

Roll Call:

Agenda Item 2 – Roll Call

Present –Chair McArdle, Commissioners Goodman, Dehn, Idelkope, and Gingold. A quorum was acknowledged.

Other participants – Kyle Gustafson (Executive Director, Minnesota Racing Commission), E. Joseph Newton (General Counsel, Minnesota Racing Commission), Penny Nelson (Deputy Director, Minnesota Racing Commission), Jeanne Schnell (Minnesota Racing Commission Consultant), Tracie Wilson (CFO, Running Aces Casino, Hotel and Racetrack), Randy Sampson (President/CEO, Canterbury Park Entertainment), John Groen (General Manager, Canterbury Park Entertainment), Amber Carlisle (Racing Operations Manager, Canterbury Park Entertainment), Kay King (Executive Director, Minnesota Thoroughbred Association), Cathy Dessert (Vice President, Minnesota Harness Racing, Inc.) Mike Cronin (Minnesota Horsemen's Benevolent and Protective Association).

Adoption of Agenda:

Agenda Item 3 – Approval of Agenda

Chair McArdle made an amendment to add item 6 A aa under Action Items to approve the 2024 Horsemen's Agreement and to emit item F; Commissioner Dehn motioned to approve the agenda; Second by Commissioner Gingold; Motion passed.

Approval of Minutes:

Agenda Item 4 – Approval of Minutes

Commissioner Gingold motioned to approve the November 16, 2023, minutes; Second by Commissioner Dehn. Motion passed.

Agenda Item 5 – Committee Reports

A. Aftercare Committee

Commissioner Goodman asked Ms. Schnell to present. Ms. Schnell presented a power point presentation.

Areas of Focus for Commissioners:

- Do the greatest good for horses transitioning to new careers after racing.
 - This entails gathering data to understand the aftercare ecosystem in Minnesota.
 - What class of horse is being transitioned? (Sound vs. Unsound)
- Resources:
 - What has been done in the past?
 - What is currently being done?
 - What does the future look like?

The Minnesota Racing Commission and the State of Minnesota is committed to accessibility for all. If you require this document modified in any way to accommodate for disability, please let the sender know.

- A larger discussion should be had amongst commissioners to find a balance that allows for a sustainable aftercare ecosystem.
- Commissioner Goodman has asked Executive Director Gustafson to gather historical data to better assist commissioners with their discussions of advancing the mission of aftercare.

Overview of Recommendations:

1. Revising the grant application timeline for the 2025 application to be January 1 – March 1 to allow aftercare facilities time to complete the application and allow MRC staff adequate time to review them. This also allows disbursement of funds faster, giving aftercare facilities resources to care for incoming horses without straining resources.
2. Having aftercare facilities complete an aftercare inventory sheet and answer breed specific questions to allow for a better understanding of the types of horses in need of aftercare resources.
3. Commissioners should talk about how the MRC can do the most good. Is to help all horses or only those who can be retrained and rehomed quickly? Or is it a mix of both?
4. A 1–2-page status report provided to the Commission and distributed to stakeholders to add transparency and integrity to the grant process. Stakeholders can be assured that the funds they are providing is going towards the health and wellness of equine athletes and to programming that promotes education and aftercare awareness.
5. Facilitating access to veterinary records and ensuring records go with the horse whenever possible to allow aftercare facilities to establish a baseline of health and soundness.

Revisions to the After Grant Application:

- Drs. Hovda and Klatt worked in conjunction with Ms. Schnell to revise the grant application.
- The application requests additional information to better inform Commissioners and MRC Staff in their decision to allocate grant funds to aftercare organizations.
 - Includes a revised 1,000 point scale which now takes into consideration:
 - Horse Inventory Sheet
 - Disaster Preparedness Plan
 - Succession Plan
 - Marketing and Fundraising Plan

Commissioner Goodman then said this was an abbreviated version of what was discussed. It is very important for everyone to understand to try to be more responsive really need to have the application earlier in the season. For 2024 going to attempt to implement the changes that Ms. Schnell, Dr. Hovda and her team have suggested and try to keep to that timeline of the first quarter.

Agenda Item 6 – Action Items

A. New Business

aa) 2024 Contact/Horsemen's Agreement

Mr. Sampson presented. We were very happy to get everybody signed off on the agreement and moving forward with our state application. Other than the race date changes there is not any real significant changes to the contract. Commissioner Gingold motioned to approve the 2024 Contact/Horsemen's Agreement from Canterbury Park: Second by Commissioner Idelkope; Motion passed.

a) Renewal of Class B License – Canterbury Park Entertainment, LLC

b) Renewal of Class B License - North Metro Harness Initiative (d/b/a Running Aces Casino, Hotel and Racetrack)

Mr. Newton explained the current licenses expire on the 31st of this year. There is enough adequate record to approve the Class B licenses. Commissioner Goodman motioned to approve the renewal of Class B Licenses for Canterbury Park Entertainment, LLC and North Metro Harness Initiative (d/b/a Running Aces Casino, Hotel and Racetrack): Second by Commissioner Idelkope; Motion passed.

c) 2024 Live Racing Requests from Canterbury Park Entertainment, LLC

- i. Live Race Days Application**
- ii. Televised Race Days Request**
- iii. Racing Officials**

Chair McArdle pointed out all information is in their packets. Mr. Groen presented some of the changes to the 2024 Race schedule. They took the same 54 race days but spread it over three additional weeks. Starting Preakness weekend (May 18, 2024) through the end of September (September 28, 2024). Also brought back a mid-season break in July (July 17 – 21, 2024). Shifting main race day back from Wednesday to Thursdays. Festival of Champions will be moved back to the Saturday of Labor Day weekend (August 31, 2024). Ms. Carlisle presented the Racing Officials and Simulcasting days from the packet. Commissioner Dehn motioned to approve the 2024 Live Racing Requests from Canterbury Park: Second by Commissioner Gingold; Motion passed.

d) Approval of Minnesota Quarter Horse Breeders' Fund Advisory Board Members

Commissioner Goodman motioned to approve the Minnesota Quarter Horse Breeder's Fund Advisory Board Members: Cynthia Besser, Amber Carlisle, Bill Geditz Jr, Kenneth Quade, Corey Wilmes: Second by Commissioner Dehn; Motion passed.

e) Extension of ADW Source Market Fee Agreement – eBet

Commissioner Gingold motioned to approve the Extension of ADW Source Market Fee Agreement - eBet: Second by Commissioner Dehn; Motion passed.

f) Final Approval to Publish Racing Rules RD 04816 (removed from agenda)

g) Approval of 2024 Legislative Proposal

Mr. Gustafson presented. This proposal would be to increase the ADW Regulatory fee from 1% to 2% and use that additional 1% as the ongoing revenue to pay the annual HISA assessment. Chair McArdle asked what would happen if this proposal was not approved today? Mr. Gustafson replied, it would take this option off the table for this legislative session given the January 5th deadline for the submission of the proposed to the governor's office. Commissioner Dehn motioned to approve the 2024 proposal to increase the ADW from 1% to 2%: Second by Commissioner Goodman; Discussion: Commissioner Goodman stated we don't have to have something into the governor's office by 5th, legislators have the ability to bring forward that kind of proposal as well, correct? Mr. Gustafson replied yes, any legislature can introduce legislation. Commissioner Idelkope, given that we are talking about funding for a state agency, without the governor's office support that would be a big challenge with the legislature. Commissioner Dehn asked if proposal forwarded to the governor and goes to the legislature this doesn't prohibit anyone in the legislature allocating some money for the Racing Commission to be used to pay for HISA like last year. It just sort of sets in motion a process by which the governor is requesting this change. Mr. Gustafson, yes that is correct. Chair McArdle asked what are the negatives in terms of each track? Mr. Gustafson answered there is a concern that there would be likely interaction with the source market fee that is paid from the ADW platforms to the tracks of a corresponding 1% reduction. Commissioner Gingold is not in favor, the business of using ADW for these things is not in keeping the spirit of ADW. Commissioner Idelkope agrees there is no good solution, this is an unfunded mandate from the feds and we don't have the funding source for it next year it seems this is best of bad options to bring forward for the governor's consideration. Commissioner Goodman pointed out she proposed the state has asked us to regulate gaming/racing and therefore it should be a general fund appropriation. She will continue to talk to the Commissioner of Agriculture and others about general fund appropriation. She is reluctantly agreeing. Commissioner Gingold would like to rephrase the resolution in terms of using ADW only to the extent that we are unsuccessful with the governor's office to find an alternative. Commissioner Dehn accepts that and adds that this is a temporary fix and we are proposing is a permanent restructuring so if we are able to find a different solution for paying HISA in the future I think we need to revisit this. Commissioner Gingold amended the motion to approve the 1% increase to the ADW request with the understanding that in the meantime we use our best efforts to secure an alternative funding source from the state of Minnesota. Motion passed.

