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Y. Costa Rickford
Operator's Signature

10/2/03
Date

2003 HOUSE JUDICIARY

HB 1282

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La Costa Rickard
Operator's Signature

10/3/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1282

House Judiciary Committee

☐ Conference Committee

Hearing Date 2-4-03

Tape Number	Side A	Side B	Meter #
1	x		37.5-end
1		x	0-end
2	x	x	0-end & 0-38.4
Committee Clerk Signature <i>A. Penrose</i>			

Minutes: 13 members present.

Chairman DeKrey: We will open the hearing on HB 1282.

Rep. Kretschmar: Introduced the bill, wants Belcourt & other small towns to have horse racing.

(37.5-41)

Rep. R. Kelsch: Introduced the bill, feels that 5 years on the commission is long enough.

(41-44.3)

Rep. Merle Boucher: Support of bill. (44.3-end of Side A, 0-2.3 Side B)

Rep. Delmore: How much is invested in Fargo track at this time.

Rep. Boucher: Somewhere around \$2.5-4 million dollars.

Rep. Delmore: Have you seen the fiscal note.

Rep. Boucher: No.

Rep. Bernstein: How many days of racing at Chippewa Downs, Bottineau, Fessenden, how many days of racing do they actually hold, per year and do they hold them every year.

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Hearing Date 2-4-03

Rep. Boucher: Fessenden has not held races for the last couple of years. Chippewa Downs holds 2 or 3 weekends of racing, and Bottineau, the trotters, generally that occurs during the Bottineau County Fair, one or two days of racing. The number of days is not very many days.

Rep. Klemin: The issue about the race tracks, requires Racing Commission to keep open the tracks that were in existence after December 2000. That would include the two tracks you talk about.

Rep. Boucher: Yes.

Rep. Klemin: Are there any other race tracks that would qualify.

Rep. Boucher: The two tracks are existing tracks. The real issue in this whole process, is that the law says that the Racing Commission is supposed to provide oversight and promote racing in North Dakota at race tracks. They have essentially granted a monopoly to one track.

Chairman DeKrey: Thank you. We will start with support? We will start with opposition?

Paul Bollinger, Director of Racing for the Racing Commission: Opposed (Side B 5.8-17)

Chairman DeKrey: Thank you.

Randy Blaseg, Steward, Racing Commission: Opposed (Side B 17-22.7).

Chairman DeKrey: Thank you.

Ken Pawluk, President, ND Horse Park Association: Opposed (Side B 22.7-28).

Chairman DeKrey: Thank you.

Susan Bala, RIS, Inc.: Opposed (Side B 28-37) We are the technical hub for simulcast racing.

Chairman DeKrey: Thank you.

Jim Arthaud, Racing Commissioner: Opposed (Side B 37-42.4)

Chairman DeKrey: Thank you.

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Rep. Jim Boehm: Opposed. (Side B 42.4-45.1).

Chairman DeKrey: Thank you.

Kris Moen, Quarterhorse and Thoroughbred Breeder: Opposed.

Chairman DeKrey: Thank you.

Tape 2, Side A

Les Schmidt, Proj. Manager for Fargo Track: Opposed (0.4-4.5).

Chairman DeKrey: Thank you.

Paul Bollinger, Dir. of Racing: All money comes from one fund. Other tracks can run - but shouldn't get dollars from the Racing Commission. (4.5-9) The other tracks can run meets. They can run without paramutual. The problem is when you overlay paramutual (certificate), that brings the Racing Commission into it. It brings the gambling aspect into it. Bottineau and Chippewa Downs can run all the races they want, for whatever purses they want, raise all the money they want, just can't run on the paramutual system.

Rep. Delmore: I have no grudges against anyone on the commission, I supported the track in Fargo as well as the whole idea of betting process, I was recently appointed to the Drug and Alcohol Commission, I will be somewhat new to it; however, I think there is also a reason for setting term limits on Commissions, so we have people with experience and get new people. Would you agree that there is some benefit to some turnover on a commission.

Mr. Bollinger: Certainly.

Rep. Delmore: Other commissions are limited in how much money they can spend, and I understand that the money you have is not state money, but I would be willing to bet that if one of our university's had grants over \$24 million, someone would oversee it. There would be some

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House Judiciary Committee

Bill/Resolution Number HB 1282

Hearing Date 2-4-03

legislative authority, and I guess we give you the authority to exist, why do you think you should be exempt from anybody looking at the money spent.

Mr. Bollinger: Ten years ago, we only had \$50,000 in the fund. If the money isn't there, you won't be able to move the equipment from one track to another. In 1997, we had \$50,000 to give away. I don't know the standards and practices of other agencies. We have no problem with people auditing us, with what we've done. Who could make a more informed decision on racing issues, how to spend the dollars, than the Racing Commission. I don't see how a supervisory group would be educated to know what we know.

Rep. Delmore: How many horse people are currently on the Commission.

Mr. Bollinger: By statute the Governor is forbidden from appointing anyone who has an interest in a horse, or has any income derived from horse racing. In answer to your question, none.

Rep. Delmore: If there is all this wealth of information, people on every commission are usually knowledgeable about the subject of their commission, why would it not be a good move to have people with that kind of knowledge on the commission.

Mr. Bollinger: I don't why. Other states require members to have knowledge, but it is the ND statute that no one can have an interest.

Rep. Klemin: How are the revenues taxed for the paramutual betting, does it make any difference if the race is at Belcourt, on the tax we receive.

Mr. Bollinger: The difference is that both simulcast and live racing, it's taxed on gross handle. You are taxed on the gross, not net.

Rep. Onstad: What would be the cost to upgrade the Belcourt track?

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Mr. Bollinger: The perimeter needs fencing, barn structure price is unknown, but would be a minimum of \$150,000-200,000 to bring it up to code.

Rep. Onstad: With upgrades to the Bottineau track and upgraded, could it get more financially stable, is there any consideration for that.

Mr. Bollinger: I think there has been a lot of consideration to that. But the fact is that the demographics don't support the handle. If you want to improve the infrastructure at Bottineau, why would you not want to improve the infrastructure at Pembina, or Fessenden, who have longer history.

Rep. Onstad: Why wouldn't you.

Mr. Bollinger: Because there is a limited amount of money, which we know is going to decline. If SB 2285 does not pass, then we are in danger of losing our source of funds, and if it does pass, we are going to have less money. The Racing Commission is looking at revenue-less, and I have given you the number on what Bottineau generates.

Rep. Onstad: If the Bottineau track was raised to standard level track, would it increase the number of people in stands. Was it just the assumption that it would be better to locate in Fargo.

Mr. Bollinger: I considered all of them, we want to give people a better place to run.

Rep. Delmore: How much money has been put into the Fargo Park to date.

Mr. Bollinger: The total commitment is \$2.5 million, with \$1 million from Fargo, plus the barn being built at NDSU.

Rep. Klemin: With the biennial audit of the 3 funds, you stated that those three funds already have an audit, the Breeders are audited every year.

Lu Costa Rickford
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Mr. Bollinger: Yes. The Breeders fund is audited every year and then approved by the commission.

Rep. Klemin: The other two funds are already audited every two years.

Mr. Bollinger: My understanding is that they do an audit of that every year, but I have only been on the commission for two years, so I am not sure of that.

Rep. Klemin: I guess my question, why would they still require a biennial comprehensive audit if the funds are already being audited.

Mr. Bollinger: That is why our position is against it. Our books are open. I think it is a waste of money.

Rep. Klemin: Is this requiring an additional audit, or just putting it in statute a requirement for the audit you are already doing?

Mr. Bollinger: I don't know what the intent of the sponsors were.

Rep. Maragos: What happens if Fargo fails.

Mr. Bollinger: The question I am confronted with, is if one can't make it, how can three.

Rep. Maragos: How many tracks are in SD.

Mr. Bollinger: Two, Pierre and Aberdeen.

Rep. Maragos: Do they think it should go to Sioux Falls.

Mr. Bollinger: I didn't know they were thinking about combining them. Tracks in the old days were called feeder tracks. They are no longer feeder tracks, they are all competing for the same dollar. Coexistence is no longer there.

Rep. Bernstein: Would you be in favor of Fargo having a casino by the track to boost dollars.

Mr. Bollinger: I wouldn't venture a guess.

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House Judiciary Committee
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Hearing Date 2-4-03

Chairman DeKrey: Thank you.

Rep. Rod Froelich: Support (see attached testimony of John Johnson) (27-32.6) I would like to put 3 horse people on the commission.

Chairman DeKrey: Thank you.

Sen. Bercier: Support (32.6-47.7) Horse racing is part of history. Don't trample the rural areas, and go to corporate racing.

Chairman DeKrey: Thank you.

Pete Davis: Support (Tape 2, side A 47.7-end, side B 0-1) Keep small tracks available, need small industry (see attached letters of support).

Chairman DeKrey: Thank you.

Dave Gourneau: Support (side B 1-9). In other states, the racing commission is made up of horse people and 99% have term limits.

Chairman DeKrey: Thank you.

Dale Lagerquist, with the ND Harness: Support (side B 9-11) A fence has been put up at the Bottineau track, this is the 100th year, 2003, and have dates in June. October in Fargo is too late in season to work.

Chairman DeKrey: Thank you.

Lee Seland: Support. (side B 11.8-13.3) Where is economic development if no dates are given to smaller tracks, just given to Fargo.

Chairman DeKrey: Thank you.

Doug Plummer: Support (side B 13.4-17.6) The smaller tracks are a proving ground for breeders, to see if a horse is OK for racing or not.

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House Judiciary Committee
Bill/Resolution Number HB 1282
Hearing Date 2-4-03

Chairman DeKrey: Thank you.

John Bubel: Support.

Chairman DeKrey: Thank you.

Charlie Solseth: Support.

Questions:

Rep. Klemin: People on commission can have knowledge, but no direct interest.

Mr. Gournau: We want someone with interest in horses to be on the commission, they have a better understanding of what is going on in the racing world. We want the best commission around.

Rep. Klemin: Isn't there a commissioner on there now that comes from one of these four horse associations.

Mr. Bollinger: We send out a letter to the four horse associations asking for nominations and the Governor made his decision from that list.

Rep. Klemin: At the expiration of the five year term, the Governor will appoint new person on the commission. Do I understand that the Governor reappoints someone or appoints someone entirely new.

Mr. Bollinger: There was an ambiguity on how it was being interpreted, which is the subject of SB 2130, which I believe Sen. Bercier was on the committee. It passed and went through the Senate, and now says that the Governor may appoint an incumbent member or a new member.

Rep. Grande: When it talks about adequately fund or issue a license (certificate), is that the Commission's job to decide the license of the two tracks in question.

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10/3/03
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House Judiciary Committee
Bill/Resolution Number HB 1282
Hearing Date 2-4-03

Mr. Bollinger: This is the job of the Racing Commissions all over the states. The Racing Commission award dates and deny dates.

Rep. Grande: Is there something stopping these tracks from continuing.

Mr. Bollinger: No.

Rep. Grande: So they can be running races in March through July.

Mr. Bollinger: Certainly, the only thing the certificate system does, is that it brings in the Racing Commission, brings in the gambling aspect of it. When you bring gambling into it, it takes it up to a whole new level.

Rep. Klemin: I notice in the statutes that it talks about three funds, the Breeder's Fund, the Purse Fund, and the Racing Promotion Fund. I only see two of those funds being defined in the statute, the Purse fund and the Breeder's fund, and the Racing Promotion fund is not defined. This section 3 of this bill, which is part of existing law, line 21-23, it says that all three of these funds and the money in them are appropriated to the Commission to carry out the purposes of those funds under this chapter. Do we need a definition of the racing promotion fund, because it's not defined and I can't see it anywhere in this chapter, as to what the purpose of that fund is as provided by statute.

Mr. Bollinger: It is defined, earlier up in the statute. It mandates that the Racing Commission pass rules that regard the promotion fund. When I came on the Racing Commission 2 1/2 years ago, that had not been done. It has been done now, and there are rules regarding the promotion fund, those rules are sent out to the working groups, they were published in all the newspaper.

Chairman DeKrey: Thank you. We close the hearing on HB 1282.

La Costa Rickford
Operator's Signature

10/3/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1282

House Judiciary Committee

☐ Conference Committee

Hearing Date 2-5-03

Tape Number	Side A	Side B	Meter #
2		x	16-30
Committee Clerk Signature <i>APenrose</i>			

Minutes: 13 members present.

Chairman DeKrey: What are the committee's wishes in regard to HB 1282.

Rep. Delmore: I move the Froelich amendments.

Rep. Maragos: Seconded.

Voice vote: Carried.

Rep. Onstad: I move a Do Pass as amended.

Rep. Maragos: Seconded.

6 YES 7 NO 0 ABSENT DO PASS AS AMENDED **FAILED**

Rep. Grande: I move a Do Not Pass as amended.

Rep. Boehning: Seconded.

7 YES 6 NO 0 ABSENT DO NOT PASS AS AMENDED CARRIER: Rep. Grande

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10/3/03
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IP

FISCAL NOTE
Requested by Legislative Council
02/20/2003

REVISION

Amendment to: HB 1282

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$150,226	\$1,050,000	\$50,000	\$0
Appropriations	\$0	\$0	\$150,226	\$1,050,000	\$50,000	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill contains several changes to current law.

1. Section 1 provides for a three - term limit for Racing Commissioners. No fiscal impact is anticipated for this provision.
2. Section 2 contains two additions to current law:
 - a. To provide for a comprehensive biennial audit of the racing breeder's, purse, and promotion funds. An annual comprehensive audit is presently conducted on the breeder's fund. The purse and promotion funds are audited during the biennial audit of the Office of Attorney General, which is performed by the State Auditor's Office. The estimated cost for these additional audits is \$7,000.
 - b. To adequately fund and issue a license under the certificate system, for a minimum of two rate dates per year, to any racetrack in the state that was operational after December 31, 2000. This provision expires after July 31, 2005.
3. Section 3 requires any single expenditure exceeding \$100,000 to be paid from the breeder's, purse, and promotion funds must be approved by the Budget Section.

The expense of a race meet, whether for one day or several weeks is substantial. This is because the infrastructure costs to bring a facility up to stringent regulatory requirements require that a safe racing surface, safe stalls, and safe grandstands be maintained. In addition, all regulatory and security staff need to be retained and all equipment transported regardless of the length of the racing meet. A secure perimeter must be maintained for each racetrack.

It is unclear what constitutes adequate funding for a racetrack as this bill requires. As a result, the potential cost to provide racing in three to four communities is \$300,000, for a total of \$900,000 - 1,200,000. The special fund amount reflects the midpoint of the range. Each racetrack should have a starting gate, horse ambulance, track conditioners and trailers. Since the current purse funds collected are limited, and if additional purse funds are not provided, this bill would result in the limited purse funds being split between the three to four racetracks rather than one statewide racetrack.

Each site must have an adequate track surface, stall space and grandstand (which will require significant modifications for some racetracks). The number of racetracks in the United States is rapidly declining due to the high infrastructure costs.

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3. **State fiscal effect detail:** For information shown under state fiscal effect in 1A, please:

A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

It is doubtful that any measurable revenues will be realized.

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

The expenditures reflect racetrack expenses - veterinarians, stewards, and travel expenses. One FTE administrative position will be needed in the Racing Commission due to the workload increase.

This fiscal note includes funding for three racetracks for the period from July 1, 2003 - July 31, 2005.

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

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This fiscal note includes funding for three racetracks for the period from July 1, 2003 - July 31, 2005.

Name:	Paul Bowlinger/Kathy Roll	Agency:	Office of Attorney General
Phone Number:	701-328-4633/328-3622	Date Prepared:	02/19/2003

Sal Costa Rickford
Operator's Signature

10/3/03
Date

SP

FISCAL NOTE
Requested by Legislative Council
02/19/2003

Amendment to: HB 1282

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$50,000	\$0
Expenditures	\$0	\$0	\$159,226	\$1,050,000		
Appropriations	\$0	\$0	\$159,226	\$1,050,000		

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill contains several changes to current law.

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2. Section 2 contains two additions to current law:
 - a. To provide for a comprehensive biennial audit of the racing breeder's, purse, and promotion funds. An annual comprehensive audit is presently conducted on the breeder's fund. The purse and promotion funds are audited during the biennial audit of the Office of Attorney General, which is performed by the State Auditor's Office. The estimated cost for these additional audits is \$7,000.
 - b. To adequately fund and issue a license under the certificate system, for a minimum of two rate dates per year, to any racetrack in the state that was operational after December 31, 2000. This provision expires after July 31, 2005.
3. Section 3 requires any single expenditure exceeding \$100,000 to be paid from the breeder's, purse, and promotion funds must be approved by the Budget Section.

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Each site must have an adequate track surface, stall space and grandstand (which will require significant modifications for some racetracks). The number of racetracks in the United States is rapidly declining due to the high infrastructure costs.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

- A. Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

It is doubtful that any measurable revenues will be realized.

- B. Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

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Phone Number:	701-328-4633/328-3622	Date Prepared:	02/19/2003

La Costa Rickford
Operator's Signature

10/3/03
Date

FISCAL NOTE
Requested by Legislative Council
01/21/2003

Bill/Resolution No.: HB 1282

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$158,226	\$957,000	\$158,000	\$957,000
Appropriations	\$0	\$0	\$158,226	\$957,000	\$158,000	\$957,000

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill contains several changes to current law.

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Operator's Signature

10/3/03
Date

3. **State fiscal effect detail:** For information shown under state fiscal effect in 1A, please:

A. **Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

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B. **Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

The expenditures reflect racetrack expenses - veterinarians and stewards and travel expenses. One FTE administrative position will be needed in the Racing Commission due to the workload increase.

C. **Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

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Name:	Paul Bowlinger/Kathy Roll	Agency:	Office of Attorney General
Phone Number:	701-328-4633/328-3622	Date Prepared:	02/03/2003

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La Costa Rickford
Operator's Signature

10/3/03
Date

30485.0102
Title.0200

Prepared by the Legislative Council staff for
Representative Froelich
January 24, 2003

VR
2/5/03

HOUSE AMENDMENTS TO HOUSE BILL NO. 1282 JUD 2/6/03

Page 1, line 16, overstrike "one" and insert immediately thereafter "three"

Renumber accordingly

Page No. 1

30485.0102

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10/3/03
Date

Date: 2/5/03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1282

House Judiciary Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 30485.0102 .0200

Action Taken Do Pass as Amended

Motion Made By Rep. Onstad Seconded By Rep. Maragos

Representatives	Yes	No	Representatives	Yes	No
Chairman DeKrey	✓		Rep. Delmore	✓	
Vice Chairman Maragos	✓		Rep. Eckre		✓
Rep. Bernstein		✓	Rep. Onstad	✓	
Rep. Boehning		✓			
Rep. Galvin		✓			
Rep. Grande		✓			
Rep. Kingsbury		✓			
Rep. Klemin		✓			
Rep. Kretschmar	✓				
Rep. Wrangham	✓				

Total (Yes) 6 No 7

Absent 0

Floor Assignment FAIL

If the vote is on an amendment, briefly indicate intent:

La Costa Rickford
Operator's Signature

10/3/03
Date

Date: 2/5/03
Roll Call Vote #: 2

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1282

House Judiciary Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 30485.0102 . 0200

Action Taken Do Not Pass as Amended

Motion Made By Rep. Grande Seconded By Rep. Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman DeKrey		✓	Rep. Delmore		✓
Vice Chairman Maragos		✓	Rep. Eckre	✓	
Rep. Bernstein	✓		Rep. Onstad		✓
Rep. Boehning	✓				
Rep. Galvin	✓				
Rep. Grande	✓				
Rep. Kingsbury	✓				
Rep. Klemin	✓				
Rep. Kretschmar		✓			
Rep. Wrangham		✓			

Total (Yes) 7 No 6

Absent 0

Floor Assignment Rep. Grande

If the vote is on an amendment, briefly indicate intent:

Operator's Signature La Costa Rickford

Date 10/3/03

REPORT OF STANDING COMMITTEE (410)
February 6, 2003 8:21 a.m.

Module No: HR-23-1777
Carrier: Grande
Insert LC: 30485.0102 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1282: Judiciary Committee (Rep. DeKrey, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO NOT PASS** (7 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1282 was placed on the Sixth Calendar on the calendar.

Page 1, line 16, overstrike "one" and insert immediately thereafter "three"

Renumber accordingly

(2) DESK, (3) COMM

Page No. 1

HR-23-1777

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LaCosta Rickford
Operator's Signature

10/3/03
Date

2003 HOUSE APPROPRIATIONS

HB 1282

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Y. Costa Rickford
Operator's Signature

10/3/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1282

House Appropriations Committee

☐ Conference Committee

Hearing Date 02-18-03

Tape Number	Side A	Side B	Meter #
1	X		10.0-50.0
Committee Clerk Signature <i>Chris S. [Signature]</i>			

Minutes:

Chairman Svedjan Opened HB 1282 for discussion.

Rep. Dekrey This bill advises the racing commission instead of having 1 person that comes from the Horse Racing Association, there would be 3 of them. A big thing in our committee was that the money the racing commission spends goes through the Attorney General's office, but doesn't have any oversight. The major thing talked about in our committee was that there should be some legislative oversight. Also, 2 race tracks holding races in the state, the Racing Commission jerked their funding from them and gave it to the Fargo race track. The horse racing itself does not generate money, it loses money. It is the paramutual betting that generates the money. They support horse racing, but the communities benefit.

