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ND Legislative Council Administrative Rules Committee Hearing March 12, 2008 Testimony of Jim Clement, Chairman ND Racing Commission

Chairman Fischer and members of the Administrative Rules Committee (ARC), my name is Jim Clement and I am the chairman of the North Dakota Racing Commission (NDRC). The following comments represent my personal opinions regarding reconsideration of proposed amendments to N.D. Administrative Code Chapter 69.5-01-09.

The ARC directed the NDRC on December 12, 2007 (after granting carry over consideration to proposed amendments to N.D. Administrative Code Chapter 69.5-01-09) to reconsider the proposed amendments and discuss them with the concerned parties. There has been no effort on behalf of the NDRC director to fully inform commission members about the directive received from the ARC or to reconsider the proposed amendments and discuss them with the concerned parties. I was never informed by Director Blaseg about this directive.

I became aware of the directive while reading the ARC 12/12/07 meeting minutes as I prepared for the 2/11/08 NDRC meeting. This was my first exposure to the ARC ruling so I called Senator Tom Fischer on 2/08/08 for clarification. Senator Fischer stated that carry over consideration was granted to the breeders fund rule (69.5-01-09) until the next meeting in March. If the concerns of interested parties (horsemen and breeders) are not adequately resolved 69.5-01-09 will be voided and the racing commission will need to draft a new rule. The only attempt to convey this message to the Racing Commissioners was via an email message sent by me on 2/9/08. After three months no legitimate attempt has been made by the NDRC to reconsider the proposed amendment and discuss it with concerned parties.

The proposed amendment to N.D. Administrative Code Chapter 69.5-01-09 should not be approved for the reasons stated above and for the following reasons:

- Protocols for breeders fund registration still do not address the real issue regarding broodmares and ND bred compliance. The real issue is assuring that ND bred foals are truly born in ND. The requirement to re-register a filly as a broodmare does not address this issue and is being pursued to support previous contentious commission policies. Reregistering fillies as broodmares adds unnecessary layers of complexity and bureaucracy to the process.
- There is no legitimate reason to rewrite 69.5-01-09-10. Limited funding to support purses is probably the reason for this rule change. The original breed fund award rule was well constructed with an economic development component. Denying breed fund awards to the owners of horses winning purses supplemented with breed fund \$s (which may be prohibited by the legislative intent of HB 1324) may decrease marketability of ND bred foals.