Agenda Item 7 – Status Reports

A. Canterbury Park Entertainment Running Aces Casino, Hotel and Racetrack

Mr. Sampson started with a comment on the ADW. Agrees with Commissioner Goodman has the right approach that it should be a general fund appropriation and should be the first option. Second option would be making the industry pay for it. Historically when it was started it was 1%, during covid and the crisis of funding the legislation raised the fee from 1% to 2% but it had a sunset. At that time the ADW companies didn't like it but accepted it because it was temporary and didn't force a source market fee change. But they did say if this does not change back when it is supposed to, they would have to have this discussion. Mr. Sampson proposed this ADW increase be put in as a 2-year temporary funding for HISA until more permanent funding can be obtained. Commissioners agreed and will defer to the appropriate time after this report when not out of order. Mr. Sampson continued with his status report, November results another good month for simulcasting, YTD simulcasting is flat. Cardroom down a percent or two. Encouraged to see revenues closer to where we had budgeted. Great progress and working with the horseman on plans for next year. New barn project, two of the three barns now have the steel structures in place and getting ready to put the fabric skin on. Some of the utility kind of projects, road & storm water are still waiting for final city approval. Development update just announced another building next to the brewery/restaurant will be a barbecue restaurant, pizza place and fitness place. One other project that will require commission approval possibly in January is in the employee parking lot working on a restaurant concept with indoor music venue to entertainment venue.

B. Running Aces Casino, Hotel and Racetrack

Ms. Wilson asked if there was a way to put in the ADW to add just what is needed for HISA, do a 1%-2% with a ADW cap up to 2% and only using for HISA. Continuing with the status report strong November, a little bit behind last year for cardroom revenues but close. December starting off a little bit stronger than last year. Simulcasting down for November but YTD flat with 2022. Steve Carpenito, Director of Racing wanted to pass on preparations are under way for the 2024 meet including producing an updated stall application and racing brochure. Nearing the end of discussions with MHRI on schedule and will have ready for release in January. Also working on staffing for the 2024 season.

Agenda Item 8 – Staff Reports

A. End of Season HISA Report – Dr. Hovda

Dr Hovda presented. 30 days after the closing the racetrack has to submit a report to HISA and that was done by Ms. Carlisle. 60 days after the end of the meet as the Safety Director Dr. Hovda had to submit a report to HISA primarily about safety committee what was done, who was present, provide agendas, training information, summary of all the fatalities. Updated on new possible HISA rules proposed and due January 1. Met with Canterbury officials on HISA Accreditation. Dr. Hovda and Dr. Klatt have gone through all SOPs about 300 pages and have been updated to HISA template. HISA sent incorrect Mortality document and they are working on correcting due in January. One issue is Canterbury Park is going to need another small ambulance, the one currently using is no longer safe to put people in.

Agenda Item 9 – Executive Director's Report

- A. HISA Update
- B. Rulemaking Update
- C. Licensing Report
- D. Personnel Update
- E. ADW Report
- F. Contract Approvals

Mr. Gustafson, Executive Director presented.

- A. HISA Update - HISA has announced a formation of a Pro-bono legal representation program.
- B. Rulemaking Update – Nothing

C. Licensing Report – December very busy month for 2024 employee licenses.

D. Personal Update – Introduced new Deputy Director Penny Nelson.

E. ADW

F. Contract Approvals – Running Aces renew lease of a table game and request for approval to move player station from one end of the bar to the other.

– Not on the agenda - The Standardbred and Thoroughbred advisory committees have meet for the first time this past month. Reviewed the available Breeders funds and covered the payments.

Commissioner Goodman moved to reconsider item 6Ag; Second by Commissioner Idelkope. Motion passed. Commissioner Dehn moved to add to the previous motion to add a period of two years; Second by Commissioner Gingold. Commissioner Idelkope wanted to remind that this is a recommendation to go to the governor's office. As the chair of the Administrative and Legislative committees we want to spend more time talking and learning about the impact. Motion Passed.

Item 10 – MQHRA/MTA/MHRI/MNHBPA Reports

MTA – Kay King –2024 MTA Stallion Auction will be online January 4 - 13, 2024

MHRI – Cathy Dessert –Asked if any changes please figure that out so that when set the schedule we are not shorting ourselves. Annual MHRI Banquet will be February 17, 2024. Happy Holidays and Happy New Year.

MNHBPA – Mike Cronin – Happy Holidays and Happy New Year.

Item 11 – Tribute to Minnesota Horsepersons

Robert Lothenbach – Horse Owner & Breeder

Jerry Herringer – Horse Owner & Past MTA/HBPA President

Alex Canchari - Jockey

Charlie Smith – Trainer

Dale Schenian – Co-Founder/Board of Canterbury Park, Horse Owner, Breeder, Served on the MTA Board.

Ed Underwood - Paster

Steve Knoll – Outrider

Todd Scherer – Assistant Trainer

Terry Hoffmen- Trainer

Al Villarreal – Owner

Fred Wagner – Owner

Curtis Johnson - Owner

Item 12 – Future Meetings

Proposed Dates for 2024 Meeting place is Nutrena Conference Center 1801 Dudley Avenue Saint Paul, MN 55108.

Item 13 – Adjournment

Motion to adjourn by Commissioner Dehn Second by Commissioner. Chair McArdle adjourned the meeting on Monday, December 21, 2023, at 5:37 p.m.

THESE MEETING MINUTES HAVE BEEN APPROVED ON THIS ____ DAY OF _____, 2024 BY A QUORUM OF THE MINNESOTA RACING COMMISSION.

Item 5 – Action Item

**Final Approval to Publish
Racing Rules**

Proposed Rule Changes and Addition

January 2024

7869.0100 DEFINITIONS

Subp. 49a. Pylons

Poles marking the inner surface of the racetrack. The poles are white with the top 4 inches a darker color.

Subp. 51a. Racing day.

"Racing day" means a day assigned by the commission on which racing is conducted and shall include no fewer than ~~eight~~ **seven** live races. If environmental conditions, a power or technology failure, or a shortage of horses forces the cancellation of races to the extent that fewer than ~~eight~~ **seven** races can be held in a single day, the day is still considered a racing day as long as the canceled races are added to one or more subsequent racing cards held within 30 days of the cancellation. For purposes of this subpart, "shortage of horses" means that one or more proposed races for the day were unable to generate at least a five-horse field and therefore could not be carded. No more than 14 live races shall be conducted in a single day unless approved by the stewards and the executive director.

7873.0188 Subp. 7

Restrictions on superfecta races. In no event shall superfecta wagering be allowed with fewer than ~~five~~ **six** betting interests. If for any reason superfecta wagering is canceled, all superfecta wagers must be refunded.

7877.0170 DUTIES AND RESPONSIBILITIES OF CLASS C LICENSEES

Subp. 9. Veterinarians

L. The commission shall report any rulings or violations involving a veterinarian to the Minnesota Board of Veterinary Medicine and initiate a complaint with the Minnesota Board of Veterinary Medicine against a veterinarian **provisionally suspended by the Horseracing Integrity Welfare Unit and after all the appeals have been exhausted** or determined to have acquired or administered a Class 1 substance contained in the Association of Racing Commissioners International (ARCI) Uniform Classification Guidelines for Foreign Substances and Recommended Penalty Rule or the Horseracing Integrity Welfare Unit list of prohibited substances.

O. Veterinarians and veterinary assistants must sign in and out on a form prescribed by the commission at the stable gate each time the veterinarian and veterinary assistant enters or leaves the grounds of the racetrack.

Subp. 9a. Veterinary assistants

B. Veterinary assistants shall not:

- (1) diagnose disease, lameness, or illness;
- (2) provide a prognosis;
- (3) prescribe any treatments, drugs, medications, or appliances;
- (4) dispense, compound, or mix drugs or medications;
- (5) perform surgery;
- (6) draw blood;
- (7) place catheters, needles, swabs, or tubes of any kind in any body part of the horse;
- (8) apply splints, slings, or tourniquets;
- (9) administer injectable medications including rabies vaccine; ~~or~~
- (10) sign the veterinarian's daily log; **or**
- (11) **have contact with an entered horse within 24 hours of the race in which the horse was entered**

Subp. 9b. Equine masseuse.

The following shall apply to an equine masseuse licensed by the commission.

A. An individual licensed as an equine masseuse shall not:

- (1) diagnose disease, lameness, or illness;
- (2) provide a prognosis;
- (3) prescribe any treatments, drugs, medications, or appliances or administer medications;
- (4) dispense, compound, or mix drugs or medications;
- (5) perform surgery;
- (6) draw blood;
- (7) place catheters, needles, swabs, or tubes of any kind in any body part of the horse;
- (8) apply splints, slings, or tourniquets; ~~or~~
- (9) administer injectable medications; **or**
- (10) **have contact with an entered horse within 24 hours of the race in which the horse was entered.**

7877.0175 DUTIES AND RESPONSIBILITIES OF RACING OFFICIALS.

Subp 8. Commission Veterinarians must be licensed and in good standing with the Board of Veterinary Medicine.

Subp. 8b. Veterinarian's list.