Rep. Timm The racing commission was getting out of hand, and the bill puts more oversight on them.

Rep. Dekrey Correct.

La Costa Rickford
Operator's Signature

10/3/03
Date

Page 2
House Appropriations Committee
Bill/Resolution Number HB 1282
Hearing Date 02-18-03

Rep. Brusegaard The \$159,000 of general fund dollars, does that come from the language we have to subsidize three tracks? Where do the general funds come from?

Rep. Dekrey I don't know.

Alan Knudson The Racing Commission has allotted 50% from the general fund and 50% from special funds.

Rep. Metcalf Is any money from paramutual betting going back to the general fund?

Rep. Skarphol 50/50 split. One half goes to the Racing Commission and one half to the general fund.

Alan Knudson The revenues generated from simulcast brought in about \$700,000 to the (inaudible) fund, \$700,000 to the purse fund, \$1.2 million to the promotion fund, and \$3.7 million to the general fund.

Rep. Delzer When we have had this discussion, a lot of this money that is coming in is coming from one person on the Internet.

Rep. Dekrey There is one individual who spend in excess of \$140 million dollars. There are two individuals who are providing most of the income from the paramutual betting. If we lose either one of these guys we can't pay any of the race tracks.

Rep. Kempenich What about the \$300,000 from the communities? Is that an accurate number?

Rep. Dekrey I think the proponents of the bill were playing a little "death by fiscal note." The proponents of the bill haven't justified it.

Rep. Wald If the money doesn't come in then we don't have to pay ours out, correct? Revenue from the racing?

Chairman Svedjan True.

La Costa Rickford
Operator's Signature

10/3/03
Date

Page 3
House Appropriations Committee
Bill/Resolution Number HB 1282
Hearing Date 02-18-03

Rep. Wald So we aren't obligating the general fund to any more than half of what the revenue is up to \$159,000?

Chairman Svedjan We need clarification on that.

Alan Knudson The \$159,000 is only a fiscal note.

Rep. Skarphol Let's put a sunset on this so we can look at it in 2 years.

Rep. Wald I move a sunset amendment. 2nd by **Rep. Brusegaard**.

Motion Carries.

Rep. Kempenich Does the "adequately funding" relate to the \$300,000? By denying the license you deny the race?

Rep. Dekrey That allows two venues to have the races.

Rep. Kempenich I move to delete the "adequately fund and" on line 11, section 2. 2nd by

Rep. Delzer

Rep. Glassheim I think that adequately and cleverly denies the action on the floor.

Rep. Delzer It also takes care of the fiscal not that we have to be concerned with. We are charged with taking care of the general fund. I have a problem with another \$160,000 going out of the general fund.

Rep. Kroeber We aren't saving any money by doing this.

Alan Knudson It is up to the legislature on what they do with SB 2003.

Rep. Metcalf You gut the bill when you take those words out. Then I'd rather strip the money and leave the wording.

Rep. Brusegaard The purpose of the bill is to put us in place of the decision makers on the Racing Commission.

Page 4

House Appropriations Committee

Bill/Resolution Number HB 1282

Hearing Date 02-18-03

Rep. Carlson Why would this language supersede the previously introduced bill?

Alan Knudson It wouldn't take precedence over SB 2003's appropriations.

Rep. Glassheim This money of \$159,000 is for a new FTE, not for purses or race funding.

Rep. Delzer The 1 FTE isn't taking all the money. "Adequately fund" negates authority of the Racing Commission.

MOTION CARRIES to delete the "Adequately fund and" on line 11, section 2.

Rep. Monson I move a Do Pass As Amended. 2nd by Rep. Metcalf.

Motion Fails. 11 yea, 12 nay, 0 Absent/NV

Rep. Brusegaard I move a Do Not Pass As Amended. 2nd Rep. Thoreson.

Rep. Wald They won't have races in Belcourt or Bottineau if we kill this bill. I can't support that.

Motion Fails 10 yea, 13, nay, 0 A/NV

Rep. Warner I move a Do Pass As Amended. 2nd by Rep. Wald.

Rep. Wald That "Adequately funded is in the bill?

Chairman Svedjan No, it is not.

Rep. Carlson Are we arguing over policy or dollars? I honestly don't care about this, and they are putting the track in Fargo. I've always said the good thing is they built it right across the road from the dump ground, or the landfill so they can just dig that hole a little deeper when it fails.

Rep. Timm I move to replace the "Adequately fund and" wordage back in. 2nd by Rep.

Skarphol. Motion carries.

Rep. Glassheim I move a Do Pass As Amended. 2nd by Rep. Wald.

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House Appropriations Committee
Bill/Resolution Number HB 1282
Hearing Date 02-18-03

Rep. Delzer I think that we just put that fiscal note back on and we are just shrugging our shoulders at it. We can do this, but its not very fair to anyone.

Rep. Warnke Are Bottineau and Belcourt currently doing racing right now?

Rep. Dekrey They did last year, but the couldn't this coming year if we don't fund it.

Rep. Warkne If they were racing last year, then the fiscal note is bogus. Saying it is an added expense is not accurate. This is a way for the Racing Commission to kill this bill.

Rep. Dekrey I did say that this was a "death by fiscal note" by the Racing Commission.

Rep. Warnke The fiscal note won't be new dollars.

Motion Passed 15 yeas, 8 nays. Rep. Dekrey will carry this bill.

Rep. Delzer I have a question for Alan on how this plays into the fiscal impact.

Y. Costa Rickford
Operator's Signature

10/3/03
Date

30485.0202
Title.0300

Prepared by the Legislative Council staff for
House Appropriations
February 18, 2003

VK
2/18/03

HOUSE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1282 Approp 2-18-03

Page 1, line 2, remove the first "and"

Page 1, line 5, after "commission" insert "; and to provide an expiration date"

HOUSE AMENDMENTS TO ENGROSSED HB 1282 Approp. 2-18-03
Page 2, after line 26, insert:

"SECTION 4. EXPIRATION DATE. Section 2 of this Act is effective through
July 31, 2005, and after that date is ineffective."

Renumber accordingly

La Costa Rickford
Operator's Signature

10/3/03
Date

Date: 2-18
Roll Call Vote #: 4

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1252

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DPAA

Motion Made By Glassheim Seconded By Wald

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan (Chair)	✓		Rep. Bob Skarphol	✓	
Rep. Mike Timm (Vice-Chair)	✓		Rep. Blair Thoreson		✓
Rep. Bob Martinson	✓		Rep. Eliot Glassheim	✓	
Rep. Thomas Brusegaard	✓		Rep. Joe Kroeber	✓	
Rep. David Monson	✓		Rep. John Warner	✓	
Rep. Earl Rennerfeldt	✓		Rep. Jeff Delzer		✓
Rep. Francis J. Wald	✓		Rep. Amy Warnke	✓	
Rep. Ole Aarsvold		✓	Rep. Larry Bellew		✓
Rep. Pam Gulleeson		✓	Rep. Keith Kempenich		✓
Rep. Ron Carlisle	✓		Rep. James Kerzman	✓	
Rep. Al Carlson		✓	Rep. Ralph Metcalf	✓	
Rep. Kim Koppelman		✓			

Total (Yes) 15 No 8

Absent _____

Floor Assignment DeRube Glassheim

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 18, 2003 2:54 p.m.

Module No: HR-31-3149
Carrier: Glasshelm
Insert LC: 30485.0202 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1282, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (15 YEAS, 8 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1282
was placed on the Sixth order on the calendar.

Page 1, line 2, remove the first "and"

Page 1, line 5, after "commission" insert "; and to provide an expiration date"

Page 2, after line 26, insert:

"SECTION 4. EXPIRATION DATE. Section 2 of this Act is effective through
July 31, 2005, and after that date is ineffective."

Renumber accordingly

La Costa Rickford
Operator's Signature

10/3/03
Date

2003 SENATE POLITICAL SUBDIVISIONS

HB 1282

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Operator's Signature

10/3/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB 1282**

Senate Political Subdivisions Committee

☐ Conference Committee

Hearing Date **March 6, 2003**

Tape Number	Side A	Side B	Meter #
2	X		2374 - End
2		X	0 - End
3	X	X	0 - End
4	X		45-322
4	X		1242 - End
4		X	123 - 892
Committee Clerk Signature <i>Shirley Borg</i>			

Minutes:

CHAIRMAN COOK called the committee to order. All members (6) were present.

SENATOR COOK opened the hearing on HB 1282 relating to the appointment of racing commission members and the spending authority of the racing commission.

Testimony in Support of HB 1282

REPRESENTATIVE KRETSCHMAR, District 28, introduced the bill on behalf of constituents in his area and other people. He had heard about what the racing commission had done up in Belcourt and Bottineau and felt that was an injustice and felt he should get behind it to see if the legislature could make any changes in it. He feels it is a good bill and necessary under the circumstances. He hopes the committee will give the bill favorable consideration.

La Costa Rickford
Operator's Signature

10/3/03
Date

Page 2
Senate Political Subdivisions Committee
Bill/Resolution Number HB 1282
Hearing Date March 6, 2003

REPRESENTATIVE KELSCH, District 34, Mandan ND, signed on to the bill for two specific reasons. The first one is on the second page and starts on line four, regarding the expiration of the members term and that the member can not be re-appointed to the commission until at least two years have lapsed. This last summer we had an issue come up as to whether or not century code allows for a member of the racing code to be re-appointed. The interpretation was that the way the state law read, that member could not be re-appointed because it says it needed to be a new member and the appointment had already happened, so the language in the law needs to be cleared up. Right now the terms are five years and in talking with individuals they felt that serving one five year term and then setting out for a couple years before serving again was probably better. The second issue was the fact that the commission has been able to grant out large amounts of money. She thinks there should be some legislative oversight when they are sending out millions of dollars.

REPRESENTATIVE FROELICH, District 31, passed out some amendments (See attached) He has had constituents come to him with great concerns about what is happening in racing in the state. The biggest concern is that they have had some race dates for other tracks in the state and these dates are now gone, they are not funding them anymore. Without funds it is tuff to hold races and get anyone to come to it. This bill is not about taking money away from Fargo, ND, it is about putting money back into where these tracks were to begin with. They would like to keep the other tracks alive which have been in existence for numerous years. He asked that they look at the amendments.

SENATOR COOK asked if there were five racing commissioners and all five are appointed by the governor. Now the amendment would change it so two would be appointed.

Y. Costa Rickford
Operator's Signature

10/3/03
Date

Page 3

Senate Political Subdivisions Committee

Bill/Resolution Number HB 1282

Hearing Date March 6, 2003

REPRESENTATIVE FROELICH answered yes that is correct

REPRESENTATIVE BOUCHER, District 9, pointed out, number one, close interest in terms of reinstating racing dates and number two issue that these tracks are taking away from the new track that is under construction in Fargo. The bottom line is the money is being taken away from the existing tracks and sent the other direction. Chippewa Downs, which is in his district, has been running for twenty years or more and the track with the Bottineau fairgrounds which is a neighboring community has also been running for several years so consequently these two facilities are very close to his home and he knows the impact they do have on the communities. Racing in North Dakota has come under a great deal of attention across the nation. He supports the amendment and after reviewing the information sent to him, he asked the committee to carefully consider the bill and the legislation that is before them and in particular the oversight and also in particular in behalf of the two communities involved reinstating the racing dates. He thinks it is in the best interest in public relations across the state of North Dakota. The races are good for those communities, they work hard at these events and it is just as critical to economic development of these communities as it is to any other community in the state.

SENATOR DAVE O'CONNELL, District 6, appeared on behalf of Senator Bercier, He sat in on a meeting in Belcourt with him earlier this year. Concerned with the racing dates and would like to see them reinstated. Concerned with section three on the note saying 900 to 1.2 million dollars cost.

Doug DeMontigery, Chippewa Downs Race Track appeared in support of HB 1282. The bill attempts to right a terrible wrong with the loss of the race dates at Chippewa Downs and

Page 4
Senate Political Subdivisions Committee
Bill/Resolution Number HB 1282
Hearing Date March 6, 2003

Bottineau Race Track. The number one issue is reinstating the racing dates and then the commission term limits need to be put into place for five years.

Discussion on horse breeders: Tape 2, Side B, Meter # 1645 - 2239

Pete Davis, Belcourt Horseman, supporting Chippewa Downs. He has been in the business for twenty five to thirty years. They were under the assumption that the money was for all horsemen in the state that choose to do that. He believe 100 percent of the money should stay in the state. so therefore they need more dates to run. However he would like to run his horses in other places in the state. He passed out an impact statement. (See attached)

Lance Hagen, appeared on his own behalf to support HB 1282. He spent seven years on the racing commission. He was the commissioner who made the motion to pull Belcourts race dates and their money. He notice that the fiscal note was a little improper. He did not know if the cap for one hundred thousand dollars would be adequate. He feels it would be foolish to try and hurt the Fargo track and he believes that there was never an intention to eliminate Belcourt along with Bottineau. He suggested they take a look at the fiscal note. He supports this legislation because of the concept that he thinks rural economic development is very important in these smaller communities.

David Gornow, Belcourt appeared in support of HB 1282. He feels it is important to have horsemen on the commission. He would like to see the race dates reinstated and one hundred percent of the money staying in North Dakota.

Doug Plummer, West of Mandan, retired Federal Highway Engineer, appeared in support of HB 1282. He feels it is critical to adequately fund and issue a license fund on the certificate system.

La Costa Rickford
Operator's Signature

10/3/03
Date

Page 5

Senate Political Subdivisions Committee

Bill/Resolution Number HB 1282

Hearing Date March 6, 2003

Dale Otterness, Harness Horses, Bottineau, ND, appeared in support of HB 1282. He would like to see the racing come back to Bottineau and get them racing dates. This year celebrates the 100th year of racing in Bottineau.

Norman Glinz, Harness Horses, Bottineau, ND, appeared in support of HB 1282.

Testimony in Opposition of HB 1281

Howard Wrigley, ND Business owner, and member of the ND Racing Commission testified in opposition of HB 1282 (See attached testimony)

Ann Mahony, Chair of North Dakota Racing Commission, appeared in opposition of HB 1282.

It has been the goal of the racing commission from it inception in 1988, that North Dakota should have a quality race track to attract good horses, spectators, and to bring out of state money into North Dakota. It has also been the goal to provide North Dakota Breeders with incentives to improve the quality of their horses. That remained a distant dream until the North Dakota pure mutual handle took a sharp spike in 1999. The racing commission deliberated long and hard to make the right decision on the location of the new track to be developed in North Dakota. The Fargo track will best promote horse racing in the entire state not just in one small location. This bill

seeks to move the finish line and throw us off the track. One thing she has discovered during her ten years on the commission and in interacting with the various elements of the industry as well as with the various breed groups is that there is very rarely any consensus among them. There is often disagreement within a single breed. The racing commission has done its best to side step through the competing interest and opinion and do what is best for the entire state. They have adopted an eight year plan in funding the Fargo track to insure that it is off and running in the

Page 6

Senate Political Subdivisions Committee

Bill/Resolution Number HB 1282

Hearing Date March 6, 2003

best manner possible. The racing commission is convinced that North Dakota can financially support only one quality track. The Fargo track is the right size for all horse races. It has an excellent surface built under the supervision of a track surface expert. This ensures the safety of the horses and jockeys. The track will allow for racing by every breed of horse. We want to bring out of state horses into our state along with their owners and trainers to race in North Dakota. The Fargo site will benefit all of the horse owners in North Dakota. The racing commission does not have the resources to adequately fund more than one track. Not only will it take huge expenditures to bring the existing tracks to the level for safety and security are assured but there are substantial costs in simply regulating the pari-mutual races so the public can rely on the integrity of the races themselves. The fiscal note of this bill of one million dollars is probably conservative. There is nothing to prevent either Chippewa Downs or Bottineau from running their races. Bottineau says they have run for 100 years but they have not run 100 years under the pari-mutual certificate system. Belcourt has only been running pari-mutual since 1993. All expenditures are reflected in the minutes of the commission. This bill will not promote racing in North Dakota. They urge a do not pass on HB 1282.

Paul Bullinger, Director of the Racing Commission, appeared in opposition of HB 1282. One of the major concerns from a regulatory stand point is making sure of the safety of the jockeys, patrons, and the horses. The jockeys guild for thoroughbreds recommends that you have a flex aluminum rail. The rail in Belcourt is not an aluminum rail. His question to the committee under this language is, the racing commission will be forced to adequately fund any race track that applies. If race tracks are not adequately funded, you need to look out for the liability. The racing commission job is not to look out for the economic development of two small

Page 7

Senate Political Subdivisions Committee

Bill/Resolution Number HB 1282

Hearing Date March 6, 2003

communities, it is to look out for the best interest of horse racing. They can run horses all they want, they just can not bring pari-mutual into it because it cost thirty to forty thousand dollars a day because you need drug testing, stewards, a tote system and more. We have been blessed in ND by the large volume wagers but we have evidence that this money is going to stay. So what the racing commission has done is said that we have this amount of money, how can we guarantee racing so that it can survive and they have done the best they can under the circumstances.

SENATOR COOK asked how much of the breeders fund stays in North Dakota?

Paul Bullinger answered one hundred percent of it.

Further discussion: Tape 3, Side B, Meter # 1439 - 1856

Joe Schaefer, Fessenden, ND, appeared in opposition of HB 1282. He would like to see the success of Fargo racing track. He doesn't think the little tracks can survive, but if they can, he would like a piece of the pie and bring racing back to Fessenden, ND

Leon Glasser, Mandan ND, Owner and Breeder, opposed HB 1282. He believes the audits are expensive and unnecessary. He feels the state can not support multiple race tracks. He does not favor the commission being handy capped with that one hundred thousand limit. We could have delays in receiving money in 90 to 120 days. The commission is appointed by the governor and they should be responsible and be able to handle more than one hundred thousand dollars. He thinks the window would really hurt them.

Les Schmidt, Track Manager for the Fargo Race Track, appeared in opposition of HB 1282. He has a great deal of concern as to what would happen to the horse racing industry if the bill passes.

He sees nothing but good coming out of the new racing facility in Fargo that we have. The

Page 8
Senate Political Subdivisions Committee
Bill/Resolution Number HB 1282
Hearing Date March 6, 2003

racing commission chose Fargo with the blessing of the horsemen as to where their track should be. This is a horsemen's race track. It is in a area where everyone can race at, very good quality of people brought in to help build race track. Many states are consolidating race meets. He feels auditing would be just another added expense of something that is already being done.

Bill Maulding, NDTA appeared in opposition of HB 1282. He believes if the racing commission is tied down to one hundred thousand dollars it would be a total disaster.

No further testimony.

CHAIRMAN COOK closed the hearing on HB 1282.

Discussion:

CHAIRMAN COOK told the committee for their reference that is one bill SB 2285, that is germane to this bill.

Further discussion: Tape 4, Side A, Meter # 1282 - End and Tape 4, Side B, Meter # 0 - 892

SENATOR COOK will try to work on an amendment for the bill.

CHAIRMAN COOK adjourned the committee.

Ja Costa Rickford
Operator's Signature

10/3/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1282

Senate Political Subdivisions Committee

☐ Conference Committee

Hearing Date March 20, 2003

Tape Number	Side A	Side B	Meter #
4	X		5960 - End
4		X	0 - 702
Committee Clerk Signature <i>Shirley Borg</i>			

Minutes:

CHAIRMAN COOK called the committee to order. All members (6) in attendance.

CHAIRMAN COOK asked the committee to review HB 1282. He said he would like to save section three.

SENATOR JUDY LEE said she has a problem with the whole bill. She trusts what the racing commission is doing. I think they are looking at tax free dollars that they are regulating with oversight of the attorney generals office. She would really like to allow them to work as they have put so much effort in the Fargo Track rather than diluting the dollars over other race tracks. and not have anything work.

SENATOR POLOVITZ is trying to figure out where the race track comes into the picture as most of the betting is simulcast from all over the country.

SENATOR COOK said they allow betting on the races in Fargo also but you are right the real money that pays the bills comes from the simulcast betting on races all over the country.

Page 2

Senate Political Subdivisions Committee

Bill/Resolution Number HB 1282

Hearing Date March 20, 2003

SENATOR POLOVITZ can you in a few words give me the purpose of this bill.

SENATOR COOK Section 1 has to do with the terms of the commissioners; Section 2 requires a comprehensive audit of the breeders fund and purse fund; race tracks up in Bottineau and Belcourt; and Section 3 puts some oversight on the budget committee on the expenses of the racing commission. It does four things.

SENATOR CHRISTENSON ask if it would be fair to say the this is a bill of doing a lot of things poorly or one thing well.

SENATOR POLOVITZ moved a DO NOT PASS.

SENATOR JUDY LEE seconded the motion.

Discussion:

SENATOR CHRISTENSON said that her understanding is, it does not close the other racing tracks down. They can do what ever they choose but it is just that we are going to focus on the track in Fargo to bring it up to what it should be and be sure it has the structure and form it needs to be successful.

SENATOR COOK said that is correct and if you look at Section 2 you will see, adequately fund and issue a license under the certificate system for a minimum of two races per year

SENATOR SYVERSON thinks this bill will improve the quality of the horses in the state.

People would not race thoroughbreds in the two existing tracks.

Roll call vote: Yes 5 No 1 Absent 0

Carrier **SENATOR JUDY LEE**

30485.0301
Title.

Prepared by the Legislative Council staff for
Representative Froelich
March 5, 2003

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1282

Page 1, line 5, replace "provide an expiration date" with "declare an emergency"

Page 1, line 16, replace "three" with "two"

Page 2, line 27, replace "**EXPIRATION DATE.** Section 2 of this Act is effective through July 31," with "**EMERGENCY.** This Act is declared to be an emergency measure."

Page 2, remove line 28

Renumber accordingly

Page No. 1

30485.0301

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Lu Costa Rickford
Operator's Signature

10/3/03
Date

Date: 3-20-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1282

Senate Political Subdivisions Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Senator Polovitz Seconded By Senator Judy Lee

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman		X			
Senator John O. Syverson, V C	X				
Senator Gary A. Lee	X				
Senator Judy Lee	X				
Senator Linda Christenson	X				
Senator Michael Polovitz	X				

Total (Yes) 5 No 1

Absent 0

Floor Assignment Senator Judy Lee

If the vote is on an amendment, briefly indicate intent:

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Sal Costa Rickford
Operator's Signature

10/3/03
Date

REPORT OF STANDING COMMITTEE (410)
March 21, 2003 2:40 p.m.

Module No: SR-51-5478
Carrier: J. Lee
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1282, as reengrossed: Political Subdivisions Committee (Sen. Cook, Chairman)
recommends **DO NOT PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING).
Reengrossed HB 1282 was placed on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-51-5478

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La Costa Rickford
Operator's Signature

10/3/03
Date

2003 TESTIMONY

HB 1282

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La Costa Rickford
Operator's Signature

10/2/03
Date

2001 Belcourt/Bottineau Race Meets Report

Leslie A. Schmidt

Director of Racing Promotion

July 15, 2001

Chippewa Downs Race Meet

What an exciting summer! It was a pleasure to be able to work with the Racing Commission, our new Director of Racing Paul Bowlinger and our new Secretary, Barb Middaugh.

The new O.R.D.A. (Outdoor Recreation Development Association) under the direction of Doug DeMontigny was a pleasure to work with. By now you are all well aware of the way things progressed at Chippewa Downs. There were many bumps in the road, but no deep ruts. Any and all problems were quickly solved through the efficiency of the O.R.D.A. Board.

All barns, the track and grandstands were ready for opening week. All bookkeeping matters were efficiently handled by Harlene and Karla Davis.

The Tribe cooperated totally with O.R.D.A. and the racing officials before, during and after the meet.

The horsemen were especially happy with the race meet. The Racing Secretary, Carol Sivak did an excellent job. The track surface was redone and in excellent condition all six days of racing. A special "thanks" goes out to Joe Herman and his crew for keeping the track in excellent condition. Karla, Harlene and Shelly did an excellent job of keeping track of the money and, to the best of my knowledge; all horsemen were paid in an orderly fashion. In fact, the last check went out on July 28th, thus paying all purse money out and all horsemen received a print out of their account.

All in all, we had an excellent race meet at Chippewa Downs. As to future racing, I recommend that O.R.D.A. be awarded racing dates as early as possible so that the race dates can be advertised in various regional race magazines. O.R.D.A. will be ready to request dates in a more orderly fashion this year.

La Costa Rickford
Operator's Signature

10/3/03
Date

Bottineau Downs Race Meet

The harness meet at Bottineau went off quite well. The most disappointing aspect of the races was the lack of entries. There are various reasons for this; first, the fact that the races were on Sunday and Monday didn't help. The fact that they were the same time as Belcourt didn't help. The racing surface itself, although adequate, needed much improvement. If we could have two weekends of racing instead of one, it would improve the number of horses attending. It would be nice to have a weekend at Bottineau and possibly a weekend at Hamilton, or at least two weekends in Bottineau - this scenario would assure having full gates of horses.

The race meet was well managed and the horsemen that did show were very pleased with the North Dakota hospitality. The Glinz family did an excellent job of promoting and attendance was good. As far as I know, everything went well and all horsemen were paid on time.

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La Costa Rickford
Operator's Signature

10/3/03
Date

Fair Circuit Equipment Inventory

1. Starting gate stored at Turtle Mountain Manufacturing.
2. Track Conditioner stored at Doug DeMontigny's ranch.
3. New tandem trailer stored at Doug DeMontigny's ranch.
4. Horse ambulance stored at Don Keplin's place (same as in previous years).
(A new horse ambulance is needed.)
5. Jockey trailer and steps are stored at Belcourt Oil Company.
6. 362 stall panels are in Minot.
7. 130 stall panels are in Bottineau.

Racing Commission Inventory

1. 4 Office Trailers are stored at the Glinz Farm in Bottineau.

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La Costa Rickford
Operator's Signature

10/3/03
Date

HB 1282

1-16-2003

Dear Sir

To Whom it may Concern
I represent Johnson Racing Stables
of Lemmon S. Dak.

We raced horses at the
Belmont race track known as
Chippewa Downs. We were
treated very well by everyone at
the town and race track.

Our horses raced very well
over a well taken care of track

We set track records there
so the track condition was in
good shape.

When we were done racing we
were paid for all races up to date,
except the races we won that
weekend.

All personnel who worked at
the track were all out to make race
meet a success. and show no
difference who you were or what
horses you owned

Thank You John E Johnson

COUNTY OFFICERS
Valerie McCloud County Auditor
Alison Grenier County Treasurer
Tony Sims County Sheriff
Colleen Bertsch Register of Deeds
Mary O'Donnell State's Attorney
Susan Mickelson Clerk of Court
Dwane Getzlaff County Superintendent
Turtle Mountain Star Official Newspaper

Rolette County
P.O. Box 939
Rolla, North Dakota 58367

Commissioners
Kenneth Brien Belcourt, ND
Joe Baker Belcourt, ND
Mike Laducer Rolla, ND
Bob Leonard, Sr. St. John, ND
Eldon R. Moors Dunseith, ND

November 25, 2002

North Dakota State Racing Commission
500 North 9th St.
Bismarck ND 58501-4509



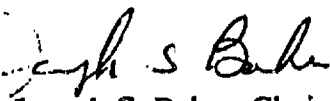
Dear Commission Members:

The Rolette County Commission would like to offer support for funding for the Chippewa Downs race track. This track has been in existence for several years and has been a source of tourism, which is very important to the area.

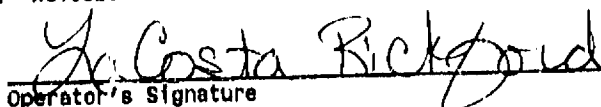
As an integral part of the racing community in the state, we ask for reconsideration for race dates and funding request for the Chippewa Downs.

Your consideration is greatly appreciated.

Sincerely,


Joseph S. Baker, Chairman
Rolette County Board of Commissioners

cc: Governor Hoeven
District 9 Representative Merle Boucher
District 9 Representative Tracy Boe
District 9 Senator Dennis Bercier


Operator's Signature

10/3/03
Date

ROLETTE STATE BANK

P.O. Box 126
Rolette, North Dakota 58366
Phone (701) 246-3395
MEMBER FDIC

December 9, 2002

North Dakota State Racing Commission
500 North 9th St.
Bismarck, ND 58501-4509

Re: Chippewa Downs
Belcourt, ND 58316

Dear Commission Members:

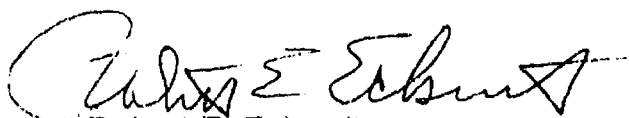
It is my understanding that the N.D. Racing Commission has taken away the race dates for Chippewa Downs. I do not know the reason behind your decision, however I am asking you to reconsider.

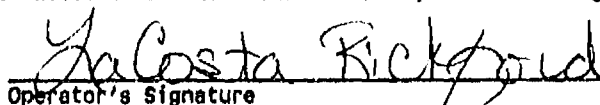
I know there has been some problems in the past, however, I do believe the last couple of years have gone fairly well. With Mr. DeMontigny, Harlene Davis and the people they have in place, the operations should go with out a hitch.

The economic impact to the area has been great not only for Chippewa Downs but the entire county. I would hate to see an event like this be lost to our area. This event is something that is not offered in a lot of places and I think it has been unique to the Turtle Mountains and has drawn a lot of people to the Peace Gardens, Turtle Mountains and all of the surrounding communities. Again I cannot stress the impact this event has on the area.

I thank you for any considerations you might give to Chippewa Downs.

Very Truly Yours,


Robert E. Eckerdt
Vice President


Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

November 27, 2002

Horsemen,

As you may have heard by now that the North Dakota Racing Commission has denied race dates for Chippewa Downs for the 2003 race season. We are now in the process of trying to get our dates back. We feel over the last couple of years we have made every effort to comply with all the state requirements and ran a very good meet for the horsemen. We feel the smaller bush meets are essential to the success of larger ones. What we are asking for is a letter of support to continue racing at Chippewa Downs. Would you please sign below to show your support and return to us in the enclosed stamped envelope. We thank you for your support and hope to see you at Chippewa Downs for the 2003 meet.

Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments:

This is a very big injustice to a very well run race meet. They have good tracks with a fast surface. Horsemen over 100 spooks. The management and all people concerned are being cooperative to all horsemen in state and out of state. Horse all have a chance to run. We need

Date

12-02-2002

Signature

John H. Johnson Belcourt

Address

*110 26 White Butte Rd
Lemmon SD*

57638

It was need a place to run from July 9th and closing date of Canterbury and August 15th the opening day approximately opening day of Fargo. The small stables need Belcourt to exist.

Sal Costa Rickford
Operator's Signature

Date

10/3/03

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

November 27, 2002

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *We hear many good reports about Chippewa Downs. When I get another horse, Chippewa Downs is where I would want to begin his campaign for even bigger races. It has been a privilege to race on the past at Chippewa Downs with Breakers Breakers, the good guy etc. I am hoping for continuing racing at Chippewa Downs.*

December 3, 2002
Date

Elizabeth Polfson
Signature

115-14th St. N.

New Rockford, ND 58356
Address

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La Costa Rickford
Operator's Signature

10/3/03
Date

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CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *I believe two tracks running in the state is the best thing for horsemen*

Dec 1 - 02
Date

Roger Kerber, Diane Kerber
Signature

RT 1 Box 148
Wassaford ND 58448
Address

LaCosta Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

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Sincerely,

Doug Demontigny / ued
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *We need smaller tracks to support & get horses ready for larger tracks also for horses that can't compete at larger tracks. Where are horses going to run after Aberdeen?*

12 3 02
Date

Dean Hanson
Signature

31453 Cat. A Class RD
Hartford S.D. 57536
Address

La Costa Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *I hope Chippewa Downs keeps going, so we can keep
are horses in shape, for the late summer meet at Fargo.
I have sent horses and race in 4 states and 2 provinces of
Canada, and Chippewa Downs is one of the best places to race and
people are very friendly there.*

December 5, 2002
Date

Kenneth Brehm
Signature

14590 Highway 281 S.E.
Jamestown, North Dakota
Address *58401-9550*

La Costa Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: I support Chippewa Downs
2002 was a great meet from the track
to the barns & the security improvements
& the friendly & helpful people
We want our Dates Back

Dec 2, 2002
Date

Gordy Wilke
Signature
60rdy Wilke
4331 81 RT AVE SE
Jamestown ND 58401
Address

La Costa Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

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Sincerely,

Doug Demontigny / uka
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *We definitely need a track to get our horses started, N. Dak. horsemen need to get horses legged up early - plus gate training for 2-3 yr. olds. Chippewa Downs is perfect for this & is definitely a need, so it must be allocated now for 2003 season - so horsemen can make plans & onto Fargo in Aug.*

Date

12-04-02

Signature

Lucas & Dorothy Elverson

Box 160

Address

Washburn ND. 58577

Tel. # *701-462-3279*
or 701-462-3707

LaCosta Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

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Sincerely,

Doug Demontigny / ued
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments:

*Wake up the N.D. Racing Commission!
We, as horsemen & women need a
back to run at in June. Chippewa Down
has set the precedent, call the governor!
Raise Hell with him and the Commission,
to get them.*

Date *Dec 10'02*

Signature

Patricia K. Rindahl

Rt 1 Box 3653

Sunny Mt 59210

Address

406-798-3343

Lu Costa Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *I've attended races at Chippewa Downs & felt the community support & effort by the track personnel to be great. We need grass roots tracks like Chippewa Downs.*

12/8/02
Date

Sherry Plummer
Signature

*570 2nd Ave SW
Dickinson, ND 58601*
Address

La Costa Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments:

*I have Enjoy Very Much racing at
Chippewa Downs. I have always been treated
Really well handling in and racing there there
are are very helpful in the racing industry*

Date

Dec 2 2002

Signature

*Thank you very much
Merry Christmas to all the employees
Joe Thorne*

Address

*29215 Prairie Place
Peene South
57501*

La Costa Rickford

10/3/03

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: I feel it is important to continue to
have a race meet in N.D. other than Fargo.
I had a horse at Chippewa Downs a few years
ago. It was a very good experience.

12-7-02
Date

Harold Schlotthauer
Signature

15922 30th St NW
Fairview, MT. 59221
Address

McKenzie Co. N.D.

LuCosta Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *Small tracks are essential to the industry. No complaints about Belcourt. Races run pretty smooth and money is distributed in a timely manner. Newer barns and more betting windows would be nice.*

12-4-02
Date

Dan Dwyer
Signature

Box 491
Eagle Butte, SD
Address
57625

La Costa Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

November 27, 2002

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *We need Chippewa Downs as well as the new track for the industry. People have worked very hard to do everything right at Belcourt.*

12-02-02
Date

John Cook
Signature
116 Croucher Rd
OKANOGAN WA
Address

La Costa Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

November 27, 2002

Horsemen,

As you may have heard by now that the North Dakota Racing Commission has denied race dates for Chippewa Downs for the 2003 race season. We are now in the process of trying to get our dates back. We feel over the last couple of years we have made every effort to comply with all the state requirements and ran a very good meet for the horsemen. We feel the smaller bush meets are essential to the success of larger ones. What we are asking for is a letter of support to continue racing at Chippewa Downs. Would you please sign below to show your support and return to us in the enclosed stamped envelope. We thank you for your support and hope to see you at Chippewa Downs for the 2003 meet.

Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *We like your meet because when we leave Aberdeen, S. Dak race meet we move up to your meet & plan moving on to Fargo so that will be a good run out for us*

Date

12-5-2002

Signature

Leo B. Bean

HCR69 Box 36

Belle Fourche, S. Dak.

Address

57417

La Costa Rickford
Operator's Signature

10/3/03
Date

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments:

I find it hard to believe the Racing Commission would ever consider shutting down the only track that kept so many of us interested in racing for so many good years. I also wanted another ND track, but not at the price of closing Chippewa Downs.

Date

12-06-02

Signature



Duane Wilke
P.O. Box 175
Courtenay, ND 58426-0175

Address

La Costa Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *I think US Horsemen should get together and go to the Governor and have him Appoint different people to the Racing Commission because what we have now they don't know Jack shit about Horse Racing. All they do is go along with Fargo and help build that white elephant race track!*

Vic Turner

Date *12-5-02*

Signature

4195 71st

Flasher, NDak.

Address

58535

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La Costa Rickford
Operator's Signature

10/3/03
Date

I support to continue racing at Chippewa Downs.

Comments: MD. has too many facilities, Decker and Stall in State races
for one track. Another track is needed to help all of these horses.
Chippewa Downs is a new race track, they at least all of the horses
can be held in MD. instead of 12 miles away and Montana.

Date 11/30/02

Signature Bob Leonard Schiork

5620 Hwy 21

Address Canon MD, 58529

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PO BOX 396
BELCOURT, NORTH DAKOTA 58316

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Sincerely,

Doug Demontigny / uke
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *We believe there is room for racing at both Belcourt & Fargo. The dates for each shouldn't interfere with each other.*

Dec. 16, 2002
Date

Diane L. Carpentier
Signature
Pat Carpentier

2052 10th St SW
Address
Washburn, N. D. 58577

La Costa Rickard
Operator's Signature

10/3/03
Date

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: I'VE BEEN RACING THERE SINCE 1993
EVERY YEAR, MY WIFE'S A TRAINER, KELLY.
I LOVE RACING THERE ALL MY FRIENDS OR THERE,
CHIPPEWA'S OR GOOD PEOPLE. THEY HELP SD RIL RACES.
THERE ARE TEN MORE SD STABLES PLANNING ON COMIN TO CHIPPEWA
2003. THE JOHNSON'S LOVE

Date

12-9-02

Signature

Norman J. J. J.

Address

P.O. Box 743
FR PIERRE SD 57532

La Costa Rickford
Operator's Signature

10/2/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *It's a very nice little meet. Its for us a place to go in our spare time relax and enjoy with the whole family.*

12-6-2002
Date

Bill London
Signature

Box 40
Maxwell Neb 69151
Address

La Costa Rickford
Operator's Signature

10/3/03
Date

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *If we dont have racing in Belcourt
I will not support Fargo or rest for my
own benefit*

12-18-02
Date

Stan W. Nelson
Signature
8700 County Rd 15W
MINOT ND 58703
Address

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *I have always enjoyed the races at Chippewa Downs near Belcourt. Fargo should not have a monopoly on racing in North Dakota.*

12-03-2002
Date

Keith Blum
Signature

*570 2nd Ave S.W.
Dickinson, ND 58601*
Address

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *I would like to see as many race tracks as possible remain in N.D. so the racing season has a variety of places to horse and some rather than just 1 or 2 large tracks.*

12/02/02
Date

Shirley Hoggard
Signature

3302 E. Ave C

Belcourt, N.D. 58501
Address

12/2/02

Wm. L. Cook
3717 Berkshire Dr.
Belcourt, ND 58503

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LaCosta Rickford
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10/3/03
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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *don't spail a good thing*

12-3-02
Date

Lucretia Smalley
Signature

29672 - 223 st
Fort Pierre SD, 57532
Address

La Costa Rickford
Operator's Signature

10/3/03
Date

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *The closing of Belcourt & sending all racing to Fargo is absurd and will be disastrous for the horse racing industry in North Dakota. A track that was supposed to be up and running for 1 million dollars is now needing 6 million. Some heads should roll.*

Dec 1, 2002
Date

Stephen Plummer
Signature

2455 Hwy 10

Mandan, N.D. 58554
Address

Sal Costa Rickford
Operator's Signature

10/3/03
Date

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *As a former race horse person, and likely a future one, I support more than ever race tracks in N. Dak. Chippewa has been one of the staples in our state and should be supported.*

12-2-02
Date

Sandy Ziegler
Signature
It's a race N. Dak.

Address

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La Costa Rickford
Operator's Signature

10/3/03
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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: A very good track

12-2-02
Date

Robert F. Gordon
Signature

Box 611
Ft Yates, ND 58538
Address

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Operator's Signature

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *I support Belcourt Chippewa Downs
Race Track. I have raced twice in the past
five years. This is the only race track in
North Dakota and we should support it.*

Dec 2, 2002
Date

Robert Ayers
Signature

*P.O. Box 340
Fort Union, N.D. 58534*
Address

La Costa Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
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Sincerely,

Doug Demontigny / ued
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *You have good horse people there running Chippewa Downs and it will be a great place to go when we get another horse. Thanks for your efforts. As a spectator, it will be good to be there too!*

December 3, 2002
Date

[Signature]
Signature

501-3rd Ave S
New Rockford ND
58356
Address

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Operator's Signature

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Sincerely,

Doug Demontigny / ued
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments:

I have always had a good race meet there. I think they have a good variety of races. The people who run the race meet are really good people.

11-30-02
Date

Kenneth Grose
Signature

Box 249
New Salem N.D.
Address
58563

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LaCosta Rickford
Operator's Signature

10/2/03
Date

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *Chippewa Downs has been running for several years and it is unfair to cut them off. When no one else would bet to keep horse racing alive they created an opportunity for us to run our horses in state. No racing at Chippewa Downs will create a large void for our horses.*

12-3-02
Date

Charles Friser
Signature

PO Box 53
Elk River, ND 58538
Address

La Costa Rickford
Operator's Signature

10/2/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *I Don't think ITS good To put All your Eggs IN the Fargo Basket. Belcourt gives us a good Chance to get AN out ON A Colt AND there is a nice track to get them Ready to Run at Fargo. They have provided us with a place to Run and For a lot less CASH outlay than Fargo is DEMANDING*

11-30-2002
Date

John Bubel
Signature

1871 40th Ave SW
Center ND 58530
Address

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments:

I believe it should continue with para-mutual betting. It's a good meet.

Date

11-29-02

Signature

Robert Breckers

Address

*1241 6th St. NW Jamestown,
ND 58401*

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La Costa Rickford

Date

10/3/03

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Sincerely,

Doug Demontigny / ued
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *We need to have a place to go after SD. with our ND. Bred horses or we will not be able to race in Fargo for only 4 weeks.*

Nov. 28, 2002
Date

Robert Mendinger
Signature

Box 32

Ashley ND.
Address

La Costa Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
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November 27, 2002

Horsemen,

As you may have heard by now that the North Dakota Racing Commission has denied race dates for Chippewa Downs for the 2003 race season. We are now in the process of trying to get our dates back. We feel over the last couple of years we have made every effort to comply with all the state requirements and ran a very good meet for the horsemen. We feel the smaller bush meets are essential to the success of larger ones. What we are asking for is a letter of support to continue racing at Chippewa Downs. Would you please sign below to show your support and return to us in the enclosed stamped envelope. We thank you for your support and hope to see you at Chippewa Downs for the 2003 meet.