A. A commission veterinarian shall maintain a list of horses that:

- (1) are scratched because of illness, injury, or unsoundness;
- (2) are pulled up because of lameness or other injury during a race;
- (3) are bleeders, pursuant to part [7890.0140](#), subpart 1;
- (4) test positive for a prohibited substance or medication overage;
- (5) have received a medication or treatment invoking a mandatory stand-down time;
- (6) are Thoroughbred horses that have received an intraarticular injection;
- (~~6~~7) are barred from racing for the life of the horse;
- (~~7~~8) have been treated with shock wave therapy; and
- (~~8~~9) are otherwise considered unfit to race in the professional judgment of a commission veterinarian.

7883.0100 ENTRIES AND SUBSCRIPTIONS

Subpart 6, Prohibited entries

K. enter a horse that, as of January 1 of the calendar year, is a six-year-old or older maiden or a horse that has not started in ~~two~~ ~~three~~ or more years.

L. Enter a horse where all requirements to compete in the entered race are not completed. This includes HISA registration for Thoroughbreds.

Subpart 8A Changing of Races.

Subpart 8B Cancellation and postponement.

In the case of questionable racetrack or racing conditions due to weather, the HISA Safety Director shall call a meeting of the HISA Safety and Welfare Committee consisting of the HISA Safety Director, Chief Steward, Chief Commission Veterinarian, Track Veterinarian, Senior Director of Racing, Track Superintendent, and Horsemen's Representative to determine if cancellation or postponement of races is necessary.

Subpart 9. **Closing of entries.** When an hour for closing is designated, entries and declarations for sweepstakes may not be considered if received afterwards. If an hour is not designated, entries and declarations may be mailed or ~~telegraphed~~ ~~tele~~ ~~facsimiled~~ up to midnight of the day of closing, provided they are received in time for compliance with every other condition of the race.

Subpart 10. **Loss of entries.** A person who alleges loss of an entry or declaration in a stakes race must provide satisfactory proof that it was mailed or ~~telegraphed~~ ~~tele~~ ~~facsimiled~~ within a reasonable time before the designated time for closing or it shall not be considered received.

Subpart 16. Workout requirements.

C. A first-time starter less than four years of age must have gate approval and a minimum of two timed workouts, one of which must be out of the gate, no more than 60 days prior to and **no less than 48 hours before the race in which it is entered.**

D. A first-time starter four years of age or older must have gate approval **no more than 60 days prior to the race in which it is entered,** and a minimum of three timed workouts, at least one of which must be out of the gate **no more than 60 days prior to the race in which it is entered,** and one of which must be an official timed workout observed and approved by a commission veterinarian, no more than 45 days prior to the race for which the horse is entered, **and no less than 48 hours before the race in which it is entered.**

Subpart 17. Refused entries. The nominations and entries of any person or transfer of any nomination or entry may be refused by the association. ~~for any reasonable cause.~~

7883.0120 SCRATCHES AND NONSTARTERS.

Subpart 1a. Stewards must approve scratching horses.

A. No horse may be scratched from a race without permission of **the** stewards.

Subpart 1c. Drawing horses into a race from also-eligible list.

7883.0140 CLAIMING RACES.

Subpart 7. Invalid claims.

B. the claimant does not have at least the amount of the claim and any applicable tax **or fee** on deposit or credited with the horsepersons' bookkeeper.

7883.0160 POST TO FINISH

Subpart 14. Horse becomes disabled or otherwise unable to finish.

E. The stewards shall be notified after euthanasia has been performed.

7884.0120 ELIGIBILITY AND ENTERING

7884.0125 ENTERING AND DRAWING OF HORSES AT CLASS D FACILITIES.

The entering and drawing of horses at Class D licensed facilities shall be governed by the following:

K. At the time of entry all requirements to compete in the entered race must be completed.

7884.0190 QUALIFYING RACES.

Subp. 2

~~F. A horse adding or removing hobbles regardless of gait. However, if a horse that previously qualified with hobbles fails to qualify without hobbles, the horse shall remain qualified to race with hobbles. If a horse previously qualified without hobbles and fails to qualify with hobbles, the horse shall remain qualified to race without hobbles.~~

7884.0240 POST TIME AND STARTING

Subp. 8. Determination of a fair start.

- A. A fair start pole shall be erected at a point before the start that is clearly identifiable. The pole shall be distinctive in color in relation to existing pylons and at least two feet above the existing pylons.
- B. If a horse has not reached the fair start pole when the horses are released at the starting point by the starter, the Judges shall cause the inquiry sign to be displayed immediately and request that any money wagered on that horse be refunded.
- C. The determination of a fair start is signified by the word "go" announced by the starter at the starting point. The starting point is a point that shall be marked on the inside rail at a distance of not less than 200 feet from the first turn.

Subp. 10. Helmets and safety vest to be worn.

No person shall ride **or drive** a horse on the racing track surface without a properly fastened protective riding helmet and safety vest.

7884.0260 DRIVING RULES

Subp. 7 Use of stirrups.

After the word "go" is given, barring mishap, both of the driver's feet must be kept in or in contact with the stirrups, posts, or pegs until the race has been completed. **At no time during the race should the driver's foot or feet contact any part of the horse's body.** Notwithstanding this provision, a driver may use his or her feet as necessary to remove a horse's earplugs.

7891.0120 MORTALITY REVIEW COMMITTEE.

Subpart 1. Committee.

The ~~chief steward~~ **HISA Safety Director** ~~or designee~~ shall convene and chair a mortality review committee for the purpose of gathering data surrounding the death of each racehorse occurring during racing or training at a licensed racetrack. The committee shall consist of the following:

- A. the chief steward or a designee;
- B. the **chief** commission veterinarian or a designee;
- C. **the track veterinarian or commission designee;**

- D. the trainer or assistant trainer of the deceased horse;
- E. the jockey, exercise rider, or driver of the deceased horse;
- F. the attending veterinarian;
- G. the racetrack's director of racing or a designee;
- H. the track superintendent;
- I. the horsemen's representative; and
- J. any other person the ~~chief steward or designee~~ HISA Safety Director determines is necessary to adequately examine the death.

7897.0100 PROHIBITED ACTS

Subp. 10. Financial responsibility.

No licensee shall willfully or deliberately refuse to pay any money when due for any service, supplies, or fees connected with his or her activities as a licensee, nor shall he or she falsely deny any such amount due or the validity of the claim therefore with the purpose of hindering or defrauding the person to whom the indebtedness is due.

§

- A. All financial responsibility complaints against a licensee shall be made in writing, presenting facts sufficient to enable the stewards to determine that the claim is meritorious and is directly related to the licensee's racing activities and that the debt became due within the last two years.
- B. The commission shall honor all horse racing related financial complaints that go through the civil courts whereby a civil judgment is presented.

7897.0100 PROHIBITED ACTS

Subp. 25. Unless prescribed for a specific horse with documented hypothyroidism (MRC rule 7890.0110, subp 7b) and approved by the Chief Commission Veterinarian, the possession of thyroid powder, tablets, or other any form of thyroid supplementation on the grounds of the racetrack is prohibited.

7883.0100 ENTRIES AND SUBSCRIPTIONS

Subpart 11. Drawing of entries.

A. When entries exceed the permitted number of starters, the number of starters shall be reduced to the proper number by using the Association's established Preference Date System. The number of starters shall be reduced to the proper number for the entire race or for each division of the race at the option of the association.

7883.0110 PREFERENCE SYSTEM.

Subpart 2. **In-today horses.** When a horse is entered on one day and has an opportunity to start other than in a stakes race or as a main-track-only entry and is also entered for a following race day, the second entry will be an “in-today” and will not be considered unless the race underfills, nor will such horse be considered on the preferred list.

7883.0120 SCRATCHES AND NONSTARTERS.

Subpart 1c. **Drawing horses into a race from also-eligible list.**

B. Horses drawing into the race from the also-eligible list must start in the outermost post position.

Item 6 – Action Item

Canterbury Park Trackside
Development Area
Improvements & Class A
License Modification
Request



January 4, 2024

Mr. Kyle Gustafson
Executive Director
Minnesota Racing Commission
1100 Canterbury Road
Shakopee, MN 55379

RE: Canterbury Trackside Development Area Improvements & Class A License Modification Request

Canterbury Park hereby requests the following approvals from the Minnesota Racing Commission to continue our on-going development efforts for new and exciting uses that we believe will enhance the racing experience for our fans and create opportunities to expose new people to the excitement of horse racing. Canterbury Park requests consideration of this request at the January 18, 2024 full meeting of the commission.

At the meeting we look forward to sharing our exciting vision for activating what we consider to be our prime property situated along the radius of the track. We appreciate the past MRC support for similar requests to remove land from the Class A license property related to the Triple Crown Apartments and the Amphitheater project, both of which are well underway and will serve as anchors for the Canterbury Commons development. [Canterbury Park 7th Addition Plat related to Shenandoah Drive/Triple Crown Apartments in 2018 and Canterbury Amp Addition Plat related to Amphitheater Sale/Barn & Backside Improvement Plan in 2022]. There is also a precedent with Running Aces removing a portion of their property to develop a hotel.

We have identified a qualified restaurant owner and operator (Sherman Group, LLC) who seeks to create a unique upscale trackside dining and entertainment experience in the area near the 6-furlong chute. In addition to the restaurant, the developer (also Sherman Group, LLC) will improve the site with a large outdoor patio fronting the track and an 8000-sf indoor event space intended for year-round music and other events.

We are requesting approval of the following:

- 1) Removal of a portion of the trackside area property from the Class A licensed facility. The property we are requesting be removed is our current employee parking lot area. The area will consist of two newly platted parcels once the plat is filed. One is a restaurant pad of 3.56 acres and the other is an adjacent 7.36 acres that will be held for future development with a portion to be used for employee parking. We expect future development of this area will be completed in phases over several years. To accommodate this project and provide adequate circulation throughout the future development, we will need to shorten the chute. The result will be that we will no longer be offering races at the distance of 6 ½ furlongs. Over the past few years, we have run less than 1 race per day at that distance, so we are confident we can accommodate the racing program by running more races at the more common 6-furlong distance.

These parcels are illustrated on **Exhibit A** where current ownership and a description is provided regarding land transfers. **Exhibit B** is the final plat that will be filed at the time of the closing on the transfer of the restaurant/event parcels pending MRC and City of Shakopee approvals.

The trackside development improvements, including mass grading and utility work, are contemplated to begin in the spring of 2024 with the restaurant grand opening planned for late 2024 or early 2025. Canterbury is eager to improve that gravel lot area, as the current condition is not the aesthetics we want near a number of our new development investments. These planned improvements of mass grading, roads and landscaping will enhance the trackside area and create a powerful marketing tool for future developments along the track.

The proximity of the improvements to the track will require active oversight of construction during the 2024 racing season. Construction details have not been finalized, but we understand the need for coordination of the construction to make sure we minimize potential impact on horse safety. We will not allow any construction disruption during racing hours and construction during training will be monitored for safety concerns. We have had discussions with the horseperson's groups about this development project and we look forward to further collaboration with those groups as well as MRC staff to address any concerns.

Thank you for your consideration of this request for modifications to our Class A license. Please feel free to contact me if you have any questions or require any clarifications or additional information.

Sincerely,

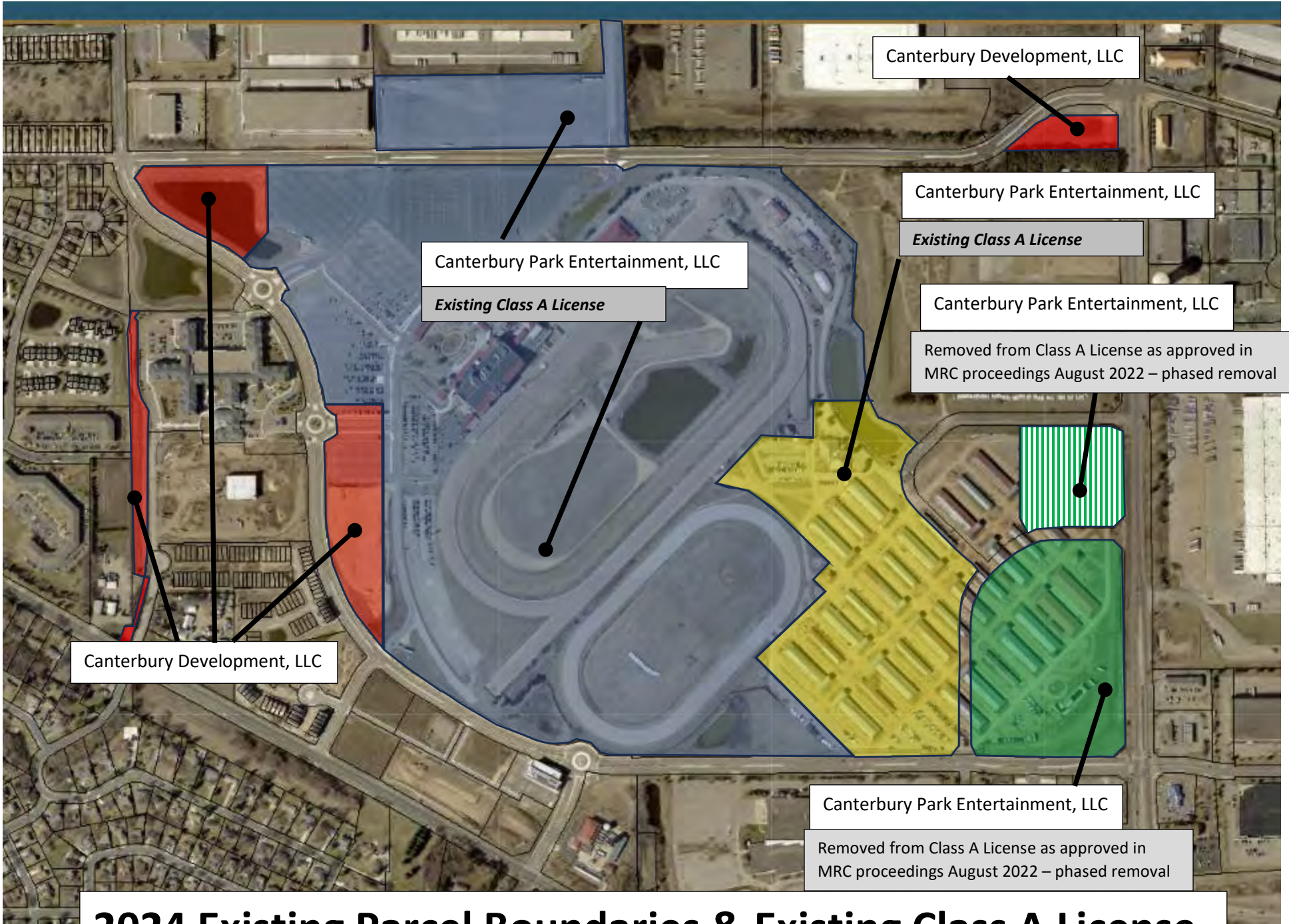
A handwritten signature in black ink that reads "Randy Sampson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Randy Sampson
Chairman & CEO
Canterbury Park Holding Corporation

Attached:

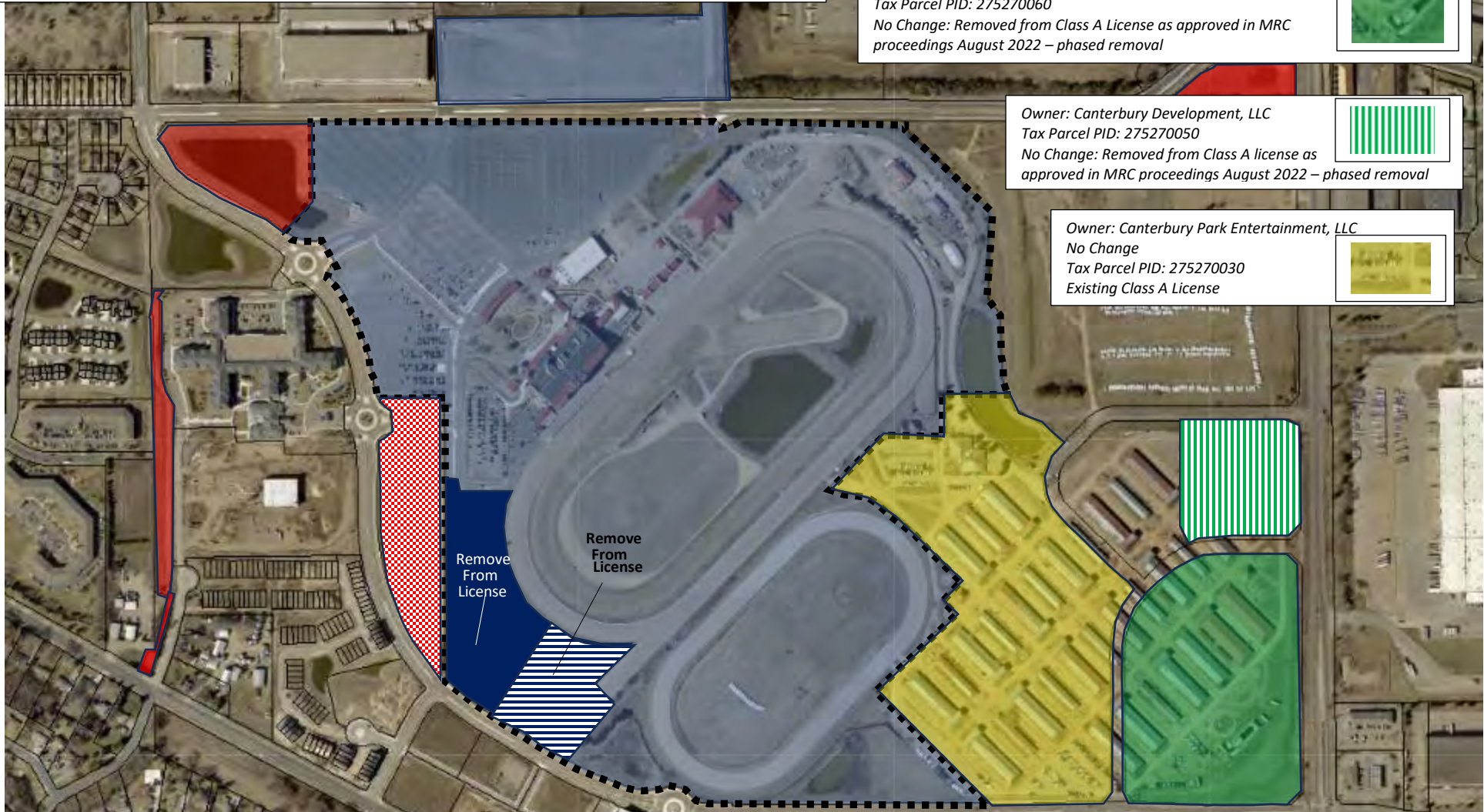
Exhibit A – Proposed and Current Ownership; Class A License
Exhibit B – Proposed Final Plat: Canterbury Park 10th Addition