Sincerely,

Doug Demontigny / uke
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments:

what makes me mad is Fargo was given everything to try and get that track going, now, well I heard they were going to shut Chippewa down, Fargo can make this go, with all the money given to them.

Date

11-30-02

Signature

Bill Loring

2105 66th ST. S.E.

Bismarck, N. Dak

Address

58504

La Costa Rickford
Operator's Signature

10/3/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

November 27, 2002

Horsemen,

As you may have heard by now that the North Dakota Racing Commission has denied race dates for Chippewa Downs for the 2003 race season. We are now in the process of trying to get our dates back. We feel over the last couple of years we have made every effort to comply with all the state requirements and ran a very good meet for the horsemen. We feel the smaller bush meets are essential to the success of larger ones. What we are asking for is a letter of support to continue racing at Chippewa Downs. Would you please sign below to show your support and return to us in the enclosed stamped envelope. We thank you for your support and hope to see you at Chippewa Downs for the 2003 meet.

Sincerely,

Doug Demontigny / uke
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *We have always enjoyed racing at Chippewa Downs. We like to use it as a testing ground as horses that do well there can usually go about anywhere and be competitive. We will miss racing there as it is always fun to meet lots of racing friends that we don't see at other tracks.*

Date

11/30/02

Signature

Don Hansen / DEB Hansen

PO Box 22
Crosby, ND 58730
Address

La Costa Rickford
Operator's Signature

10/2/03
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

November 27, 2002

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *Need to have racing in N.D.*

12-1-02
Date

Best Reining
Signature
3530 Hwy 52
Harney, ND
Address

La Costa Rickford
Operator's Signature

10/2/02
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

November 27, 2002

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments: *We in ND that enjoy racing have seen
few chances to enjoy the sport we have
to say we support it, but would like to see
Chippewa Downs fixed up.*

Date

Nov 1 - 02

Signature

Shelly Haug

14912 Highway 68

Alexander ND

Address

58831

Sal Costa Rickford
Operator's Signature

10/3/02
Date

OUTDOOR RECREATION DEVELOPMENT ASSOCIATION
CHIPPEWA DOWNS
PO BOX 396
BELCOURT, NORTH DAKOTA 58316

November 27, 2002

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Sincerely,

Doug Demontigny
Doug Demontigny, Chairman

I support to continue racing at Chippewa Downs.

Comments:

People like myself need a place to race and develop young horses in June. I do not have the quality of horses to go straight to Centerville and lay off from June 1 to August 8 to long - I don't have a place to train around here

11-30-02

Date

Ray Sauerwein

Signature

141st 386th Ave

Aberdeen SD Dak.

Address

Lu Costa Rickford
Operator's Signature

10/2/02
Date

WE, THE UNDERSIGNED, REQUEST THAT CHIPPEWA DOWNS' DATES BE REINSTATED AND APPROPRIATE SUPPORT FUNDING BE GRANTED.

WE RECOGNIZE THE NEED FOR THE SMALLER TRACKS TO SUPPORT AND PROVIDE THE HORSES, OWNERS AND TRAINERS TO MOVE ON TO THE BIGGER TRACKS.

OUR EXPERIENCE AT CHIPPEWA DOWNS HAS BEEN POSITIVE. WE HAVE ENJOYED RUNNING THERE AND LOOK FORWARD TO DOING SO AGAIN.

Name	Address
1. Shana Trotter	PO Box 332 Belcourt ND 58316
2. JANESE M DAVIS	PO Box 683 DUNSEITH ND 58329
3. Lela L. Hughes	PO Box 1951 Belcourt ND 58316
4. Lela L. Hughes	PO Box 70 Belcourt ND 58316
5. Alberta Malatene	PO Box 751 Belcourt ND 58316
6. Gene Potha	RP #1 Box 72 Dunseith N.D. 58329
7. Barbara McCotter	P.O. Box 295 Dunseith 58329
8. Darlene DeLoraine	P.O. Box 1148, Belcourt 58316
9. Marilyn Potha	P.O. Box 1148 Belcourt, ND 58316
10. Shirley Berwin	PO Box 31 Belcourt, ND 58316
11. Joyce McCotter	PO Box 731 Belcourt ND 58316
12. Anita Shink	P.O. Box 271 Rolette, ND 58366
13. Bernice Trotter	Box 12 Belcourt, N.D. 58316
14. Lindsay Potha	1671 Belcourt ND 58316
15. LouAnne Davis	PO Box 388 Belcourt, ND 58316
16. Gloria Davis	PO Box 576 Belcourt ND 58316
17. Robert P. Latta	PO Box 1070 Belcourt, ND 58316
18. Lisa Rogers	Box 1192 Rolla, ND 58367
19. Paul Rogers	Box 1192 Rolla, ND 58367
20. Alice Henry	Box 384 Rolla, ND 58367
21. Duane Henry	Box 384 Rolla ND 58367

WE, THE UNDERSIGNED, REQUEST THAT CHIPPEWA DOWNS' DATES BE REINSTATED AND APPROPRIATE SUPPORT FUNDING BE GRANTED.

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Name	Address
1 Aaron Marcellais	PO Box 1198 Belcourt ND, 58316
2 Tommy Davis Jr.	PO Box 872 Belcourt ND, 58316
3 Ron Desjarlais Jr	PO Box 1143 Belcourt ND, 58316
4 Crystal Dienne	PO Box 2105 Belcourt, ND 58316
5 Michelle Cully	PO Box 1073 Dismouth ND 58329
6 Brandy Davis	P.O. Box 981 Dismouth ND 58329
7 Shyanna Blue	P.O. Box 1078 Roma ND 58367
8 Courtney Dain	P.O. Box 864 Dismouth ND 58329
9 Eric Dienne	PO Box 2145 Belcourt, ND 58316
10 Tracy Karl Vally	PO Box 521 Belcourt, ND 58316
11 [Signature]	PO Box 1781 Belcourt, ND 58316
12 [Signature]	Box 1440 Belcourt ND 58316
13 [Signature]	Box 1568 Belcourt ND 58316
14 Kyle Maltby	Box 512 Belcourt ND 58316
15 [Signature]	Box 2444 Belcourt, N.D. 58316
16 Leah McNeil	Box 2444 Belcourt ND 58316
17 [Signature]	Box 2516 Belcourt ND 58316
18 Stephanie Deladuer	PO Box 1670 Belcourt ND 58316
19 [Signature]	
20 R. E. 36	RR1 Box 44K Belcourt ND
21 Jessica L. McClellan	PO Box 1143 Belcourt ND 58316

Ryan
LoFountain

Name	Address
1 Shawn Poitra	RR 1 Box 235 Belcourt ND
2 Jeff Parker	Box 1670 Belcourt ND 58316
3 Kirby Greenwood	Box 938 Belcourt, ND 58316
4 Brooke Hlaire	Box 985 Belcourt ND 58316
5 Marie Wilkie	Box 3 Belcourt, N.D. 58316
6 Darrell Bryant	Box 1996 Belcourt ND 58316
7 Linda Olong	Box 1011 Belcourt ND 58316
8 John Gant	Box 1686 Belcourt ND 58316
9 Sandra Anger	Box 171 Dunsmuir, ND 58329
10 Paul Frazier	Box 322 Belcourt ND
11 Samuel A. Zee	Dunsmuir, ND
12 Eugene Baerengues	Belcourt, N.D.
13 Dustin Wamack	P.O. Box 1325 Belcourt, ND 58316
14 PAT WANNIT	#1237, Belcourt, N.D. 58316
15	
16 Lucion LaFayette	R.R. #2 Box 84 Belcourt, ND 58316
17 Christa Delorme	P.O. Box 95 Belcourt, ND 58316
18 Eija Chynette	P.O. Box 1926 Belcourt ND 58316
19 Carol Ladue	P.O. Box 437 Belcourt, ND 58316
20 Felic Deford	Box 1110 BELCOURT N.D. 58316
21 Ryan Thomas	Box 1026 Belcourt N.D. 58316
22 Rachelle Ayers	Box 341 Belcourt ND 58316
23 Jackie Belgrade	Box 271 St. John, ND 58369
24 John LaJulie	Belcourt ND 58316
25 Luke Baker	P.O. Box 885 Belcourt ND 58316
26 John Paulsen	RR #1 Box 240 Belcourt, ND 58316
27 Kelly Allerton	Box 278 St. John, ND 58369
28 Jeri Ann Parisien	RR Box 237 Belcourt, ND 58316
29	
30	

121234

WE, THE UNDERSIGNED, REQUEST THAT CHIPPEWA DOWNS' DATES BE REINSTATED AND APPROPRIATE SUPPORT FUNDING BE GRANTED.

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OUR EXPERIENCE AT CHIPPEWA DOWNS HAS BEEN POSITIVE. WE HAVE ENJOYED RUNNING THERE AND LOOK FORWARD TO DOING SO AGAIN.

Name	Address
1 Blaine DeCoteau	Box 1144 Dunseith North Oak
2 Steve Kepkin	Box 554 Belcourt N. Dak
3 Tony Updegraff	Box 1066 Belcourt N. Dak
4 Tony Montoya	9730 22nd Avenue Dunseith, ND
5 Turner Rasmussen	Box 841 Belcourt ND
6 Steve Nealeman	Box 746 Belcourt N. Dak
7 Pagan Johnson	Box 1156 Belcourt ND
8 Tom Rasmussen	Box 1388 Belcourt ND
9 Lucas Marcello	RR1 Box 85 Belcourt ND
10 Phyllis Lewis	Box 1942 Belcourt ND
11 Barbara Madson	Box 706 Belcourt ND
12 Clifford Herman	Box 706 Belcourt ND
13 Jilly Mow	Box 1161 Belcourt ND
14 Sharon Brunner	POB 843 Belcourt, ND 58316
15 Kelley Cohen	POB 306 Belcourt ND 58316
16 Raul Davis	San. Del. Belcourt ND
17 Shirley Martell	Box 535 Belcourt ND 58316
18 Marlene Davis	Box 820 Belcourt ND 58316
19 Mike Page	215 E. 4th Ave #3072 Bismarck ND 58504
20 Buster Frederick	Box 272 Belcourt ND 58316
21 Daryl Dietrich	1990 23 Ave NE Belcourt ND 58316
Frank Sauer	POX 586 Belcourt N.D. 58316

Name	Address
1 Thomas Baker	1111 Box 87 AA Belcourt
2 Carol Carver	2022 NW 11th St ND 58703
3 KARE KERRIS	Box 792 Belcourt ND 58316
4 Steve LAVERGNE	Belcourt
5 Terry L. McClellan	Box 1436 Belcourt ND 58316
6 Travis M. Vandal	Box 2375 Belcourt ND 58316
7 Wayland B. Jorgensen	PO Box 1223 Dunsmuir ND 58329
8 Larry G. Lickelle	P.O. Box 1823 Belcourt ND
9 Nancy J. Jorgensen	PO Box 598 Belcourt ND
10 [Signature]	P.O. Box 110 Belcourt
11 John Laduon	P.O. Box 322 Belcourt ND 58316
12 Jeanne Brankin	PO Box 623 Belcourt ND
13 Judy Jorgensen	Box 2136 Belcourt, ND
14 Lucile Jorgensen	PO Box 1555 Belcourt ND
15 [Signature]	
16 Ryan Thomas	PO Box 621 Belcourt ND
17 [Signature]	PO Box 1062 Belcourt
18 [Signature]	P.O. Box 278 - Dunsmuir, N.D. 58329
19 Craig Hillman	Box 663 Rolla, ND 58367
20 [Signature]	Box 312 Belcourt ND 58316
21 Jackie McClellan	Box 312 Belcourt ND 58316
22 Charles Blue RPI	Box 116 Belcourt ND 58316
23 Elizabeth Latorombas	Box 1768 Belcourt, N.D. 58316
24 Terry J. Latorombas	Box 12 Belcourt N.D. 58316
25 [Signature]	P.O. Box 626 Dunsmuir ND 58329
26 Francis C. Peach	RAT Box 53 Belcourt, N.D. 58316
27 Gregence Boswell	PO Box 2002 Belcourt, ND 58316
28 James Herman	PO Box 393 Rolla ND 58367
29 John Jorgensen	PO Box 93 Rolla ND 58367
30 Paula Schwabe	P.O. Box 1041 Belcourt ND 58316
William Steele	P.O. Box 505 Belcourt ND 58316

P

Name	Address
1 Alisa Arnell	P.O. Box 937 Belcourt ND 58316
2 Tray Strati	P.O. Box 937 Belcourt ND 58316
3 Regina Brien	P.O. Box 945 Belcourt ND 58316
4 Anthony Vole	Box 1031 Belcourt ND 58316
5 Theresa Vole	Box 1031 Belcourt ND 58316
6 Judy Thomas	Box 1007 Belcourt ND 58316
7 Wynne Davis	Box 1066 Rolla ND 58367
8 Dennis Davis	Box 1802 Belcourt ND 58316
9 Troy Oas	Box 188 Belcourt ND 58316
10 Jay Thomas	Box 1208 Rolla ND 58367
11 Ken Koptlar	Box 1799 Belcourt ND 58316
12 Tracy Amell	Box 2466 Belcourt ND 58316
13 Dennis Ladson	Box 933 Belcourt ND 58316
14 John J. Hays	Box 2082 Belcourt ND 58316
15 Pat Kohn	Box 382 Belcourt ND 58316
16 Brad Thomas	P.O. Box 818 Belcourt ND 58316
17 Laurie Labogue	RR1 Box 60A St. John, ND 58369
18 Bertha Derman	Rolla ND
19 Ron D. Hays	P.O. Box 1062 Belcourt ND
20 Sam LaValle	P.O. Box 1292 Dunseith ND
21 Fred Davis	P.O. Box 207 Belcourt ND
22 Jeff M/K/M	Box 96 Belcourt ND
23 Bill Hays	Box 1666 Belcourt ND
24 Ray Poir	Box 240 Belcourt ND
25 Boris Mear	Box 260 Belcourt ND
26 BILL BUCHER	BELCOURT ND 25%
27 Liisa Davis	P.O. Box 1066 Rolla, ND 58367
28 Susan Schaden	RR1 Box 76C Dunseith ND 58329
29 Carol Kohn	Box 723 Rolla, ND 58367
30 Jason Davis	P.O. Box 102 Rolla ND 58367
Jaimet Puetra	P.O. Box 319 Dunseith, ND

Del Brin Box 1276 Belcourt ND
 Alan Buein Box 697 Belcourt N.D.
 Rich Davis P.O. Box 1201 Belcourt ND
 C. Todd Martell P.O. Box 1390 Belcourt N.D.
 Randy George Box 625 Belcourt N.D.
 Kathy Jain Box 1211 " "
 Ann R. Price Box 728 Belcourt
 Bobby Pelton Box 120 Belcourt
 Travis Lockwood Box 222 Belcourt
 Darryl Porter Box 2019 Belcourt-ND.
 Steve Lavallee Box 76 Belcourt N.D.
 L. D. Leome Box 723 Belcourt, ND
 Ken LaRocque Rt 1 Box 60A ST. JOHN N.D. 58369
 Robert Ludwig Box 1897 Belcourt ND 58316
 [Signature] Box 456 Belcourt, ND 58316
 Ronald Morrison Box 3813 [Signature] 58369
 [Signature] Box 97 Belcourt N.D. 58716
 Delbert LeRocque Box 196-3 Belcourt
 [Signature] Box 127 Belcourt
 Jackie DeLong R.R. Box 39 Belcourt
 Boba Champagne Box 2021 Belcourt
 Rhonda Azure Box 1324 Belcourt
 [Signature] Box 305 St John
 Christine Syl Box 1271 Dunsmuir
 Nicole R. Patra Box 1388 Belcourt ND 58316

159796-787499

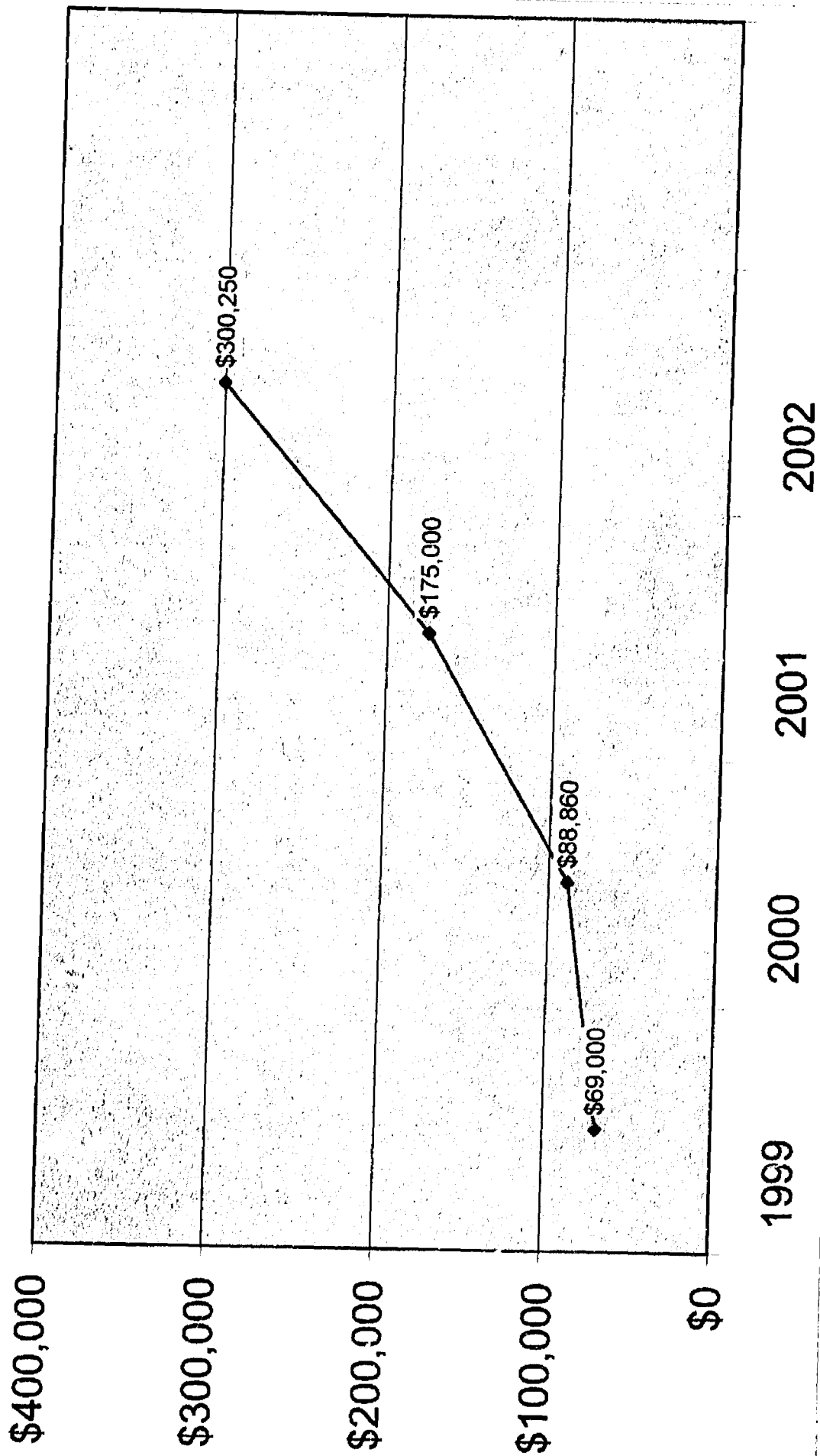
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Name	Address	Box	City	State	Zip
1 John 'Chewy' Demery					
2 Kesteven Delgado	Box 1551		Belcourt	ND	58316
3 QUENTIN HARRIS	Box 640		Rolla	ND	58367
4 Jeanette Harris	"	"	"	"	"
5 Ed Harris	"	"	"	"	"
6 Norman Surain	Box 1210		Belcourt	ND	58316
7 Ken Brien	Box 277		Belcourt	ND	
8 Don McPhee	Box 1811		Belcourt	ND	
9 Mike Nelson	Rolla		ND		
10 Jim Gagnier	Box 518		Belcourt	ND	58316
11 Rachanda Brien	Box 2053		Belcourt	ND	58316
12 Dennis Mason	Box 421		Belcourt	ND	58316
13 David Secombe	Box 1203		Rolla	ND	58367
14 Jerry Martz	P.O. 1652		Belcourt	ND	58316
15 Bryan Pidge	Box 1228		Belcourt	ND	58316
16 Leonard K. Lawton	P.O. Box 101		Belcourt	ND	58316
17 Wilfred Bercier	Ken. Adl.		Belcourt	ND	58316
18 Sandy Juergens	Box 1583		Bel.	ND	58316
19 Floyd Marquay	Box 782		Dunseith	ND	
20 Steve Hansen	P.O. Box 442		Belcourt	ND	
21 John R. Morin	John R.		Box 271	Belcourt	
22 Robert C. Herdt	Box 39A, RR#1		St. John	ND	58367
23 Pat Vain	Box 637		Belcourt	ND	58316