Exhibit A



2024 Existing Parcel Boundaries & Existing Class A License

Proposed MRC Changes: Class A License & Ownership



Owner: Canterbury Park Entertainment, LLC
 Tax Parcel PID: 275270060
 No Change: Removed from Class A License as approved in MRC proceedings August 2022 – phased removal



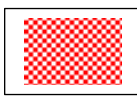
Owner: Canterbury Development, LLC
 Tax Parcel PID: 275270050
 No Change: Removed from Class A license as approved in MRC proceedings August 2022 – phased removal



Owner: Canterbury Park Entertainment, LLC
 No Change
 Tax Parcel PID: 275270030
 Existing Class A License



Owner: Canterbury Development, LLC
 No Action Required by MRC *in Ownership*
 Tax Parcel PID: 274760040
 Not Currently a Class A License



Owner: Canterbury Park Entertainment, LLC
 Tax Parcel PID: 275270020
 Existing Class A License



Owner: Canterbury Park Entertainment, LLC
Proposed: Transfer to Canterbury Development, LLC
 Tax Parcel PID: 275270020
 Existing Class A License
Proposed: Remove from Class A License
Construction, Grading & Platted as Outlot A Canterbury Park 10th Addition

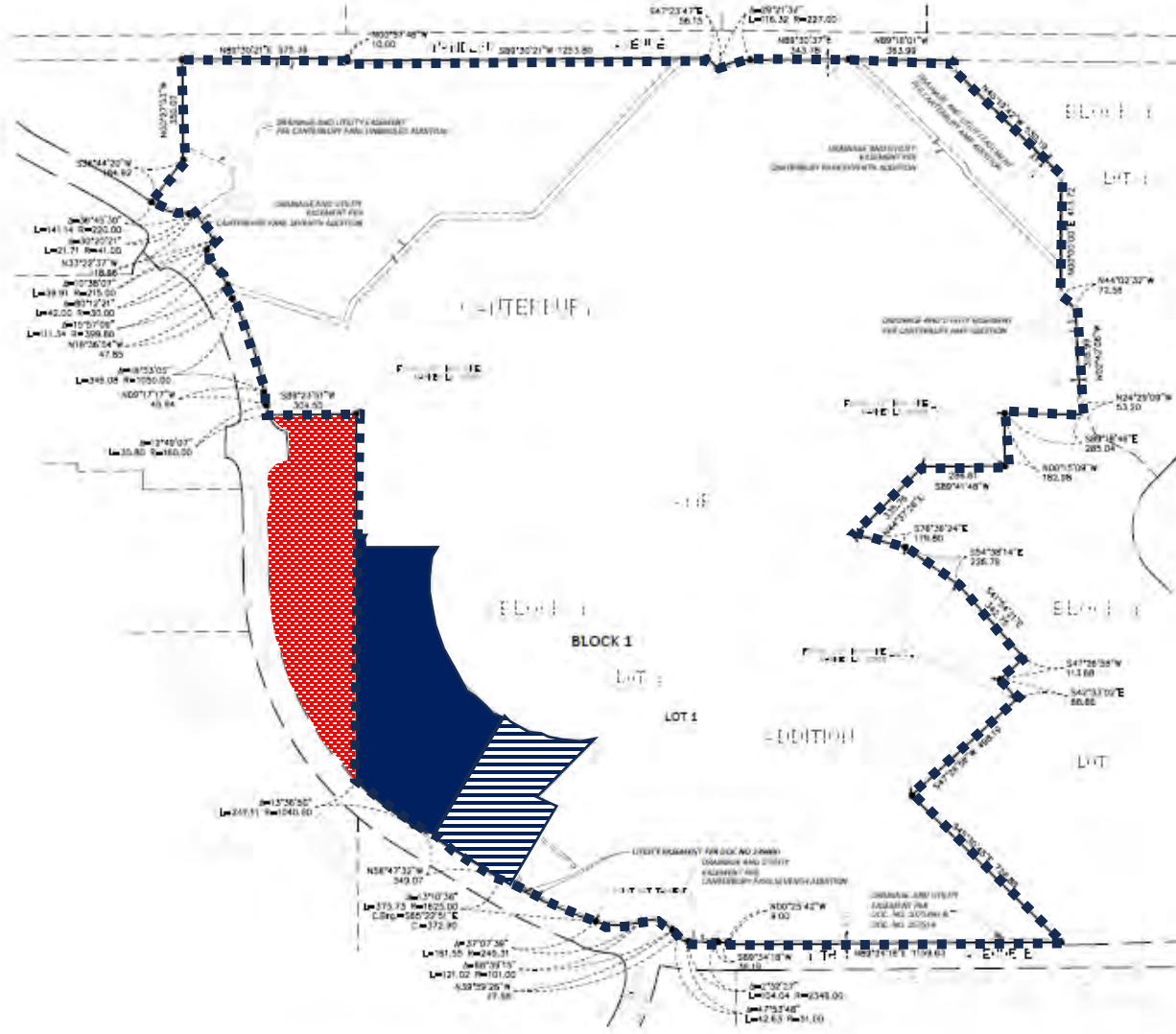


Owner: Canterbury Park Entertainment, LLC
Proposed: Transfer to Canterbury Development, LLC
 Tax Parcel PID: 275270020
 Existing Class A License
Proposed: Remove from Class A License
Construction as Restaurant and Event Space, Grading & Platted as Lot 2 Block 1 Canterbury Park 10th Addition

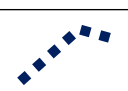


Exhibit B

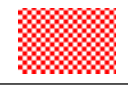
CANTERBURY PARK 10TH ADDITION



Block 1 Lot 2
Canterbury Amp
Addition
(former/existing plat)



Canterbury Park 7th
Addition Outlot A
(to remain plated as)



Block 1 Lot 1
Canterbury Park
10th Addition



Outlot A
Canterbury Park
10th Addition



Block 1 Lot 2
Canterbury Park
10th Addition



REVISIONS TO BE MADE BY THE SURVEYOR SHALL BE MADE BY THE SURVEYOR AND SHALL BE MADE WITH ALL NECESSARY NOTES AND CORRECTIONS TO THE ORIGINAL PLAT.

• UNLESS OTHERWISE NOTED, ALL DIMENSIONS ARE IN FEET AND INCHES.

THE MOST SOUTHERLY LINE OF LOT 1, BLOCK 1, CANTERBURY PARK ADDITION IS ASSUMED TO HAVE A BEARING OF NORTH BY S 89° 45' 00" W AS SHOWN ON PLAT 23-1-18-000-000.

SAMBATEK, INC.
ENGINEERING, PLANNING
AND LAND SURVEYING

Item 7 – Informational Item

Informational Overview of
Tracks' Request for On-
Track Advanced Deposit
Wagering on Historical
Horse Racing - Request will
be referred to appropriate
committees for further
review.

On-Track Advance Deposit Wagering On Historical Horse Racing

Adapting to Consumer Demand,
Supporting A Stronger Horse Industry

Presentation to the Minnesota
Racing Commission

Jan 18, 2024



History of Advance Deposit Wagering (ADW) in MN

- **A regulatory safeguard that requires players to create and fund an account prior to betting on horse races**
- **Approved by MN Legislature in 2015**
- **Providers receiving Class C licenses from Minnesota Racing Commission must:**
 - Comply with Interstate Horse Racing Act
 - Have an approved Plan of Operation to safeguard account owners
 - Complete a source market fee agreement with racetracks, approved by horseperson groups, that supports purses, breeding and regulatory requirements.

- ✓ **Source Market Fee Statutory Allocations**
 - 28% to standardbred racing
 - 72% to thoroughbred and quarter horse racing
 - 50-50 split of market fee proceeds between tracks and horse groups
- ✓ **1% of handle to offset MRC regulatory costs**
- ✓ **0.25% of handle racehorse retirement and breeders fund administration**



Challenge: Nationwide Evolution of Racing

1. The rapid expansion of casino gaming and sports betting is **changing the overall gaming landscape.**
2. The growth of online wagering on horse racing during COVID closures altered consumer patterns, **reducing on-track revenue and purse share of handle.**
3. Inflation has pushed the **cost of horse ownership and training** to record levels.
4. Impacted by the changes in costs and purses, a nationwide shortages of horses and horse owners has made recruiting competition more difficult, **significantly impacting field sizes at tracks without adequate purse levels.**
5. New federal requirements are adding to **compliance and regulatory costs.**
6. Players are looking for options, causing even popular games such as betting on football and casino blackjack to offer **alternative formats to meet consumer demand.**



As States Change Strategies, Their Horse Industries Benefit

Racing states are using broader gaming revenues to enhance purses and support rural economies!

States Utilizing Historical Horse Racing at Racetracks

Arkansas
Kansas
Kentucky
Virginia
Wyoming

States Utilizing Slot Machines at Racetracks

Arkansas
Delaware
Florida
Indiana
Iowa
Louisiana
Maryland
Nebraska
New Mexico
New York
Ohio
Oklahoma
Pennsylvania
West Virginia

States Utilizing Sports Betting at Racetracks

Arkansas
Indiana
Iowa
Kentucky
Louisiana
Maryland
Michigan
Nebraska
New Jersey
Ohio
Pennsylvania
Virginia
West Virginia

In contrast, states that have not adapted are seeing iconic tracks suspend operations or close, such as Arlington Park, Hollywood Park, Golden Gate Fields, Suffolk Downs, & Turf Paradise

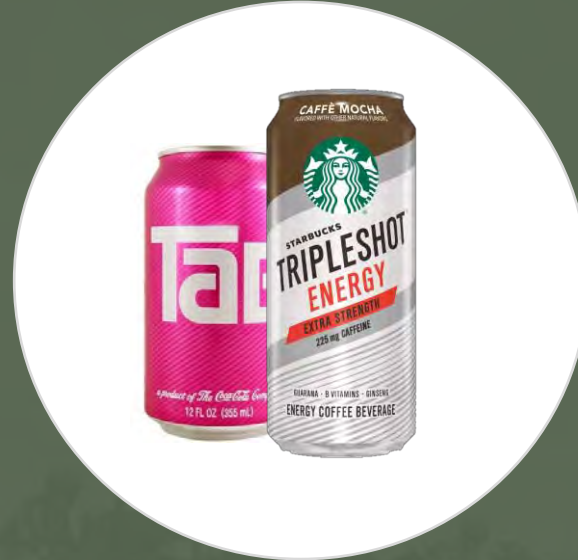


Minnesota Is Not Immune From the Threats

- Since pari-mutuel horse racing was expressly approved by MN voters in 1982, **technological advancements have changed casino gaming and introduced online gaming into marketplace. The MN horse racing industry has seen more modest consumer enhancements in 40+ years.**
- As other states have reacted to the changing marketplace to support their racing industries, **purses and incentives for Minnesota horsepersons have become less attractive.**
- The \$8.9 million annual Shakopee Mdewakanton Sioux Community Cooperative Marketing Agreement that supplemented purses at Canterbury Park **expired on December 31, 2022.**
- Midwest states that compete with Minnesota for horses are adapting to create higher purses (Iowa, Oklahoma, Indiana, Ohio) and **competition is expanding with recent approval of slot machines at Nebraska racetracks.**
- Federal regulatory requirements are significantly increasing MN Racing Commission **costs of regulation of horse racing in MN, creating a need for additional funding.**

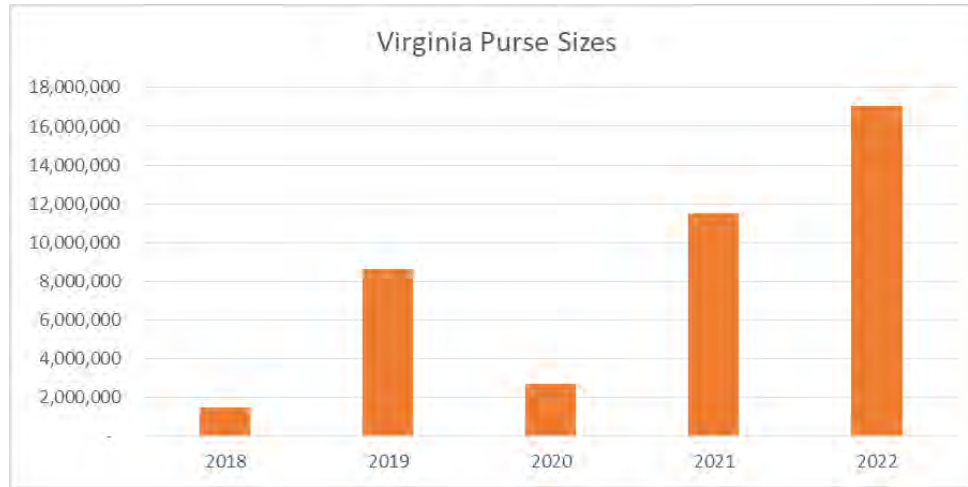


The Challenge for Racetracks: Adapt a Popular Product to Meet Modern Consumer Needs

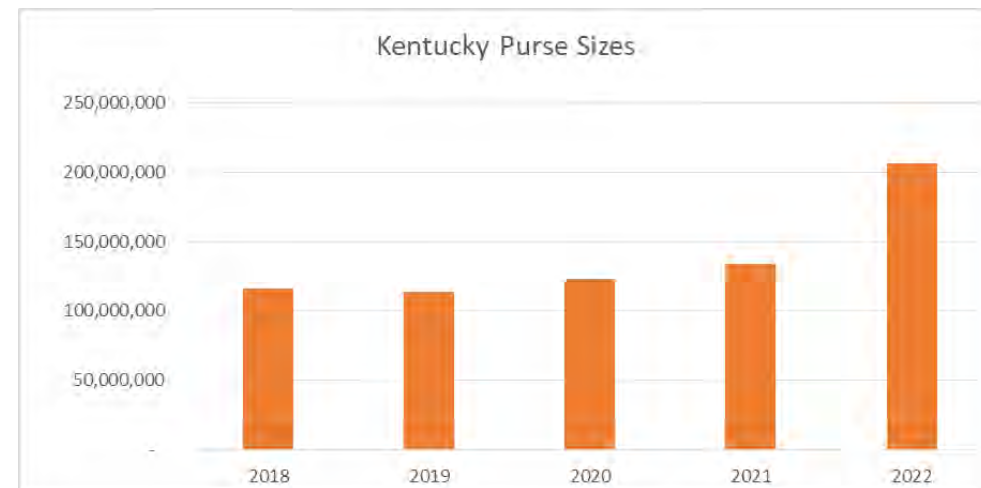
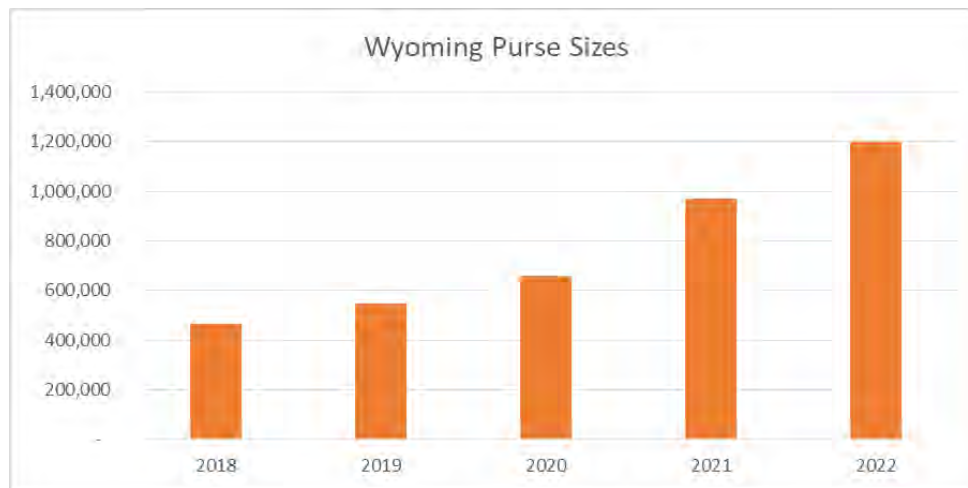


All trademarks, logos and brand names are the property of their respective owners. All company, product and service names used in this document are for identification purposes only. Use of these names, trademarks and brands does not imply endorsement.