ND Racing Commission Monies Paid to ORDA/Belcourt

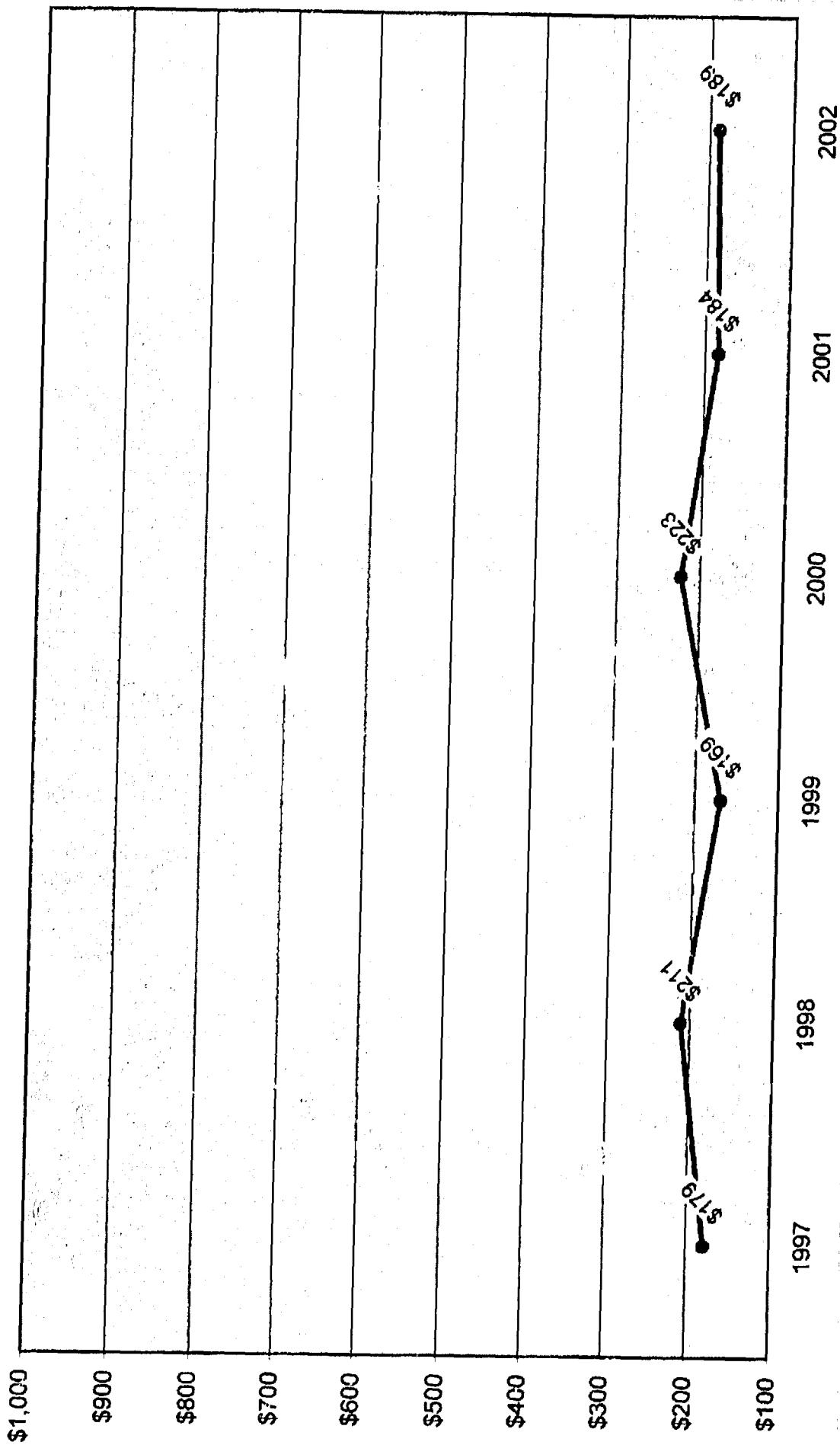


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Lu Costa Rickford
Operator's Signature

10/3/03
Date

**ND Racing Commission
Chippewa Downs**
Yearly Live Race Return to Racing Commission Funds Per Day



The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

La Costa Rickard
Operator's Signature

10/2/03
Date

Sore racing director leaves 'bush league'

Associated Press Oct 1 1998 Bismarck Tribune

The first executive director of the state Racing Commission resigned, predicting a bleak future for anything but "unregulated, small, bush league" pari-mutuel horse racing in North Dakota.

Jonathan Lusher submitted his resignation Friday, just minutes before a disgruntled delegation of harness racing enthusiasts from Bottineau and Towner complained he did not do enough to help them sponsor pari-mutuel betting this fall.

They also claimed the rules and regulations needed to host pari-mutuel racing were too strict and costly for small towns to comply with.

"I have come to the conclusion ... that the future of racing in North Dakota is extremely limited," Lusher told the Racing Commission, which unanimously accepted his resignation, effective Oct. 12.

The potential for a major race track in Fargo or Minot was "diminutive at best," as the state's small population and low income will not support one, Lusher said.

"I further believe that the quality of racing at facilities other than (a major track) is a not a quality

of racing I wish to be continued to be associated with," he said.

His criticism was not directed at the Central Dakota Horse Racing Association in Fessenden, which so far has been the only group to host pari-mutuel racing, Lusher said.

Lusher said he would not compromise his integrity to regulate the type of racing some groups in North Dakota apparently want.

"I don't feel the 'unregulated, small, bush league racing' is the place that I want to be," he said. "If you can't have racing that has assured integrity, you should not have racing."

Lusher also complained the state may not provide enough money for the Racing Commission to properly regulate the sport.

Racing Commissioner Dan Diehl disagreed with Lusher's criticisms, saying many low-population states have so-called bush league racing. "We have to cut some corners."

Lu Costa Rickford
Operator's Signature

10/3/03
Date

OCT 23 2002

October 18, 2002

Mr. Paul Bowlinger
Director of Racing
500 North 9th Street
Bismarck, North Dakota 58501

Dear Mr. Bowlinger:

This letter concerns Chippewa Downs and the official recognition of all horse racing held at this track by other racing jurisdictions, especially the Manitoba Horse Racing Commission.

I am strongly against official recognition by the North Dakota Racing Commission of races held at Chippewa Downs for the following reasons:

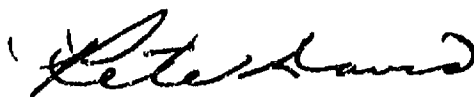
- Chippewa Downs has always been considered a bush or fair meet, because of limited race days.
- the class of horses are not in the same category as the major tracks.
- most jockeys are overweight.
- the purse structure is low.
- other bush or fair meets in other racing jurisdictions are not counted, i.e. South Dakota.

The horsemen of North Dakota that raise and race North Dakota bred horses are not getting equal treatment on this issue as horsemen from South Dakota, Montana or Idaho.

On behalf of horsemen that choose to race at Chippewa Downs, please consider dropping the official recognition of the Chippewa Downs racing and let us return to our bush or fair meet status.

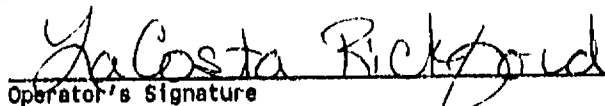
In closing I am requesting a copy of the letter that was sent to Equibase, Inc., that permitted this company to officially publish and recognize lifetime wins for horses that win at Chippewa Downs, located on the Turtle Mountain Indian Reservation.

Sincerely,



Pete Davis
PO Box 246
Belcourt, ND 58316

4


Operator's Signature

10/3/03
Date

Page 5 – Minutes
North Dakota Racing Commission Meeting
November 19-20, 2001
Fort Totten Room – State Capitol Building

would be that it would bring in outside people. Discussion was held. Commissioner Brunelle moved that \$10,000.00 from the Purse Fund be awarded to the Quarter Horse Stallion Stake Race and the Derby for 2005 and that the money be put in an interest bearing account and if the races do not run in 2004 and 2005, that those monies and any other accrued monies be returned to the North Dakota Racing Commission's Purse Fund. The motion was seconded by Commissioner Stoltenow.

The roll was called as follows:

Commissioner Stoltenow	-	Yes
Commissioner Mahoney	-	Yes
Commissioner Brunelle	-	Yes
Chairman Gilbreath	-	Yes

The motion carried unanimously.

The Commission took a ten-minute break and reconvened at 11:05 A.M.

The Commission meeting was called back into session by Chairman Gilbreath. He stated that Eric Wondrasek requested a few moments to speak to the Commission.

Mr. Wondrasek extended a formal apology on behalf of the North Dakota Harness Racing Association to Chairman Gilbreath, Director of Racing Bowlinger and all the Commissioners. He stated that the Commission and its leaders have been very kind and generous and he would like to ask for their direction in the future and he will be working with Director of Racing Bowlinger to see if we can't turn things around to get things going in the right direction for harness racing. He stated that he would work with the North Dakota Harness Racing Association to make sure they get in on the ground floor when the new track is in Fargo. He thanked the Commission for their time and he looks forward to their direction.

AGENDA ITEM #3 – PROMOTION FUND REQUESTS

ORDA - \$136,000.00

Director of Racing Bowlinger stated that this total is broken down into Operating Expenses, Track Improvements and Director of Racing Promotion. He stated that under the statute, the Racing Commission has the ability to charge a reimbursement cost for our paying the stewards, veterinarian and those kinds of expenses. Last year ORDA paid for the drug testing specifically. That has not been included in the request for this year.

5

La Costa Rickford
Operator's Signature

10/3/03
Date

Dear ND State Racing Commission
THIS IS A Formal Request For Funding For
THE 2001 Race meet at CHIPPEWA DOWNS.
We are respectfully requesting \$300,000 For Purse.
AS well as all expenses incurred To run THE Race
meet. Such as Tote Board, Gate Clerk, Photo Finish etc.
Basically THE Same Setup as Last Year, due To THE
Fluxuating Prices an exact Price is NOT Yet available.
THE expense of THESE Items would depend upon THE
amount of Race dates approved.
We are also requesting \$20,000 For misc. expenses
THAT arise in THE Preparation Period of THE Facility
Prior To THE Race meet. Also enclosed find an estimate
Pertaining To THE reconditioning of THE grandstand and
other various items. Only and all funding awarded To
CHIPPEWA DOWNS will be greatly appreciated.

Thank You

Shelly Kuntz

6

La Costa Rickford

Operator's Signature

10/2/03

Date

I am Howard W. Wrigley, a North Dakota Business owner and a member of the North Dakota Racing Commission.

I will address the three sections of House Bill 1282.

Section I - Amendment

As far as appointing three members from the horse group, do we really want people to regulate themselves? It would be like having the fox guarding the hen house.

Also, the Racing Commission and the Director of racing are being criticized for following the laws that this body enacted and the rules of racing.

Section II

This is a new section

We are audited all the time so bring on another audit, which will only add cost to horse racing industry.

As far as funding any and all race tracks adequately, does this mean we have to bring all tracks up to current safety standards?

We, as the Racing Commission, have planned ahead for eight (8) years of racing. We want to see this business succeed and have planned this with the money we have now.

Section III – Amendment

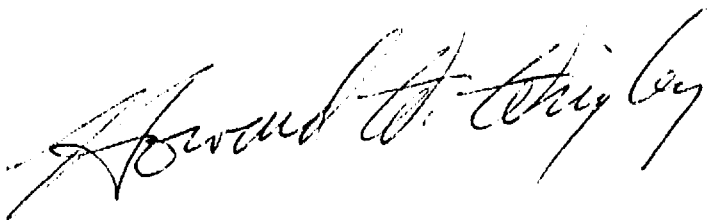
As a Commission we do not spend General Fund Tax dollars. The only money we do spend is money that belongs to the horse racing industry. If this were added to this Section, businesses and horsemen may have to wait 90 to 180 days for an amount to be approved.

This is not an East versus West or a rural versus urban issue. The Racing Commission is doing what is best for the Horse Racing industry in North Dakota per the law and rules.

The Senate also has passed SB 2130 which is in direct conflict with this bill. HB 1282 is a complete set back to the Horse Racing industry in North Dakota.

I personally receive no monetary gain from horse racing or my seat on the commission. I am only interested in seeing that the Horse Racing industry succeeds in North Dakota.

Defeat this Bill number 1282.



**Howard W. Wrigley, CEO
Wrigley Mechanical, Inc.
North Dakota Racing Commissioner**



KPawluk@aol.com

To: jlee@state.nd.us

03/04/2003 08:37 PM

cc:

Subject: Considerations for HB 1282

The horse industry nationally is larger than the motion picture industry. North Dakota however gets a very small part of that dollar. The Racing Commission has set a course that gives North Dakota a chance to get our share of the horse industry dollar. Passage of HB 1282 will not attract one new dollar to the state. Its defeat will allow the Racing Commission to continue the course they have set that will bring new people and dollars to the industry.

Section 2 of HB 1282 states: Adequately fund and issue a license under the certification system, for a minimum of two race dates per year, to any race track in the state which was operational after December 31, 2000. The fiscal note attached to the bill carries a \$1 million dollar price tag. If the Racing Commission does not have the funds on hand to "adequately fund...any race track in the state," would the additional funds needed then come from the General Fund?

The track rail at Belcourt is made of PVC and farm field fence. If a funding request for a new rail is not approved by the Racing Commission, would the state or Commission then be liable in the event of a personal injury related to the rail?

It is hard to calculate the true impact of this legislation. Please oppose HB 1282.

Ken Pawluk 701-238-1808

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

La Costa Rickford

Date

10/3/03

39036 1. Background memo

2. Funding History

3. Recommendations

From Senator Tim Matheson

RACING COMMISSION - BACKGROUND MEMORANDUM

Prepared by the North Dakota Legislative Council
staff for the Budget Committee on Government
Administration

July 2001

HB 1282

Section 14 of House Bill No. 1003, a copy of which is attached as Appendix A, directs the Legislative Council to study the Racing Commission, including its authority to schedule, promote, support, and regulate live or simulcast racing in North Dakota. The study is also to address the effectiveness of the commission's authority to both promote and regulate racing and whether its authority is appropriate for the commission and its members.

2001 LEGISLATIVE ACTION

The 2001 Legislative Assembly approved House Bill No. 1003, the Attorney General's appropriations bill. The bill appropriates \$300,000 for the operating expenses of the Racing Commission, of which \$150,000 is from the general fund, \$50,000 from the Racing Commission promotion fund, \$50,000 from the purse fund, and \$50,000 from the breeders' fund.

The bill also provides that:

1. The Racing Commission is under the supervision of the Attorney General.
2. The Attorney General may charge the Racing Commission for services provided to the commission.
3. The Attorney General rather than the Emergency Commission may authorize the Racing Commission to spend up to 25 percent of the promotion fund for operating expenses of the commission.
4. Compensation of Racing Commission members be \$75 per day, an increase of \$35 per day from the previous rate of \$40.

HISTORY OF THE RACING COMMISSION

The Racing Commission was established and parimutuel horse racing authorized by the 1987 Legislative Assembly in Senate Bill No. 2319. Initially, the Racing Commission was established in the office of the Secretary of State. Members of the commission originally were the Secretary of State and four other members appointed by the Governor.

The 1989 Legislative Assembly approved House Bill No. 1184 which moved the Racing Commission from the Secretary of State's office to the office of Attorney General. The Secretary of State was removed as chairman of the commission and one other member was added appointed by the Governor. This bill also established the breeders' fund and purse fund. The bill provided that one-half of 1 percent of the parimutuel pool and other wagering pools for each day of racing be

deposited in the breeders' fund, one-half of 1 percent be deposited in the purse fund, and depending on the total of the pool, either 3 or 4 percent be deposited in the general fund. The bill also authorized offtrack wagering on races held at licensed racecourses either in state or out of state.

The 1991 Legislative Assembly approved House Bill No. 1260 that replaced the offtrack wagering statute enacted by the 1989 Legislative Assembly with a similar statute providing for simulcast wagering for in-state or out-of-state races. This bill also created the promotion fund and provided that unclaimed tickets and breakage from each live race and simulcast program be deposited in the promotion fund. The bill also provided that the moneys in the breeders' fund, purse fund, and promotion fund may be spent by the commission pursuant to a continuing appropriation. In addition, the bill reduced the percentage of the pools deposited in the general fund from 3 or 4 percent to 2 or 3 percent.

The 1991 Legislative Assembly approved Senate Bill No. 2354 providing that of the Governor's five appointees, one must be nominated by the state chapter or affiliate of the American Quarter Horse Racing Association, one by the state chapter or affiliate of the United States Trotting Association, one nominated by the state chapter or affiliate of the International Arabian Horse Association, and one nominated by the state chapter or affiliate of the North Dakota Thoroughbred Association.

The 1993 Legislative Assembly approved Senate Bill No. 2155 authorizing simulcast dog racing in the state.

The 1995 Legislative Assembly approved House Bill No. 1365 providing that for each live race or simulcast wagering pool, excluding win, place, and show pools, one-half of 1 percent of the pool must be deposited in the promotion fund. The percentage deposited in the general fund from these pools was reduced from 3 to 2.5 percent.

The 2001 Legislative Assembly approved Senate Bill No. 2381 authorizing parimutuel wagering to be conducted through account wagering and that an account wager may be made on an account only through a licensed simulcast services provider authorized to operate the simulcast parimutuel wagering system under the certificate system.

STATUTORY PROVISIONS

The statutory provisions relating to the Racing Commission and parimutuel horse racing are included

page 1

page 2 over,

LaCosta Rickford
Operator's Signature

10/3/03
Date

in North Dakota Century Code Chapter 53-06.2, a copy of which is attached as Appendix B.

COMMISSION MEMBERSHIP

The current members of the Racing Commission are listed in Appendix C.

FUNDING

The schedule below provides the legislative appropriations for the Racing Commission, included as a separate line item in the Attorney General's appropriations bill.

Biennium	General Fund	Estimated Income	Total
1993-95	\$222,421		\$222,421
1995-97	\$211,300		\$211,300
1997-99	\$219,744		\$219,744
1999-2001	\$222,067		\$222,067
2001-03	\$150,000	\$150,000	\$300,000

During the 1989-91 and 1991-93 bienniums, funding for the Racing Commission was included in the various line items of the Attorney General's appropriation and not specifically identified in the appropriations bill.

TAXES AND FEES

For each live race or simulcast program on win, place, and show parimutuel pools:

- One-half of 1 percent is deposited in the breeders' fund;
- One-half of 1 percent is deposited in the purse fund; and
- 2 percent is deposited in the general fund.

For each live race or simulcast program for daily double, quinella, exacta, trifecta, or other wager combining two or more horses for winning payoffs in a pool:

- One-half of 1 percent is deposited in the breeders' fund;
- One-half of 1 percent in the purse fund;
- One-half of 1 percent in the promotion fund; and
- 2.5 percent in the general fund.

Unclaimed tickets and breakage from each live race or simulcast program are deposited in the promotion fund.

The following schedule presents the income, expenditures, and balances of the breeders' fund, purse fund, and promotion fund.

	Breeders' Fund	Purse Fund	Promotion Fund	Total
1993-95				
Revenues	\$63,093	\$59,534	\$126,412	\$249,039
Expenditures	\$76,196	\$68,811	\$69,603	\$214,610
1995-97				
Revenues	\$58,683	\$56,605	\$183,326	\$298,614
Expenditures	\$110,621	\$48,490	\$116,759	\$275,870
1997-99				
Revenues	\$130,088	\$130,485	\$331,737	\$601,810
Expenditures	\$72,197	\$64,500	\$220,938	\$357,635
1999-2001 (to date)				
Revenues	\$1,389,700	\$1,389,960	\$2,544,113	\$5,323,773
Expenditures	\$239,446	\$259,640	\$331,704	\$830,790
May 31, 2001, fund balance	\$1,230,364	\$1,222,197	\$2,489,142	\$4,941,703

The following schedule presents general fund revenues generated from racing activities since 1993.

Biennium	General Fund Revenues
1993-95	\$331,373
1995-97	\$235,521
1997-99	\$614,566
1999-2001 (through May 2001)	\$6,367,719
2001-03 projection (general fund forecast)	\$270,000

STUDY PLAN

The committee may wish to proceed with this study as follows:

1. Receive testimony from representatives of the Attorney General's office and the Racing Commission regarding the duties and responsibilities of the Racing Commission, the effectiveness of the commission, and the appropriateness of the commission's authority.
2. Receive testimony from other interested persons regarding the effectiveness of the Racing Commission and the appropriateness of its authority.
3. Review the appropriateness of the commission's authority, its effectiveness, and funding allocations.
4. Develop committee recommendations and prepare any legislation necessary to implement the recommendations.
5. Prepare a final report for submission to the Legislative Council.

ATTACH:3

January 2002

RACING COMMISSION - FUNDING HISTORY AND FEE COLLECTIONS**FUNDING HISTORY**

The schedule below provides the legislative appropriations for the Racing Commission, included as a separate line item in the Attorney General's appropriations bill.

Biennium	General Fund	Estimated Income	Total
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2001-03	\$150,000	\$150,000	\$300,000

During the 1989-91 and 1991-93 bienniums, funding for the Racing Commission was included in the various line items of the Attorney General's appropriation and not specifically identified in the appropriations bill.

FEE COLLECTIONS

The Racing Commission, by administrative rule, has established various fees and licenses associated with horse racing. Collections from these fees and licenses are currently deposited in the general fund. The schedule below presents the collections from the fees and licenses for calendar years 2000 and 2001 as reported by the Racing Commission.

	Calendar Year 2000	Calendar Year 2001*
Simulcast license fees		
Sites	\$5,100	\$5,440
Employees	990	570
Total	\$6,090	\$6,010
Live track license fees		
Tracks	\$305	\$305
Employees	4,228	5,537
Total	\$4,533	\$5,842
Breeders' fund application fee	\$3,945	\$2,430
Fines	\$1,000	\$625
Grand total	\$15,568	\$14,907*

*Through November 2001

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La Costa Rickard
Operator's Signature

10/3/03
Date

RACING COMMISSION STUDY

Section 14 of House Bill No. 1003 directed the Legislative Council to study the Racing Commission, including its authority to schedule, promote, support, and regulate live or simulcast racing in North Dakota. The study was also to address the effectiveness of the commission's authority to both promote and regulate racing and whether the authority is appropriate for the commission.

History and Statutory Authority of Racing Commission

The Racing Commission was established and parimutuel horse racing was authorized by the 1987 Legislative Assembly in Senate Bill No. 2319. Initially the Racing Commission was established in the office of the Secretary of State. Original members of the commission were the Secretary of State and four other members appointed by the Governor.

The 1989 Legislative Assembly approved House Bill No. 1184, which moved the Racing Commission from the Secretary of State's office to the Attorney General's office. The Secretary of State was removed as chairman of the commission, and one other member appointed by the Governor was added. This bill also established the breeders' fund and purse fund. The bill provided that one-half of 1 percent of the parimutuel pool and other wagering pools for each day of racing were to be deposited in the breeders' fund, one-half of 1 percent were to be deposited in the purse fund, and depending on the total of the pool, either 3 or 4 percent were to be deposited in the state general fund. The bill also authorized offtrack wagering on races held either in state or out of state.

The 1991 Legislative Assembly approved House Bill No. 1260 that replaced the offtrack wagering statute enacted by the 1989 Legislative Assembly with a similar statute providing for simulcast wagering for in-state or out-of-state races. This bill also created the promotion fund and provided that unclaimed tickets and breakage from each live race or simulcast program be deposited in the promotion fund. The bill also provided that the money in the breeders' fund, purse fund, and promotion fund be spent by the commission pursuant to a continuing appropriation. In addition, the bill reduced the percentage of the pools deposited in the state general fund from 3 or 4 percent to 2 or 3 percent.

The 1991 Legislative Assembly approved Senate Bill No. 2354 providing that of the Governor's five appointees, the chairman and one each must be nominated by the state chapter or affiliate of the American Quarter Horse Racing Association, the United States Trotting Association, the International Arabian Horse Association, and the North Dakota Thoroughbred Association.

The 1993 Legislative Assembly approved Senate Bill No. 2155 authorizing simulcast dog racing in the state.

The 1995 Legislative Assembly approved House Bill No. 1365 providing that for each live race or simulcast wagering pool, excluding win, place, and show pools, one-half of 1 percent of the pool must be deposited in the promotion fund. The percentage deposited in the general fund from these pools was reduced from 3 to 2.5 percent.

The 2001 Legislative Assembly approved Senate Bill No. 2381 authorizing parimutuel wagering to be conducted through account wagering and providing that an account wager may be made on an account authorized through a licensed simulcast services provider authorized to operate the simulcast parimutuel wagering system under the certificate system.

The 2001 Legislative Assembly also approved House Bill No. 1003, the Attorney General's appropriations bill, which appropriated \$300,000 for the operating expenses of the Racing Commission of which \$150,000 was from the general fund, \$50,000 from the promotion fund, \$50,000 from the purse fund, and \$50,000 from the breeders' fund.

The bill also changed statutory provisions relating to the Racing Commission and parimutuel horse racing included in NDCC Chapter 53-06.2 to provide that:

1. The Racing Commission is under the supervision of the Attorney General.
2. The Attorney General may charge the Racing Commission for services provided to the commission.
3. The Attorney General rather than the Emergency Commission may authorize the Racing Commission to spend up to 25 percent of the promotion fund for operating expenses of the commission.
4. Compensation of Racing Commission members is \$75 per day, which is an increase of \$35 per day from the previous rate of \$40.

Funding

The following schedule provides the legislative appropriations for the Racing Commission since 1993:

Biennium	General Fund	Estimated Income	Total
1993-95	\$222,421		\$222,421
1995-97	\$211,300		\$211,300
1997-99	\$219,744		\$219,744
1999-2001	\$222,067		\$222,067
2001-03	\$150,000	\$150,000	\$300,000

Racing Taxes and Fees

Racing-related taxes and fees include:

1. For each live race or simulcast program wager on win, place, and show parimutuel pools:
 - a. One-half of 1 percent is deposited in the breeders' fund;
 - b. One-half of 1 percent is deposited in the purse fund; and
 - c. 2 percent is deposited in the general fund.
2. For each live race or simulcast program for daily double, quinella, exacta, trifecta, or other wager combining two or more horses for winning payoffs in a pool:
 - a. One-half of 1 percent is deposited in the breeders' fund;
 - b. One-half of 1 percent is deposited in the purse fund;

- c. One-half of 1 percent is deposited in the promotion fund; and
 - d. 2.5 percent is deposited in the general fund.
3. Unclaimed tickets and breakage from each live race or simulcast program are deposited in the promotion fund.

The following schedule details the income, expenditures, and balances of the breeders' fund, purse fund, and promotion fund:

	Breeders' Fund	Purse Fund	Promotion Fund	Total All Funds
1993-95				
Revenues	\$67,093	\$59,534	\$126,412	\$249,039
Expenditures	\$76,188	\$68,811	\$69,603	\$214,610
1995-97				
Revenues	\$58,883	\$56,605	\$183,326	\$298,814
Expenditures	\$110,821	\$48,490	\$116,759	\$275,870
1997-99				
Revenues	\$136,088	\$136,485	\$331,237	\$603,810
Expenditures	\$72,197	\$64,500	\$220,938	\$357,635
1999-2001				
Revenues	\$1,541,530	\$1,541,790	\$2,831,934	\$5,915,254
Expenditures	\$230,446	\$263,640	\$333,104	\$827,190
2001-03 (through June 2002)				
Revenues	\$601,259	\$692,036	\$1,232,833	\$2,526,128
Expenditures	\$272,446	\$196,837	\$432,591	\$901,874
June 30, 2002, fund balance	\$1,802,601	\$1,809,611	\$3,576,235	\$7,248,447

The following schedule presents general fund revenues generated from racing activities since 1993:

Biennium	General Fund Revenues
1993-95	\$331,373
1995-97	\$235,521
1997-99	\$614,566
1999-2001	\$6,418,549
Fiscal year 2002	\$3,680,481

Regulatory and Promotion Functions

Racing Commission regulatory functions include:

1. Promulgating rules and assuring compliance with applicable laws relating to live and simulcast horse racing.
2. Responding to horsemen's concerns and other inquiries directed toward live and simulcast racing.
3. Approving and licensing live racing.
4. Approving and licensing simulcast racing.
5. Monitoring live and simulcast racing by providing veterinarians, stewards, and other personnel required to assure compliance with applicable rules and regulations.

Racing Commission promotion functions include:

1. Administering the promotion fund to promote live and simulcast racing and oversee compliance with promotion awards.
2. Administering the purse fund and dispersing amounts to live racetracks to promote live racing and assure compliance by the award recipients.
3. Administering the breeders' fund by controlling registration and dispersing awards.

The committee learned that the Attorney General's office provides legal advice to the Racing Commission

and assists the commission with its accounting responsibilities. The committee learned that the Attorney General believes it may be appropriate for the commission to be involved in both regulating and promoting racing in the state; however, as betting and racing expands, these responsibilities may need to be segregated.

The Racing Commission suggested that it be allowed to retain its license fee collections for use in performing its regulatory functions, such as hiring veterinarians and stewards, performing drug testing, and paying for other racing-related expenses. These collections, which are currently being deposited in the general fund, include simulcast license fees, live track license fees, breeders' application fees, and fines. The commission collected \$15,568 from these collections in calendar year 2000 and estimates collecting from \$30,000 to \$40,000 in the 2003-05 biennium.

The committee learned that the costs for a three-day weekend race include approximately \$2,500 for a race steward, \$2,500 for a veterinarian, and \$3,000 for related drug testing.

Racing Activities

Live horse races are in Belcourt and Bottineau and over 1,800 horses are registered by North Dakota breeders. Simulcast racing is the wagering on races held at licensed racetracks at another location.

The following schedule details the total amounts bet (handled) each year in the North Dakota simulcast system:

1990	\$28,000
1991	\$4,500,000
1992	\$5,631,088
1993	\$6,892,599
1994	\$6,961,390
1995	\$4,336,330
1996	\$5,168,000
1997	\$5,970,640
1998	\$8,963,637
1999	\$88,563,478
2000	\$151,883,021
2001	\$168,883,021

Of the total amounts bet in the simulcast system, approximately 80 percent is returned to the bettors, 5 percent is provided to the track, 5 percent is provided to the simulcast site, 5 percent is provided to the signal carrier, and 5 percent is provided to the state.

The committee learned that the substantial increase in simulcast betting reflected in those numbers began during the 1999-2001 biennium in the Fargo area.

North Dakota Horse Park in Fargo

The committee learned that the Racing Commission in November 2000 committed funding to assist in the construction of a new live racetrack in North Dakota. Fargo and Mandan submitted proposals for a track, and the commission, in December 2000, chose the Fargo proposal. The Racing Commission allocated \$2.5 million for the Fargo racetrack, including \$1.5 million for the

construction of a racetrack, \$100,000 per year for five years for operating costs, and \$100,000 per year for five years for enhancing the purses at the track.

The committee toured the North Dakota horse park, which is under construction and is located one and one-half miles west of I-29 on 19th Avenue in Fargo. The North Dakota Horse Park Foundation will own and operate the racetrack. The racetrack consists of 113 acres, 99 acres of which are operated by the North Dakota Horse Park Foundation and 14 acres of which are operated by the North Dakota State University Development Foundation. The committee learned that the land for the horse park was donated to the City of Fargo, and the city has leased the land to the North Dakota Horse Park Foundation for \$1 per year for 99 years. The North Dakota Horse Park will be developed in three phases. Phase I includes construction of the racetrack, which will be six furlongs (three-fourths mile) in length; parking for 400 cars; parking for horsemen; underground utilities; bleachers for 900 people; a tent for parimutuel betting; and a portable restroom trailer. Barn space will be available for 200 horses as part of the North Dakota State University facility, which will also house the university Equine Sciences Department. Phases II and III will include construction of a grandstand, permanent restroom facilities, two more barns, and additional parking. The first racing events are tentatively planned for four weekends in August and September 2003.

The committee reviewed the funding that has been designated for the horse park as follows:

North Dakota Racing Commission grant	\$2,500,000
City of Fargo tax increment financing district	1,000,000
Gift of land	597,500
Cass County economic development - Loan for land purchase	250,000
Fargo-Moorhead Convention and Visitors Bureau	100,000
Total	\$4,447,500

Other Testimony

Representatives of the North Dakota Horsemen's Association expressed concerns regarding the 2001 Legislative Assembly's appropriations of funds from the promotion fund, the breeders' fund, and the purse fund for the operating costs of the Racing Commission.

Recommendations

The committee recommends Senate Bill No. 2028 to provide that any money collected by the Racing Commission from license fees and fines be deposited in the Racing Commission operating fund rather than the general fund and, subject to legislative appropriations, may be spent for operating costs of the commission. The committee learned that the estimated fiscal impact of the bill for the 2003-05 biennium is an additional

\$30,000 to \$40,000 being deposited in the Racing Commission special funds with a related reduction of \$30,000 to \$40,000 in general fund revenue.

HIGHWAY FUNDING STUDY

Section 5 of Senate Bill No. 2159 directed the Legislative Council to study highway construction and maintenance funding, including revenue sources and distribution formulas for the state, cities, and counties.

North Dakota Highway System

The North Dakota highway system is comprised of 86,616 miles--7,378 miles on the state highway system, 18,949 miles on the county highway system, 3,823 on the urban system, and 56,466 miles of other roads.

State Highway Funding Sources

Article X, Section 11, of the Constitution of North Dakota provides:

Section 11. Revenue from gasoline and other motor fuel excise and license taxation, motor vehicle registration and license taxes, except revenue from aviation gasoline and unclaimed aviation motor fuel refunds and other aviation motor fuel excise and license taxation used by aircraft, after deduction of cost of administration and collection authorized by legislative appropriation only, and statutory refunds, shall be appropriated and used solely for construction, reconstruction, repair and maintenance of public highways, and the payment of obligations incurred in the construction, reconstruction, repair and maintenance of public highways.

Revenue sources as dedicated in the state constitution (motor vehicle fuel taxes and motor vehicle registration fees) provide the majority of funds used for state highway purposes. These funds are deposited in the state highway tax distribution fund and distributed in the following proportions to the state, counties, and cities:

State	63%
Counties	23%
Cities	14%
Total	100%

In addition, other revenues are deposited directly in the state highway fund and are not considered "dedicated" for highway purposes, which means those funds are not required by the state constitution to be used for highway construction. Those revenues are estimated to total \$34.4 million for the 2001-03 biennium and include truck regulatory fees, driver's license fees, interest earned on the highway fund, and other miscellaneous revenues.

The following charts illustrate the sources, transfers, and uses of state highway funding for the 2001-03 biennium:

6

Ken Pawluk 701-238-1808

Dear Senator:

I oppose HB1282 which seeks to change the Racing Commission because of "problems with the Commission". Any confusion about Commissioner reappointment has already been solved with SB2130, which more clearly states the terms and limits. The Commissioners are appointed from across the state and make decisions with input from the state's horsemen. I support the Racing Commission and feel they understand the issues and act in the best interest of horse racing in the state.

I am opposed to requirement for additional auditing in the bill. The special Horsemen's Funds are already audited and administered by the Attorney General. An additional audit is a waste of money.

I am opposed to the bill's requirement that any expenditure over \$100,000 be reviewed by the Legislative Council's Budget section. The Commissioners are appointed to administer the Horsemen's Funds for the benefit of horse racing in the state. To make their actions subject to political review is not in the best interest of horse racing. Let the Racing Commissioners do the job to which they have been appointed. The Legislature does not have the time to educate themselves about the operation of live horse tracks and pari-mutual wagering.

I am opposed to the bill's requirement of mandatory awarding of race dates. Any track in the state can now race horses any time they choose. The award of dates by the Racing Commission refers to the Racing Commission administering the event as a licensed pari-mutual activity. The cost to administer these dates takes more money from the special horsemen's funds which already will receive 33 per cent less revenue as result of SB2265.

ND cannot support three race tracks. Across the country other states are eliminating certain sites and just supporting one track per state. Multiple race tracks in a state with limited population and limited funding simply cannot make it. The formula that the Racing Commission is following gives horse racing in the state a chance to be successful. To force the Commission now to change by going from a single race track to multiple tracks will hurt the industry.

Finally, to force the Racing Commission to license the race track in Belcourt is just bad business. The track as it exists and is operated is unsafe. People fear for their personal safety while at the track as well as the safety of the horses and riders. Horses and equipment have been stolen during race events. Equipment left on site when the season is over has been vandalized and disappeared. The state general fund does not receive the state law mandated contribution of 2.5% of the pari-mutual handle. The Racing Commission has continually been faced with compliance issues by the event's sponsors. The Racing Commission will have civil liability to claimants for damages at the track, because there is no other form of legal redress at the track.

Pouring additional funds into the Belcourt situation is not economic development but simulates pork barrel politics at its utmost. To generate economic development requires that people feel safe to attend events. This is not the case in the Belcourt situation.

I support the Racing Commission's actions and decisions regarding horse racing. HB1282 creates many problems, but does not solve any. Please defeat HB1282.



OPPOSE HB1282 bullet points.doc

La Costa Rickford
Operator's Signature

10/3/03
Date

OPPOSE HB1282

- ◆ Problem already dealt with by SB2130 that defines terms
- ◆ Racing Commissioners are appointed from across the state and make decisions with input from state's horsemen
- ◆ Commission acts in the best interest of horseracing for the state

- ◆ Special funds are already audited and administered by the Attorney General
- ◆ Additional audit is a waste of money.
- ◆ Requiring Legislative Council Budget review of \$100,000 expenditures makes the Racing Commission subject to political considerations

- ◆ Commissioners are appointed to act in the best interest of the state's horsemen. Let the Commission do the job for which they have been appointed.
- ◆ The Racing Commission is in the best position to determine and award racing dates.
- ◆ Any track in the state can now run any date they wish.

- ◆ The award of dates really refers to Racing Commission administering licensed pari-mutual activity. The costs to administer these dates takes money that otherwise will go to the horsemen or facilities.
- ◆ SB2285 already reduces by 33% the amount going into the horsemen's funds.
- ◆ North Dakota cannot support three race tracks. Other states are closing tracks and going with a single track.
- ◆ The Racing Commission has developed a formula that the horsemen support. It gives horse racing a chance to be successful. To force a change in Race Commission policy now will hurt the horse racing industry.

- ◆ The track in Belcourt is unsafe.
- ◆ People fear for their personal safety while at the track.
- ◆ Horses and equipment have been stolen during race events.
- ◆ Equipment left on site at season's end has disappeared and been vandalized.

- ◆ Belcourt does not pay the state law mandated contribution of 2.5% of the parimutual handle.
- ◆ The Racing Commission has continually faced compliance issues by the event's sponsors.
- ◆ Because there is no legal redress for liability claims at the track, the Racing Commission will have civil liability to claimants for damages at the track.

- ◆ HB1282 creates many problems, but does not solve any.

Lu Costa Rickford
Operator's Signature

10/3/03
Date

Bullet points prepared at the request of Senator Judy Lee of comments made to the Racing Commission from various horsemen in opposition to HB1282.

- Under the present economic situation in North Dakota or any economic situation, the state cannot afford four racetracks. The cost of running races in Belcourt or Bottineau is approximately \$30,000-\$40,000 per day, with a return on investment to the special funds of approximately \$200 per racing day.
- Presently horses can run anywhere they want at any time. They are simply prohibited from running a Pari-Mutuel race where the cost of regulating gambling becomes such an important issue; and therefore, the expense to the state is so cost prohibitive.
- The Racing Commission is mandated by law to promote horse racing and has developed over the last ten years the only feasible way to have horse racing get close to being self-supporting rather than drift into bankruptcy.
- Presently out-of-state participants in Bottineau and Belcourt are not substantial; and therefore, there has been little economic development as a result of these race meets. The race meet in Fargo will bring money from out-of-state into the state, which actually is economic development.
- After nine years of racing in Belcourt, there has been virtually no increase in attendance from outside of Rolette County, and virtually no knowledge from people outside of that area that North Dakota even has live racing.

Safety Issues

- The tracks in Belcourt and Bottineau are substandard and are unsafe.
- 1282 will force the Racing Commission to fund unsafe racetracks and exposes the state to a great liability if an injury or death occurs and the track alleges it was not adequately funded.
- Presently Chippewa Downs' racetrack is only a half-mile track; and therefore, many thoroughbreds cannot run on such a small track. Further, the rail is made of PVC pipe, which means constant maintenance and is unsafe.
- Under the present economic conditions, it would take hundreds of thousands of dollars, if not millions of dollars, to bring the Bottineau and Belcourt facilities up to a standard which would be considered acceptable on a safety and proper regulation perspective.
- Last year, a horse left the racetrack in Belcourt and ran through the parking lot and hit a radio tower. This problem can only be fixed through a massive

spending on fencing. A horse in Bottineau left the racetrack and ran up the highway.

- There is not adequate water supply or any electrical conduit, which runs to the racetrack in Belcourt, and a power surge knocked out computers and the tote system at the track last year. None of these problems can be solved without massive amounts of money being spent on infrastructure.

Economic Issues

- The proponents of certain sections in 1282 are not looking out for horsemen, but only their specific interests in running their horses at their track against lesser competition in order to assure them an advantage.
- Presently all money comes from one source, i.e. - simulcasting. HB 1282 will force the Racing Commission to split the money at least four ways making it economically impossible for a horseman to make a living unless he or she travels with their horse to four separate race meets.
- Funding to Belcourt has gone from \$67,000 in 1999 to \$325,000 in 2002 with no increase in live handle, attendance, and simulcast handle has dropped in half.
- Breeders' fund rules allow horses to run anywhere and in any state at any time with no penalty. However, supplemental awards will only be given for competing in North Dakota. This will help all breeders in North Dakota.

REGARDING HB1282 SPECIFICALLY

Regarding the five-year terms: This issue is dead by the defeat of SB 2130 in the House; and therefore, Commissioners may not be reappointed.

Regarding the auditing: The Racing Commission has no problem with auditing. The only concern is that the Racing Commission's funds are already audited. The breeders' fund is audited annually. The promotion and purse funds are audited when the Attorney General's Office is audited. Therefore, the auditing component of this bill seems redundant and costly.