Other States Offer Minnesota a Solution Featuring Enhanced Technology for Pari-Mutuel Wagering

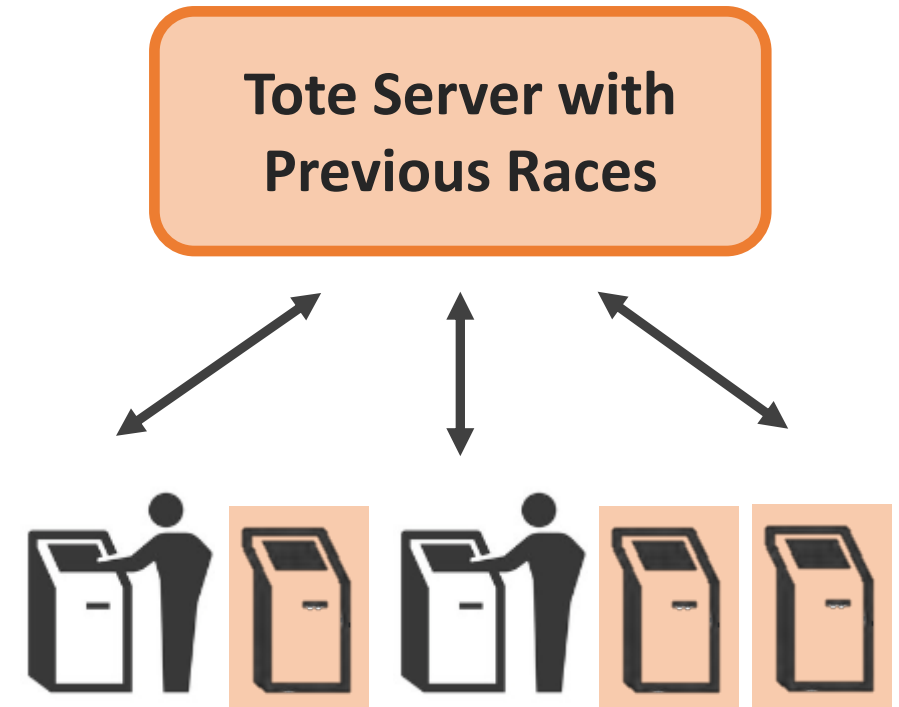


Historical Horse Racing:
A Proven Approach That Uses Past Races
to Support Today's Racing



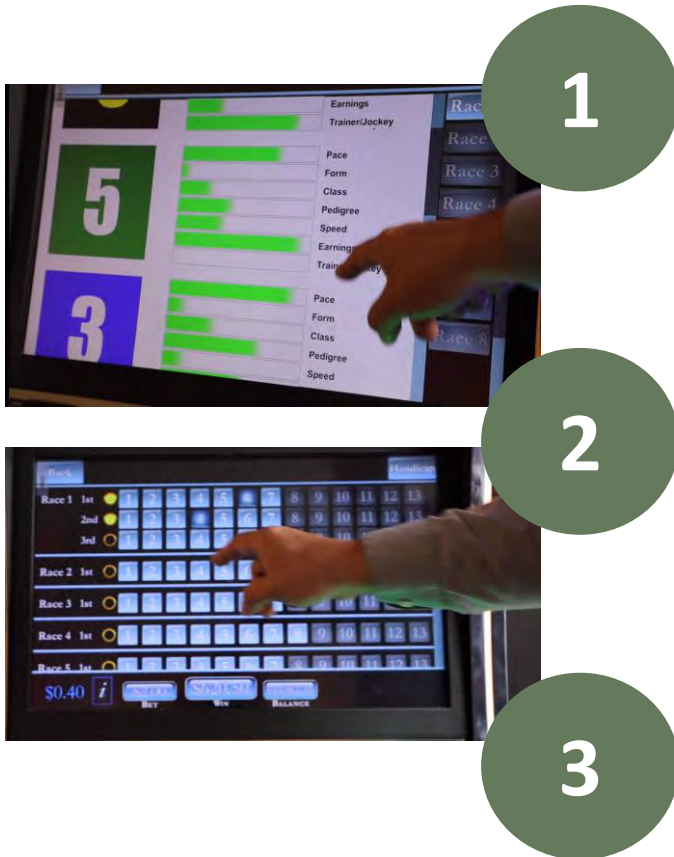
How **On-Track ADW** on Historical Horse Racing Works

- ✓ A server maintains a library of **thousands of races conducted in the past** at licensed pari-mutuel facilities from outside of Minnesota that concluded with official results.
- ✓ The **terminals** are connected to a pari-mutuel tote system that manages the pools and payouts for successful wagers on historical races, performing like the current approved tote system.
- ✓ Players utilize the terminal **to access handicapping information**, make a wager from their account, and view the race footage on an entertaining graphical display
- ✓ When successful, players collect winnings on account cards **based on results of the race and pari-mutuel pools**.



**ADW Tote Terminals
with Player Wagers**

How Wagering Looks to the Player



Just like current pari-mutuel wagering, players can review handicapping information. The information is statistically and historically accurate, but the individually identifiable information is removed to prevent knowledge of when the previous race took place.

Players select their horses as they do on a traditional live racing tote terminal or allow the terminal to make the selection based on morning line odds of the race.

Players are shown footage of the finish of the race while an entertaining graphical display is presented on the screen. Winning payouts are determined by the pari-mutuel pools.

On-Track ADW on Historical Horse Racing Provides The Security Expected in Minnesota Gaming

- Just like any ADW wager, **the player must have an account before they can access a tote terminal with previously conducted races.**
- **The player must present a valid ID to a staff member.** Staff scans the ID, verifies the player is at least 18 years of age, and collects contact information.
- The player creates a **confidential PIN in order to access and add funds to the account.**
- The player inserts their **account card into the tote terminal prior to making any wagers.**



**ADW Tote Terminals
with Player Wagers**

Racing Commission Has Full Oversight of Operations at Both Racetracks



National Certification of the ADW System

- The system is verified by Gaming Laboratories International (GLI), which has certified thousands of land-based, online, lottery, and gaming industry systems. GLI has consulted on and/or tested equipment for **more than 480 jurisdictions**.
- GLI has reviewed and certified the system correctly calculates payouts **based on pari-mutuel wagers** on previously conducted races
- AmTote's ADW provider, Xpressbet, has been a **licensed ADW operator in Minnesota since 2015**, providing the tote system for Canterbury Park for live and simulcast races



GLI®

World Headquarters

600 Airport Road
Lakewood, NJ 08701

Phone (732) 942-3999

Fax (732) 942-0043

www.gaminglabs.com



Significant Financial Boost for Minnesota Racing

- ✓ Player adoption likely to be gradual, with ADW tote terminals at the two Class A racetracks.¹
- ✓ By Year 2, gross wagering per terminal should reach \$85 per day. With 500 terminals at each track, annual revenue approaches \$25 million.
- ✓ **Distributions under M.S. 240.131:**
 - \$3.7m to MRC
 - \$6.0m for purses under 72-28 split
 - \$0.9m for breeder and horse retirement funds

1 – The tracks are seeking approval of Group 2 and Group 3 game themes.

Est. On-Track ADW on HHR Impact After First Full Year (In Millions)

Terminal ADW Projected Impacts	
Handle	\$ 365.0
Winnings Returned to Players	\$ 334.0
Gross Wagering Revenue	\$ 31.0
Less Player Incentives and Awards	\$ 6.2
Net Wagering Revenue	\$ 24.8
Source Market Fees (SMF Assumed 3.25%)	
240.131 Subd 6.(c)(1)&(d) Standardbred Horse Racing - 28% of SMF * 50%	\$ 1.7
240.131 Subd 6.(c)(2)&(d) Thoroughbred & Quarter Horse Racing - 72% of SMF * 50%	\$ 4.3
240.131 Subd 6.(c) (1) Minnesota Racetracks - 100% of SMF * 50%	\$ 5.9
240.131 Subd 6 (c) Total Source Market Fees	\$ 11.9
Payments to State	
240.131 Subd 7.(a) Regulatory fee payable to MRC - 1% of handle	\$ 3.7
240.131 Subd 7.(b) Racehorse Retirement/Breeders Fees - 0.25% of handle	\$ 0.9
240.131 Subd 7 Total Payments to State	\$ 4.6
ADW Provider Fees	\$ 5.0
Funds to Cover Terminal ADW Racetrack Operating Costs	\$ 3.4
Total Distributed Funds	\$ 24.8



Statutory Authority Under M.S. Chapter 240

- ✓ Meets the mission of the MN Racing Commission
- ✓ Proposal falls under its ADW regulatory authority
- ✓ Provides enhanced technology at the racetracks, featuring wagering on historical horse races
- ✓ Uses pari-mutuel pools to reward successful handicappers

“§ Subdivision 1. Authorized. (a) Class B and class D licenses give the licensees authority to conduct pari-mutuel betting on the results of races run at the licensed racetrack, and on other races as authorized by the commission under this section.”



On-Track ADW on Historical Horse Racing: Evolving the Racing Experience at Minnesota's Tracks

1. **Proven**. Adopts a successful national solution for increasing purses and addressing regulatory costs.
2. **Complementary**. Uses pari-mutuel betting on past horse races to support today's racing purses.
3. **Consumer Preferences**. Electronic systems will allow players to interact with racing at their own pace.
4. **Narrow Approach**. A unique game that can attract racing enthusiasts without disrupting the rest of Minnesota's gaming marketplace.
5. **Track Record**. ADW is legal and has been successfully operating in MN since 2015.