Regarding the \$100,000 authority: The Racing Commission has saved the money which has come in to assure at least an eight-year plan. Now the Commission has come under scrutiny because it has saved this money rather than spend it, and some reserve has built up. This shows the North Dakota Racing Commission is doing the right thing. Are the horsemen in the industry able to wait for these decisions to be made and how procedurally would this take place? Presently, there has been no evidence the Racing Commission has acted imprudently with the funding and absent such evidence the Racing Commission feels it has done a good job in protecting state funds.

Regarding the funding of the racetracks: The Racing Commission is essentially like an architect which has had a very good design of a building which is just about to be built. HB 1282, if passed, will seriously jeopardize Fargo and the entire racing industry. It will do no good for the Racing Commission in two years to say, "I told you so," when the entire industry fails.

- No other state in the union is expanding its racetracks. This bill would make North Dakota the only state in the nation to be expanding small racetracks that are unprofitable, under the guise of supposed economic development which is not accurate in that there is no economic development, only subsidies to a few select people.
- The races in Bottineau benefit really only one owner and his direct relatives. Therefore, the owner of standardbreds, which can race twice daily or at least every other day, has essentially monopolized a quarter of all of the racing in North Dakota by being able to race in Bottineau. This is a great injustice to all of the thoroughbred and quarter horse owners around the state.
- Finally, a healthy program when established in Fargo will help all horsemen in the state, and in the long run, the horse owners from Belcourt and Bottineau will benefit from the continued existence and expansion of racing days in Fargo.

Paul J. Bowlinger
Director of Racing



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NORTH DAKOTA RACING COMMISSION

500 North 9th Street • Bismarck, ND 58501-4509

Kelly Boespflug
Administrative Assistant

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March 14, 2003

Items prepared at the request of Chairman Senator Cook

Dear Chairman Cook and All Committee Members:

Per the request of your Chairman, I have included the documents requested.

First of all, find pages 3, 4, and 5 of the minutes of the December 18, 2002, North Dakota Racing Commission minutes allocating 100% of the breeders' money to stay in-state. These minutes give a representative sample of the issues and evidences the North Dakota Racing Commission's commitment to support North Dakota racing.

Secondly, please find the Agenda for the November 13, 2002, meeting of the North Dakota Racing Commission pertaining to purse/breeders and promotion fund awards. This meeting is typical of the yearly November meeting the Racing Commission conducts where it authorizes the future years' budget for the various racing industry participants. I have included the minutes regarding the discussion of each of the awards which also evidences the Racing Commission's constant commitment to assure there will be funds available to continue racing in North Dakota for at least eight years regardless of the presence or non-presence of the large volume bettors in Fargo.

Since HB 1282 is the most crucial item affecting North Dakota racing, the North Dakota Racing Commission has requested me to be available to your Committee seven days a week, 24 hours a day to answer your questions. Therefore, please do not hesitate to request any information at any time.

Best regards.

Sincerely,

Paul J. Bowlinger
Director of Racing

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La Costa Rickford
Operator's Signature

10/3/03
Date

Racing Commission Minutes
December 18, 2002
Page 3

Executive Director Bowlinger called the roll as follows:

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

The motion carried unanimously.

Chair Mahoney stated that along with the breeders' fund apportionment agenda item, discussion should be held on the allocation of the breeders' fund awards for the year 2003. Currently 60% of the breeders' fund is allocated to horses running out-of-state, and 40% in-state. At the time that apportionment was made between in-state and out-of-state races, there was discussion on possibly changing that allocation when there was a major racing facility established within the state of North Dakota. It was the consensus of the Commission at that time to have 100% awarded to races within the state once a major racing facility was in operation.

Executive Director Bowlinger stated by Administrative Rule last year, it was decided to have a split of 60% out-of-state and 40% in-state; however, the rule stated that upon designation of a major racing facility, the Racing Commission would reconsider this issue. The Racing Commission has shown a strong commitment to having all the money come into state once the state has a major racing facility. Executive Director Bowlinger suggested to the Commission to follow through with their commitment of 100% in state. Executive Director Bowlinger would like an advisory group set up for him to meet with the horsemen to discuss whether in a year or two exceptions should be made.

Chair Mahoney recognized Kris Moen.

Kris Moen, Vice President of the North Dakota Thoroughbred Association, stated he feels the Commission's decision is premature because no one has actually run in Fargo yet. The NDTBA's Board of Directors is 100% behind staying with a split. Arkansas allows portions of their breeders' fund to follow the horses, primarily two year olds, because of the short season. Virginia also has some type of pact with adjoining states of West Virginia, Maryland, and Delaware because of Virginia's small season. Mr. Moen asked the Commission to look very strongly at keeping a split until Fargo has a track record, or has a 30 or 45-day race meet.

Chair Mahoney recognized Leon Glasser.

Leon Glasser, President of the North Dakota Quarter Horse Racing Association, stated, Fargo does not have a track history, but they want them to and so they feel just as everyone has been thinking for the last four years that once they have a major racing

facility, the breed fund money would come in the state. Mr. Glasser stated it is the NDQHRA's position that it should all stay in the state and try it for a couple years.

Chair Mahoney recognized Norman Glinz.

Norman Glinz, representing harness racing, stated they are not getting as many races as the thoroughbred and quarter horses. He would like to see the breeders' awards paid for some out-of-state racing. The harness people depend on breeders' awards for their income because they don't have the big purses as they do in Winnipeg or Minneapolis. Mr. Glinz stated he is not in favor of changing to all in-state because they may only get a week in Fargo.

Chair Mahoney asked Mr. Glinz if the harness group has been in contact with the management of the Fargo Horse Park to discuss possible race dates in Fargo. Mr. Glinz stated they did not talk to Fargo. Mr. Glinz stated the thoroughbreds race on a loose track, and the harness horses need a firm track. They would like to have harness racing in Bottineau for their 100-year anniversary this coming year.

Chair Mahoney stated it's a legitimate concern if there is not a harness race run within the state or for any particular breed. Commissioner Stoltenow stated that at the last meeting, the Commission stated that the harness people were to contact management in Fargo. Commissioner Stoltenow stated he understands the harness people's concerns, however the Racing Commission has been up front with the direction it's moving in and expectations of the horsemen and how the Commission expects business to be conducted.

Commissioner Stoltenow moved that the breeders' fund be allocated at 100% in-state for the year 2003. Commissioner Arthaud seconded the motion.

Commissioner Wrigley stated maybe it should be an 80/20 split until Fargo has a history. Commissioner Stoltenow stated this is his fifth year on the Commission, and the direction has always been they are going to move 100% towards the major racing facility in the state.

Executive Director Bowlinger stated one of the criticisms the Commissioners received is that it has been switching back and forth a lot, and the horsemen want to know what it is going to be. Chair Mahoney stated it affects the horsemen's plans in breeding.

Chair Mahoney recognized Kris Moen.

Kris Moen stated they are all for the Fargo track succeeding, but felt this is not a track success fund, but a breeders' fund. The breeders' fund as it is right now is more of an owners' fund than a breeders' fund.

Counsel Bill Peterson informed the Commission in order to make this change without a rule change, a major racing facility has to meet the guidelines of 69.5-01-09-12. The

requirements are that a major racing facility needs to be recognized annually by the North Dakota Racing Commission. It must offer purses no less than \$1,200 for major breeds racing at the track and must have at least a five-furlong track with properly designed turns and chutes. So before a change can be made, the Commission needs to recognize the Fargo track as a major racing facility, assuming it meets all those qualifications. Counsel Peterson stated although this can be done without a rule change, it would be in the best interest of the Commission to put it into the rules.

Commissioner Boehm asked if there is any reason the harness horses cannot run on the Fargo track. Executive Director Bowlinger stated last year Mr. Wondrasek pledged to the Commission, and the Commission accepted his pledge, that Mr. Wondrasek would work with the Fargo racing facility to make sure harness racing would be included. Executive Director Bowlinger stated the Commission asked Les Schmidt at the last meeting if the Fargo racetrack would be able to be compacted enough to be sufficient for harness horses to run on, and Les Schmidt gave his assurance that it would be.

Commissioner Stoltenow stated the Commission tabled the race dates in November, as the harness horsemen were not in attendance at that meeting. Commissioner Stoltenow asked Mr. Glinz to go back to his horsemen and have them work it out with Fargo management.

Executive Director Bowlinger called the roll as follows:

Commissioner Arthaud	-	Yes
Commissioner Stoltenow	-	Yes
Commissioner Boehm	-	Yes
Commissioner Wrigley	-	No
Chairman Mahoney	-	Yes

The motion carried.

Chair Mahoney stated they need to entertain another motion as to whether or not the Commission is going to designate the Fargo track as a major racing facility.

Executive Director Bowlinger stated the facility meets the criteria, and the Commission needs to recognize it annually. Chair Mahoney stated it needs to be recognized annually because of the possible change of purse structures.

Commissioner Wrigley moved to recognize Fargo as a major racing facility in North Dakota for the year 2003. Commissioner Boehm seconded the motion.

Executive Director Bowlinger called the roll as follows:

Commissioner Wrigley	-	Yes
Commissioner Arthaud	-	Yes

AGENDA

NORTH DAKOTA RACING COMMISSION
State Capitol, Sakakawea Room, Bismarck
Wednesday, November 13, 2002
9:30 a.m.

1. Live Race Date Requests

- a. Outdoor Recreation Development Assn (ORDA)
 - June 7-8
 - June 14-15
 - June 21-22
 - June 28-29
- b. ND Horse Park Foundation/Fair Circuit Horse Racing Assn
 - August 22-24
 - August 29-31
 - September 1
 - September 5-7
 - September 12-14
- c. MSU Logrollers/Bottineau
 - June 14-15
 - June 21-22

2. Purse/Breeders' Fund Requests

- a. ORDA - \$190,000
- b. ND Horse Park Foundation/Fair Circuit Horse Racing Assn
 - \$100,000 - Previously Committed Funds
 - \$295,000 - Purse Fund
 - \$100,000 - Breeders' Fund
- c. Grass Roots Stallion Stakes - \$10,000
- d. MSU Logrollers/Bottineau
 - \$40,000 - Purse Fund
 - \$ 5,000 - Breeders' Fund
- e. ND Quarter Horse Racing Assn
 - \$5,000 - 2005 Stallion Stakes
 - \$5,000 - 2005 Derby
- f. ND Thoroughbred Assn - no specific amount requested

3. Promotion Fund Requests

- a. Outdoor Recreation Development Assn (ORDA)
\$130,000 - Operating
\$ 45,000 - Track Improvement
\$175,000 - TOTAL
- b. MSU Logrollers/Bottineau
\$15,000 - Operating
- c. ND Horse Park Foundation/Fair Circuit Horse Racing Assn
\$428,105 - Amount of Funds
\$100,000 - Promotion & Advance Grant
\$528,105 - TOTAL
- d. Fair Circuit Horse Racing Assn
\$156,500+ - Equipment
- e. ND Horse Park Foundation
\$ 150,000 - Contingency Fund
\$ 60,000 - Project Manager's Contract
\$1,800,000 - Permanent Grandstand
\$ 500,000 - 3 Barns
\$2,510,000 - TOTAL
- f. Horsemen's Award Banquet - Dorothy Elvrum - \$2,000
- g. Racing Services Inc - \$29,750
- h. ND Quarter Horse Racing Assn
\$5,000 - Stallion Season Service Auction
- i. ND Thoroughbred Assn
\$5,000 - Stallion Season Auction
- j. Development Homes - \$5,000
- k. Fort Abraham Lincoln Foundation - \$6,000
- l. Team Makers Club - \$4,500
- m. Williston Convention & Visitors Bureau - \$3,000

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Chair Mahoney asked Mr. Schmidt what would be the worst-case scenario that would prevent Fargo from running in 2003. Mr. Schmidt stated that if a windstorm or tornado would blow the barn down after it is halfway up may prevent them from running. Mr. Schmidt stated he has no objection to ORDA having race dates.

Commissioner Boehm asked Mr. Schmidt if they have enough money to finish the track if the Commission does not give them more money, or if additional funds are needed to finish the project. Mr. Schmidt feels they can present a race meet in the way it was presented when given the award.

Commissioner Stoltenow stated there are more issues than just monetary. Commissioner Stoltenow stated to look back at how much money the Racing Commission has sunk into Belcourt in the last three years and what the return was. He stated he actually worked in Belcourt four or five years ago, and it was a difficult place to work. The facilities were unacceptable. He stated the Commission has sunk a lot of money into it, and has gotten virtually very little out of it. This is where the Racing Commission has to make its decision on where it's headed.

Executive Director Bowlinger called the roll as follows:

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

The motion carried unanimously.

AGENDA ITEM #2
Purse/Breeders' Fund Requests

2a. ORDA - \$190,000

Race dates were denied.

Commissioner Stoltenow moved to deny ORDA's purse request of \$190,000.
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.

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2b. ND Horse Park Foundation/Fair Circuit Horse Racing Association

Chair Mahoney stated at the present time the Commission committed \$500,000 over the next five years, so that would be \$100,000 already dedicated towards purses at Fargo. The Horse Park's request is for an additional \$295,000 from the purse fund and \$100,000 from the Breeders' Fund. Chair Mahoney asked the Executive Director to describe and summarize the purse fund and why there would be a request for money from the breeders' fund based upon the past awards of this Commission.

Executive Director Bowlinger stated the Racing Commission has previously committed \$500,000 to be split out over five years, and that is the \$100,000 the Horse Park has put in their request. That \$100,000 is to come exclusively from the purse fund. The purse fund can be used to fund any type of race, as long as it runs in North Dakota. There are two requests, one for \$295,000 and one for \$100,000. The Racing Commission has two funds available to supplement purses. The purse fund can be used to fund any race, and the breeders' fund can be used to give to the track to supplement races, which can only be used for races, excluding any other horse other than a North Dakota bred accredited horse. Any money that comes out of the breeders' fund would have to be used for a race restricted to North Dakota breds. The breeders' fund, in its rules, mandates that the Racing Commission establish a supplemental purse structure from the breeders fund to encourage races restricted to North Dakota breds. The Horse Park has made a request from the purse fund and from the breeders' fund.

Chair Mahoney asked Executive Director of Racing to give a history and description of requests.

Executive Director Bowlinger stated Grass Roots has asked for an amount from the Racing Commission to supplement races which would include only horses that are the progeny of horses that come out of that Grass Roots stallion. It's a specific request to benefit horses that belong to the Grass Roots and a specific request to fund a segment of the horse population of North Dakota.

Roger Kerber, owner and Fair Circuit Racing Association Board member, stated the Grass Roots is a progeny race out of North Dakota stallions. These are strictly horses that are out of North Dakota stallions to help support the racing industry in the state. Mr. Kerber stated it's a very good industry for people who want to race horses in the state, and to sell horses to other people.

Commissioner Arthaud asked the Executive Director for his opinion. Executive Director Bowlinger advised that typically entities do not apply to the Racing Commission for money to run the races. The Racing Commission awards the track or the track operates off of a purse fund structure, and then the various organizations go to the racetrack and work it out with track management. The problem with the current approach is that the Racing Commission has become the big brother of purses. The Commission is the one who decides who gets what. It would be Executive Director Bowlinger's preference that the racetrack and race management, who is in the best position to see the horses that

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they have on the grounds, to let them make the determination on who they can fund with the caveat that if the organizations feel they are being discriminated against, to come back to the Racing Commission for intervention. Presently, the Commission gets into the structure of micromanaging how these purse structures go out, giving each group money.

Commissioner Arthaud asked how it is handled in other states. Executive Director Bowlinger stated typically the Racing Commission does not give the racetrack any money. The racetrack has to operate on its bottom line. For example, the racetrack goes out, runs races, sees how much money it makes, and then goes to the horsemen and says if they had a good week, they'll increase the purses by 17%. The dialogue goes between the horsemen and track management. Doing it this way would create a dialog between the horse groups and track management, and it's something the Commission needs to encourage.

Chair Mahoney would like to see the Commission have an open door policy to hear concerns if the dialogue falters between the various horse groups and track management. Chair Mahoney thinks what Executive Director is suggesting would be a viable way of handling the purse requests so that the Commissioners, who aren't the people running for the purses and who aren't operating the track, don't feel like they're getting into micromanagement in making those decisions on individual races at the meets.

Commissioner Stoltenow stated as they look at the long term of this deal, he doesn't think the Fargo group can look at the Racing Commission to be in this position to be the bank forever. The Commission would look at that facility as becoming profitable or at least funding itself long term. This is a step in having the track manager start that dialogue with the horsemen because it's the horsemen who will run there and work out the issues with track management. If funding dries up, it's going to be track management who's going to generate money to keep operating. The Racing Commission will maintain oversight and will have an open-door policy and address issues if needed. The Racing Commission is a regulatory body. The Commission's job is to maintain an even playing field for the horsemen, the horses, and for the citizens of this state.

Commissioner Arthaud agreed, but questioned what to do with this year's requests. Chair Mahoney stated track management still has to set up their purse structure, and these groups who applied to them can turn around and make their request to track management.

Executive Director Bowlinger stated that when the Commission gets to the purse amounts allowed to Fargo, that the groups will have to go to them with their request. Fargo track management will be in a position to say, yes. At that time, if there's some disparity, the Commission will know by January or February and can readdress the issues if there is a problem.

Sal Costa Rickford
Operator's Signature

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Leon Glasser, President of NDQHRA, stated last year \$5,000 was put into a CD. They have 99 entrants for the first race. The Association needs a \$10,000 guaranteed purse in order to be graded. If you're a grade three, grade two, or grade one, it is quite substantial in the horse business whether you're a thoroughbred or a quarter horse. The Association is bringing back an economic impact to that track by having 99 entrants, and will be larger next year. The Association already has their futurity in motion. Mr. Glasser felt it wouldn't be a problem where the purse money comes from. If it goes that way, he would like more representation of the Quarter Horse Association in Fargo. The Association is getting ready to advertise, and they are looking for longevity.

Executive Director Bowlinger asked Fargo's Project Manager, Les Schmidt, if they would consider the theory that if the Fargo Horse Park would be in control of the money, would they foresee any problem funding this type of activity knowing it's going to bring that many horses to the track.

Les Schmidt, Project Manager, stated he would welcome it with open arms. He stated he has been in contact with two officers of Grass Roots and asked if they would like to have their race in Fargo for the year 2003, and at that time they had chosen to stay with ORDA, who they had been with for the past four years. The Horse Park would welcome the Grass Roots race to the Fargo track. Mr. Schmidt stated he can see nothing but the betterment of the Fargo track and for racing in the state of North Dakota to be able to sponsor such races.

Leon Glasser stated that both the Thoroughbred and Quarter Horse Associations will come to the Commission again to ask for \$5,000 for their stallion auctions. Mr. Glasser was wondering if that is a separate issue? Executive Director Bowlinger stated it's a different issue.

Commissioner Stoltenow asked where they are sitting with the purse fund. Executive Director Bowlinger stated if the \$500,000 is subtracted out, which has been committed, there is a balance of \$1,850,640.56 as of October 31. Commissioner Stoltenow stated they've taken an eight-year plan, so that would leave the Commission with roughly \$225,000. Executive Director Bowlinger stated considering that the committed funds are already committed to Fargo, the \$500,000 can actually be added back in. Two point three million would be available for purses. If the Commission does the same as they've done on the breeders' program, which is project that out to try to make sure this track stays open for at least eight years, the Commission can commit those funds to the major racing facility over the next eight years.

Les Schmidt, ND Horse Park Foundation, stated on the \$100,000 breeders' fund request for the North Dakota bred races, that money would be divided in such a way that \$20,000 would be added each to the Thoroughbred and Quarter Horse futurity, \$20,000 would be added each to the Thoroughbred and Quarter Horse derby, and \$10,000 would be added each to the Thoroughbred and Quarter Horse maturity. All these races would be North Dakota bred and requested from the North Dakota breeders' fund. That's significant money for the horse people and the horse breeders to

La Costa Rickford
Operator's Signature

10/3/03
Date

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shoot at. Mr. Schmidt stated he has requested \$45,000 for overnight handicap races, which would be six handicap races with an added purse of \$7,500 each, to be distributed to track management's discretion whether it would be Thoroughbred and/or Quarter Horse. The Horse Park is anticipating \$1,000 trial heats. This year they're shooting for four trial heats. In the future it should be a lot more than that. The reason for the trial heats on the card is a \$1,000 purse gives those people the accessibility to run for breeders' fund awards. The rest would be \$346,000 for overnight races, with an average purse of \$3,495. The horse park is talking a \$3,000 bottom and possibly a \$4,500 top allowance race, other than the Horse Park's \$7,500 handicap races. This constitutes the Horse Park's request for \$295,000, plus the \$100,000 already allowed to them. There will be 113 races. Mr. Schmidt personally feels the purse request is completely in line with the Racing Commission's purpose of having a major racetrack in the state of North Dakota.

Executive Director Bowlinger stated the \$500,000 that has already been committed, if added back in, the Commission is looking at about \$2.3 million. Assuming the November handle comes in, the Commission will be sitting at about \$2.4 million. On an eight-year program like the Commission has for the breeders' program, that would be \$300,000 a year out of the purse fund. The Commission could commit to the major racing facility \$300,000 out of the purse fund, which would guarantee them \$300,000 a year for eight years.

Mr. Schmidt stated if the Commission takes their purse request down \$95,000, he doesn't see how they can maintain a \$3,000 bottom. Executive Director Bowlinger stated it's significantly up from a \$1,600 bottom. Executive Director Bowlinger stated he is trying to figure out a way to assure this track is going to stay in existence, assuming no more money comes in.