Item 8- Status Reports

a. Canterbury Park

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

Pages 34-36 have been
omitted under 2020
Minnesota Statutes Chapter
13D.05

Item 8- Status Reports

b. Running Aces
Casino, Hotel, and
Racetrack

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

CONTAINS NON-PUBLIC DATA

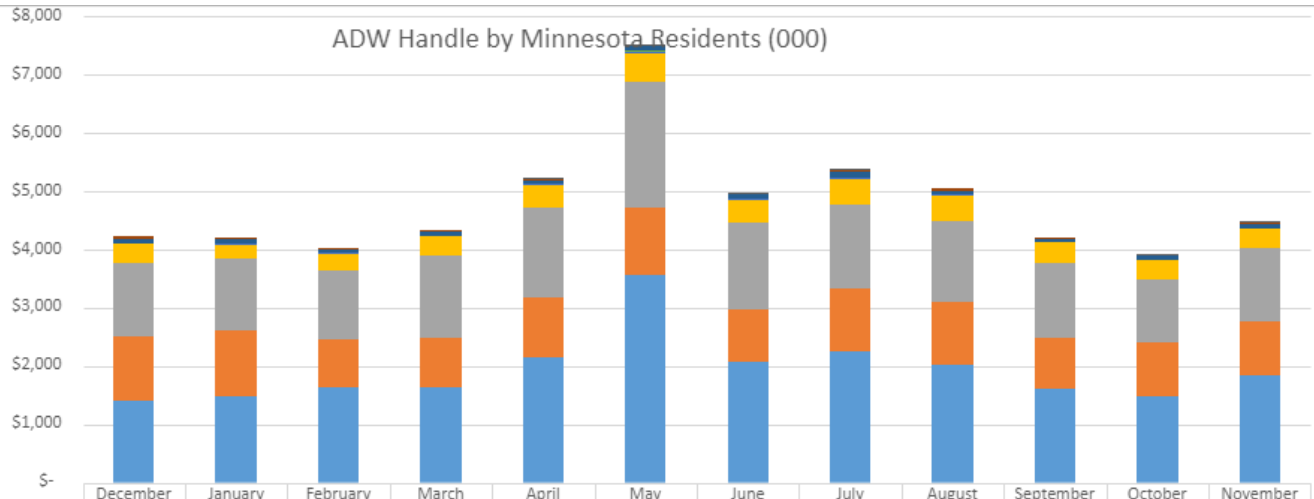
Pages 37-39 have been
omitted under 2020
Minnesota Statutes Chapter
13D.05

Item 9 - Executive Director's Report

- a. HISA Update
- b. Legislative Update
- c. Contract Approvals
- d. ADW Report
- e. Licensing Report
- f. Other

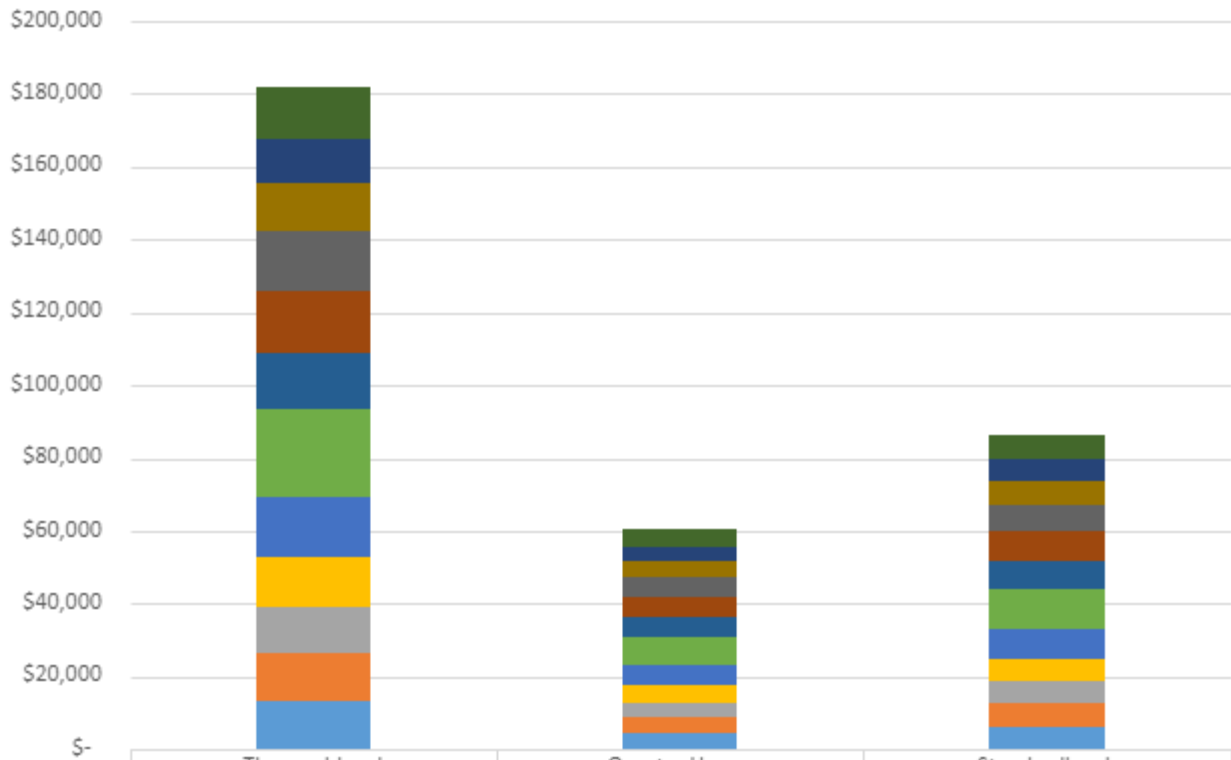
Item 9-
d. ADW Report

ADW Handle by Minnesota Residents (000)



	December	January	February	March	April	May	June	July	August	September	October	November
■ Premier Turf Club					\$5	\$16	\$6	\$1	\$-	\$-	\$1	\$1
■ Horse Tourneys	\$37	\$28	\$13	\$13	\$25	\$13	\$13	\$30	\$31	\$13	\$16	\$19
■ Lien Games	\$84	\$68	\$51	\$62	\$59	\$89	\$78	\$109	\$55	\$47	\$73	\$63
■ WatchandWager.com LLC	\$3	\$7	\$5	\$6	\$9	\$18	\$4	\$5	\$3	\$2	\$7	\$2
■ eBet Technologies	\$2	\$9	\$20	\$14	\$21	\$11	\$9	\$16	\$26	\$6	\$3	\$4
■ NYRA Bets (NewCo Ventures)	\$333	\$228	\$305	\$332	\$387	\$503	\$391	\$424	\$430	\$350	\$314	\$338
■ TVG (ODS Tech)	\$1,243	\$1,236	\$1,178	\$1,402	\$1,531	\$2,144	\$1,484	\$1,461	\$1,405	\$1,286	\$1,098	\$1,272
■ Xpressbet, LLC	\$1,109.00	\$1,131.00	\$806.00	\$839.00	\$1,029.00	\$1,175.00	\$903.00	\$1,075.00	\$1,083.00	\$883.00	\$909.00	\$918.00
■ Twinspires.com	\$1,407	\$1,489	\$1,642	\$1,645	\$2,151	\$3,554	\$2,078	\$2,246	\$2,008	\$1,596	\$1,486	\$1,837

Incremental Breeders Awards via ADW



	Thoroughbred	Quarter Horse	Standardbred
November-23	\$14,042	\$4,670	\$6,659
October-23	\$12,378	\$4,117	\$5,870
September-23	\$13,240	\$4,403	\$6,279
August-23	\$15,968	\$5,311	\$7,573
July-23	\$17,004	\$5,655	\$8,064
June-23	\$15,766	\$5,244	\$7,477
May-23	\$23,859	\$7,935	\$11,315
April-23	\$16,506	\$5,490	\$7,828
March-23	\$13,682	\$4,550	\$6,472
February-23	\$12,768	\$4,247	\$6,055
January-23	\$13,243	\$4,405	\$6,281
December-22	\$13,307	\$4,426	\$6,311

■ December-22 ■ January-23 ■ February-23 ■ March-23 ■ April-23 ■ May-23
■ June-23 ■ July-23 ■ August-23 ■ September-23 ■ October-23 ■ November-23

Item 9 –
e. Licensing
Report

Minnesota Racing Commission

December 2023 Licensing Report

Class C Applications Processed at Canterbury Park: **537**

Class C Applications Processed at Running Aces: **383**

Class C Large Racing/Gaming Vendors: **5**

Class C Small Racing/Gaming Vendors: **3**

Class C Non-racing/Gaming Vendors: **18**

Class C Licensing Fees for December: **\$34,555**

Fingerprint Fees for December: **\$4,000**

(Fingerprint fees are forwarded to Public Safety for processing reports)

Fines Collected during 2023 Racing Season: **\$19,475**