Leon Glasser stated they are getting \$5,000 per race from the Commission, and they've been putting that into a CD, so they're able to guarantee two years out to all the people who enter horses. If the Association goes to the racetrack, they're going to have to be aware that they won't have that money to place in a CD to have that guarantee. So the Horse Park will be giving the Association \$5,000 for a race that won't be held for two years. As President of the Association, they're happy to have a large North Dakota bred race futurity derby, however, at the same time all horsemen and breeders cherish the breeders' fund. Mr. Glasser feels a lot of the breeders in North Dakota would like to protect that breeders' fund.

Executive Director Bowlinger stated \$25,000 was granted out last year from the breeders' fund. The breeders' fund currently is at \$2,283,000. The rules state that the North Dakota Racing Commission shall establish a bonus money program to supplement purses out of the breeders' fund to benefit the runners of North Dakota racing.

Roger Kerber stated Mr. Schmidt did not have in his appropriation any money for the Grass Roots, and if money could be added; Mr. Schmidt's appropriation was for what he knew he was appropriating for at the time. If this race will now be in Fargo, it would be

Sal Costa Rickford
Operator's Signature

10/3/03
Date

nice if there was an appropriation set up for the Grass Roots for the people in North Dakota that are racing the horses.

Executive Director Bowlinger stated he would like to follow the same program as in the breeders, which is try to guarantee an eight-year program. The Commission can give the Fargo racetrack \$300,000 and guarantee that they're going to have a \$300,000 bottom purse structure for eight years. With the breeders, Executive Director Bowlinger doesn't think out of a \$2.2 million fund, taking \$100,000 out of that to give to people who are actually running North Dakota bred horses, would be too onerous.

Commissioner Arthaud moved to award Fargo \$300,000 out of the purse fund, along with \$100,000 out of the breeders fund for purses. The breed money is restricted to rules and regulations under the breeders' fund.

The motion died for a lack of a second.

Executive Director Bowlinger stated the Commission might want to go on the form of a commitment to Fargo over an eight-year period. Chair Mahoney suggested to rescind what they did and then revise a plan because they were at a five-year plan, and now they're going to eight years.

Commissioner Arthaud moved to rescind the previously committed dedication of \$500,000 over the next five years to the Fargo Horse Park Foundation.
Commissioner Wrigley seconded the motion.

Executive Director Bowlinger stated the reason to switch from the five-year plan to an eight-year plan is to commit all the money. Chair Mahoney stated it would extend their assurance of purses over eight years. No matter what happens to the handle over the next eight years, the racing facility in Fargo would have a minimum of \$300,000 in purses over the eight years. If the handle goes down, they've got that bottom. If the handle goes up, they can take that into account.

More discussion held.

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.

2d. MSU Logrollers/Bottineau - \$45,000

Executive Director Bowlinger questioned that if the harness people are willing to get together and race in Fargo, would this include harness purses? Harness purses are typically much smaller in the neighborhood of \$1,000 per race. How much will be awarded to them? Does the Commission want to leave any money in the purse fund for harness racing? By pledging this money to Fargo, the Commission is also pledging Fargo to work with the horse groups. Executive Director Bowlinger stated that it is probably preferable to allow the Horse Park to make a decision on how much revenue a harness meet can bring, and how much exposure would be given to racing in the state of North Dakota.

More discussion held.

Commissioner Stoltenow moved to table the discussion on MSU Logrollers/Bottineau's request because the Commission tabled their race dates. 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
Chairman Mahoney	-	Yes

The motion carried unanimously.

2b. North Dakota Horse Park Foundation's Purse Fund Request - \$295,000

Commissioner Arthaud moved to grant \$300,000 a year for eight years to the North Dakota Horse Park Foundation for their purse fund and that the funds will remain with the Commission and will be given out annually. Commissioner Stoltenow seconded the motion.

Discussion held.

Chair Mahoney questioned Executive Director Bowlinger if the Grass Roots would have to come out of the \$300,000 that is being committed from the purse fund. If the Commission awards something from the breeders fund, that race could be funded from the breeders' fund as long as it meets the requirements of the breeders' fund regulations. Executive Director Bowlinger stated breeders' money would not be available unless all horses entered were North Dakota accredited.

Chair Mahoney stated the whole idea is to award the money to track management, and then if they use any of the breeders' fund money for any races, those races have to meet the guidelines under the breeders' fund rule.

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After discussion, Commissioner Arthaud amended his motion to included the following language:

Commissioner Arthaud moved to approve, for the North Dakota Horse Park Foundation's purse fund request, one year for \$300,000, and commit the remaining balance (as of December 31, according to the Office of Management and Budget) of the purse fund over the next seven years to the North Dakota Horse Park Foundation upon application and approval by the Commission. 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.

2b. ND Horse Park Foundation Breeders' Fund Request - \$100,000

Discussion held.

Commissioner Stoltenow moved that the Commission award the North Dakota Horse Park Foundation \$100,000 from the Breeders' Fund for purses. Commissioner Arthaud seconded the motion.

More discussion held.

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.

The Commission took a 25-minute break and reconvened at 11:30 a.m.

The Commission meeting was called back into session by Chair Mahoney.

Chair Mahoney stated on that on advice of legal counsel, they're going to go back and revisit a couple of the issues for formality

2c., e., f. Grass Roots Stallion Stakes Request - \$10,000, ND Quarter Horse Racing Association - \$10,000, & ND Thoroughbred Association - no specific amount requested

Commissioner Stoltenow moved to deny applications from Grass Roots, the North Dakota Quarter Horse Racing Association, and the North Dakota Thoroughbred Association. 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
Chairman Mahoney	-	Yes

The motion carried unanimously.

AGENDA ITEM #3
Promotion Fund Requests

3a. ORDA - \$175,000

General Counsel Bill Peterson stated under the Gaming Compact between the Tribe and the State, it states that "It is understood, however, the monies from the promotion fund which the Commission designates for advertising and promotion of the racing industry shall be utilized to promote and/or develop live and simulcast racing by Indian tribes at Reservation locations collectively and roughly the same proportion as Tribal contributions bare to total contributions." There is a commitment that the Commission has to give some money for the promotion fund to the tribe, however, when they talk about "roughly the same proportion as their contribution," this is not on a yearly basis, this is overall. There is no requirement that this be done on a yearly basis. So the contributions from the promotion fund right now far exceed their contributions to the promotion fund. At this time there is no requirement to grant them anything. The obligation has been met.

Discussion held.

Commissioner Stoltenow moved to deny ORDA's promotion request for \$175,000. Commissioner Arthaud seconded the motion.

Executive Director Bowlinger called the roll as follows:

Commissioner Stoltenow	-	Yes
Commissioner Boehm	-	Yes

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

The motion carried unanimously.

3b. MSU Logrollers/Bottineau - \$15,000

Chair Mahoney stated since the Commission tabled the race dates because they had not been in negotiation or communication with the Fargo racetrack facility, logically this request should be tabled also.

Commissioner Wrigley moved to table MSU Logrollers/Bottineau's promotion fund request for \$15,000. Commissioner Arthaud seconded the motion.

Executive Director Bowlinger called the roll as follows:

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

The motion carried unanimously.

3c. ND Horse Park Foundation/Fair Circuit Horse Racing Association - \$528,105

Chair Mahoney stated there was a budget in the original proposal and then there was a supplemental budget that was prepared subsequent to that in August of 2002. The budget the Horse Park presented, along with their request, is considerably higher than the earlier budget proposal that was presented to the Commission at previous meetings. In the proposal back in December of 2000, it only was for six race dates, and now the Horse Park is requesting 13 race dates. Chair Mahoney realizes there is some incremental increase to an increased number of race dates. When going through the line items, it seemed like there were huge increases. Leslie Schmidt, ND Horse Park Foundation, stated he was not aware of earlier requests or had any part in them. Possibly at that time, they were off-of-the-hip requests; there weren't actual contacting of what it would cost the Horse Park to get the pari-mutuel people in. That is the official statement that the Horse Park is requesting from the Racing Commission.

Chair Mahoney stated what concerns her is that in the beginning the Horse Park couldn't go out and get community support for this until they knew the track was going to be located in Fargo. Once it was known, that opens the doors for all kinds of fund-raising opportunities in the cities of Fargo, West Fargo, and Moorhead. Mr. Schmidt stated what the Commission has done will make it easier to contact sponsors to help

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promote racing. They've already had a motel group wanting to sponsor races if they get race dates.

Discussion held on line items.

Commission Arthaud moved to grant from the promotion fund \$300,000 to the North Dakota Horse Park Foundation/Fair Circuit Horse Racing Association for operating expenses for running the race meet in 2003. Commissioner Stoltenow seconded the motion.

Executive Director Bowlinger inquired whether that would include the \$100,000 previously committed, for a \$300,000 total. Commissioner Arthaud stated that was correct.

Discussion held.

Executive Director Bowlinger called the roll as follows:

Commissioner Arthaud	-	Yes
Commissioner Wrigley	-	No
Commissioner Boehm	-	Yes
Commissioner Stoltenow	-	Yes
Chairman Mahoney	-	Yes

The motion carried.

3d. Fair Circuit Horse Racing Association - \$156,500+

Michael Cichy, of Racing Services, Inc., stated the entire list is essentially what the Horse Park Foundation believes is necessary to run the meet. Commissioner Arthaud questioned Mr. Cichy if they explored the opportunity to rent a gate. Mr. Cichy stated they virtually need to buy a gate. The shipping cost to haul it from wherever it's being rented from, will be costly. Mr. Schmidt stated a reconditioned gate from Arizona was exactly for the same price for a brand new gate. The current gate is in Fargo.

Commissioner Stoltenow asked the horsemen if the current gate is unacceptable. Leon Glasser stated the gate could use improvement. His Association has not discussed it. Roger Kerber stated a ten-stall gate is better than an eight-stall gate. An eight-stall gate has worked, but the eight-stall gate needs work. If the track is going to run for a long time, then the new gate would be a good investment. Leslie Schmidt stated they would like to keep the eight-stall gate as a training gate during training days and training hours. Michael Cichy stated if the Commission is looking at an eight-year investment, buying used or trying to rent it, there aren't a lot of gates floating around. Long term buying a new gate is the cheapest way to go.

Discussion held on equipment.

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Commissioner Arthaud questioned Mr. Cichy on whether they will be merging with the North Dakota Horse Park Foundation. Mr. Cichy stated that is the plan. Fair Circuit is waiting for the Internal Revenue Service to send the paper validating their C-4 status. Mr. Cichy is assured by the IRS that they are C-4, and there aren't any problems. The IRS is going to issue the document any day. In order to merge they have to have the authorization of the Secretary of State, the Attorney General's Office, and the racing license has to be transferred.

Mr. Cichy and Mr. Schmidt made the Commission aware that the submission has been modified to a request for \$131,500.

More discussion held on equipment.

Commissioner Wrigley moved to approve the amount of \$131,500 to the Fair Circuit Horse Racing Association from the promotion fund. 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
Chairman Mahoney	-	Yes

The motion carried unanimously.

3e. ND Horse Park Foundation - \$2,510,000

Leslie Schmidt, of the North Dakota Horse Park Foundation, addressed the \$150,000 contingency request. Mr. Schmidt stated they have funds to make the track ready. There were some change orders and things that happened through litigation to where they will have approximately a \$91,000 shortage needed to complete and do everything that is requested with the change orders. This is the reason for the \$150,000 contingency fund request. Mr. Schmidt stated the next item on the request is for the Project Manager's personal service contract, which he will have to excuse himself. The next item is the \$1,800,000 for a permanent grandstand. There's a good chance other avenues may open in the future. Mr. Schmidt asked to table their request for \$1.8 million for the permanent grandstands. Mr. Schmidt stated on the request for \$500,000 for three barns, NDSU will have their barns in place in time in order to race. The Fargo Horse Park feels more stall space will be needed. The North Dakota Horse Park would like to table the request for barns and hopes that at a future date, this request will be given consideration if needed.

Executive Director Bowlinger stated basically the grandstand is being withdrawn from consideration. He would like to request, before looking at this matter, that the Commission allow Executive Director Bowlinger to hire somebody with construction

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experience to look at the plans, as his staff does not have the construction expertise. He would like the Commission to authorize him to hire someone to act as an independent expert, to look at the whole progress of where the Horse Park is at and would those funds be well used. This person would basically give the Commission a progress update. Commissioner Arthaud stated he would be comfortable with that.

Mr. Schmidt stated he is sure that the North Dakota Horse Park would be comfortable with that also and is quite pleased with that request. Chair Mahoney stated it would be a timely and wise thing for them to consider. Chair Mahoney also stated that they would find someone with expertise in construction to give them an unbiased report back as to what might need to be done and what the projected expense may be.

Executive Director Bowlinger questioned who do they have right now that's independently auditing to make sure the architect and all this is being done. There's going to be further requests for commitment, and Executive Director Bowlinger would like the assurance that what they are proposing is reasonable, and an independent expert could do that for them.

Commissioner Stoltenow stated Engebretson is hired by the Horse Park; they are not hired by the Racing Commission. He stated that's one of the things that Executive Director Bowlinger and Commissioner Arthaud are referring to is the fact that they would like someone to report directly to the Racing Commission who's not receiving any remuneration from any other source. They also might see some areas that need to be addressed when racing occurs. Commissioner Stoltenow stated he is not in favor of spending a lot of money on this issue, but it would serve in the best interest of the state to bring someone in to do this.

Commissioner Arthaud moved to have Executive Director Bowlinger investigate and explore the feasibility of a consultant for purposes of reviewing the racetrack facility. Commissioner Wrigley seconded the motion.

Executive Director Bowlinger called the roll as follows:

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

The motion carried unanimously.

Commissioner Stoltenow moved to grant the North Dakota Horse Park Foundations' request to table the permanent grandstand and the three barns. Commissioner Boehm seconded the motion.

Executive Director Bowlinger called the roll as follows:

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

The motion carried unanimously.

Chair Mahoney stated that leaves them to consider the balance of the North Dakota Horse Park Foundation's request of \$210,000, contingency fund of \$150,000, and project manager's contract of \$60,000.

Les Schmidt stated \$98,000 is needed to make up for their arbitration and change orders that were required. Some of this is additional expenses for site surveying and engineering.

Executive Bowlinger stated to date the expenses paid to the North Dakota Horse Park Foundation is \$828,215. There are two outstanding requests for \$802,631 and \$8,000. After the most recent requests are paid, there will be a balance of \$850,000 owed to the North Dakota Horse Park Foundation.

Chair Mahoney stated the request from the contingency fund is premature, and that was what the Commission determined in August. How the Horse Park moves the line items around is up to them. Commissioner Stoltenow stated the message from the Commission to the Foundation was to go ahead and spend the money that they have, and if they are short, the Commission will deal with it.

Commissioner Wrigley moved to table the \$150,000 contingency request until December's meeting. Commissioner Arthaud seconded the motion. The second and the motion were later withdrawn.

Commissioner Stoltenow stated that at the last meeting, instead of tabling, basically they sent the message to just come to them. The Commission has shifted course in how they've dealt with it. At the last meeting, the Commission denied it.

Commissioner Wrigley stated he made the assumption from the conversation that the construction money has been spent and the Horse Park still needs the \$98,000 to finish it. Commissioner Wrigley asked of the \$2.5 million, how much was the contract?

Mr. Schmidt stated the total contract and budgeted was \$3,168,673.96. The revised contract amount with the change orders is \$2,707,289.96. The remainder of items they have budgeted for, tree planting, perimeter fencing, official's towers, and miscellaneous items that are needed, are included in the \$3,168,000.

Commissioner Wrigley withdrew his motion, and Commissioner Arthaud withdrew his second.

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Commissioner Arthaud moved to deny the North Dakota Horse Park's Foundation's contingency request for \$150,000. Commissioner Stoltenow 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.

Chair Mahoney stated the next item under the North Dakota Horse Park Foundation's promotion fund request is the project manager's contract for \$60,000.

Les Schmidt excused himself, as it pertains directly to him.

Don Hart, of the North Dakota Horse Park Foundation, stated the \$60,000 for the project manager's contract is a contract for Les Schmidt to perform his work. Out of the \$60,000, Mr. Schmidt runs his own car and gas and hires people to cover him when he can't be there. There is no Social Security. He functions as an independent contractor. He pays his own insurance. With the hours Mr. Schmidt puts in is a tremendously good deal. Glen Thompson has been working with him off and on all summer. Thompson is paid out of the project manager's contract. It would be a better price for the Commission this way than have Mr. Schmidt put in all of his expenses.

Glen Thompson, of the North Dakota Horse Park Foundation, stated they are very fortunate to have to someone like Mr. Schmidt. He is very knowledgeable in the track. Considering the whole thing, if Mr. Pawluk was to hire someone for what Mr. Schmidt has done, they would be paying \$100,000. It's well worth the investment. He stated Mr. Schmidt is doing a super job.

Commissioner Boehm asked why the North Dakota Horse Foundation doesn't hire Mr. Schmidt. That is whom he is working for. Why is the Commission involved in hiring and determining the salary? Glen Thompson stated they hired Les Schmidt, and the money comes out of the Commission's funds that they are hiring him with. They have no money; the ND Horse Park Foundation hired him. The Horse Park signed Mr. Schmidt up for another year, so he's hired for one more year. The actual contract amount is \$55,000, rather than \$60,000.

More discussion held regarding project manager.

Commissioner Wrigley moved to pay to the North Dakota Horse Park Foundation the project manager's salary of \$55,000 from the promotion fund. Commissioner Arthaud seconded the motion.

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Chairman Mahoney stated her only reluctance is she doesn't want to set a precedent that this type of contract comes in piece meal. She expected this contract to be part of the overall plan. She wasn't prepared to see this as a line item request. It should be in the operation budget.

Executive Director Bowlinger called the roll as follows:

Commissioner Arthaud	-	Yes
Commissioner Wrigley	-	Yes
Commissioner Boehm	-	No
Commissioner Stoltenow	-	Yes
Chairman Mahoney	-	No

The motion carried.

The Commission took a 40-minute lunch break and reconvened at 2:25 p.m.

The Commission meeting was called back into session by Chair Mahoney.

3f. Horsemen's Award Banquet - Dorothy Elvrum - \$2,000

Executive Director Bowlinger stated the requested amount is in line with what they were granted in the past. The only stipulation that the Commission is requesting is that all breeds be invited to the Horsemen's Award Banquet.

Nancy Bayer, a representative for the North Dakota Quarter Horse Association and the North Dakota Thoroughbred's Association, stated the banquet is tentatively set for the second Saturday in February at the Doublewood.

Executive Director Bowlinger stated the breeders' checks will be mailed out this year and will not be handed out at the banquet.

Commissioner Boehm moved to approve \$2,000 to the Horsemen's Award Banquet from the promotion fund. Commissioner Wrigley 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.

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2g. Racing Services Inc. - \$29,750

Michael Cichy, of Racing Services Inc., explained it's for overall promotions. They've matched it 50/50. The same is with advertising. Sue Flygare places all the promotional ads.

Executive Director Bowlinger stated he talked to Susan yesterday and received verbal assurances. If the Commission would give them \$15,000 for direct advertising, which would then be matched by Racing Services, and then another \$10,000, for a total grant of \$25,000, Sue Flygare granted assurance that that money would go to install the signs that the Commission subsidized and also would pay for the line charge for the year, which is \$40 per month. The three things Executive Director Bowlinger would be looking at is \$15,000 to be matched directly by advertising, and then \$10,000, which would include RSI's commitment to pay the line charge and installation for the signs at the racing sites, and to continue the nice job they are doing with handicapping contests and improve the quality of the racing programs distributed to simulcast patrons.

Discussion held.

Commissioner Stoltenow moved to approve Racing Services Inc.'s request in the amount \$25,000 from the promotion fund. 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.

3h. ND Quarter Horse Racing Association - \$5,000

3i. ND Thoroughbred Association - \$5,000

Chair Mahoney requested to discuss both Associations together regarding the stallion auctions.

Leon Glasser, of ND Quarter Horse Association, stated what they do in both Associations is go out and solicit stallion farms who will give them free breeding to their stallions. They auction them off, and take that money less 15% for administration fee (for quarter horse). All that money from that auction is added to that purse. Last year they raised approximately \$10,000 or \$11,000.

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Chair Mahoney asked what their financial status is. Leon Glaser stated they get their money from dues. Anyone who nominates a foal must be a member of that association. Last year they increased their membership to the stallion auction to 70 members.

Discussion held.

Commissioner Boehm moved to grant to the North Dakota Quarter Horse Association and the North Dakota Thoroughbred Association \$5,000 each for their stallion auctions, subject to invoicing. The grant is to come from the promotion fund. 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.

3j - m Development Homes - \$5,000, Fort Abraham Lincoln foundation - \$6,000, Team Makers Club - \$4,500, Williston Convention & Visitors Bureau - \$3,000

Chair Mahoney asked to handle all charities together. In the past the Commission has come up with a dollar amount made available to each charity to treat them equally, rather than award a different amount to charity. These requests are invoiced.

Executive Director Bowlinger stated the requests are reasonable.

Discussion held.

Commissioner Wrigley moved to grant, from the promotion fund, each site (Development Homes, Fort Abraham Lincoln (2), Team Makers, and Williston Convention Bureau) \$3,500. 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.