

Administrative Rules Committee and Chairman Fischer

March 12, 2008, 1:30 p.m.

Testimony of Randy Blaseg, Director of Racing, ND Racing Commission

The Racing Commission has considered the opinions of all of the major breed associations that are affected by the new regulations. We have heard the opinions of the ND Quarter Horse Association and I am providing you with copies of letters from the Thoroughbred and Harness Racing Associations. As you can see the Thoroughbred and Harness Associations support the regulations that are presented by the commission.

At yesterday's meeting, March 11, the Racing Commission voted to amend the proposed regulation 69.5-01-09-10 # 1 to read as follows: In race's restricted to certified North Dakota bred horses, where the purse for such race is supplemented by the breeder's fund, no awards will be paid to the owners of runners in such races. The awards which otherwise would be paid to the owner of the runners will be paid to the breeder.

The Commission realizes some breeders object to this proposal and some breeders state that this rule hampers the sale of colts. However, the seller can merely agree with the proposed buyer of the colt that the seller will agree to reimburse the new owner of the colt any breeders' award money he receives as a breeder of that colt.

Failure to approve these proposed regulations, the following will occur:

- Under 69.5-01-09-01 # 1, 3 - Certified ND Bred runners over the age of 6 will not be allowed to enter in ND Bred races or receive any awards.

- It will be required to call a Broodmare a mare and by definition in the American Heritage Dictionary Second College Edition defines a Broodmare as a mare kept for breeding. A mare is defined as a female horse or the female of other equine species. (Keep in mind we have three forms of registrations Foal, Broodmare and Stallion.) Basically we have taken a rule that had some grey area and attempted to make it clear.
- Under 69.5-01-09-03 # 1 - Voiding this regulation will create a conflict with state law on the amount deducted from pari-mutuel pools.
- 69.5-01-09-10 #1 - Voiding this regulation will allow an owner of the runner to double dip from the Breeders Fund.
- There are several proposed amendments which implement legislation passed in the 2007 Legislative Session. If the Committee voided such proposed amendments, the rules would conflict with the law.
- Voiding all or part of the proposed amendments will not have any consequences for the Commission's authority to supplement purses with Breeders' Fund money in races restricted to North Dakota bred horses. It is important for the Committee to understand that the issue of the authority to supplement purses with money from the Breeders' Fund is not addressed by the proposed amendments. That authority is provided by law, N.D.C.C. 53-06.2-04.1 and a rule, N.D. Admin. Code 69.5-01-09-09, which is not proposed to be amended. The issue of the authority

to supplement purses with money from the Breeders' Fund should not be considered in connection with the proposed amendments.

It is the opinion of council that there is statutory authority for the proposed amendments. See 53-06.2-01(1), 53-06.2-04.1, 53-06.2-05(6), 53-06.2-11(6).

There is no emergency created by the proposed amendments.

The proposed amendments do comply with the legislative intent expressed in law, and do not conflict with any law. The law requires the Commission to provide for registration and to administer and disburse the Breeders' Fund in accordance with rules adopted by the Commission. See N.D.C.C. 53-06.2-01(1), 53-06.2-04.1, 53-06.2-11 (6). The proposed amendments do that. The broodmare registration amendment and the double-dip amendment do not conflict with any law.

The Commission has met the procedural requirements of N.D.C.C. ch. 28-32. This is also the Attorney General's opinion. See Opinion of November 14, 2007.

The proposed amendments are not arbitrary or capricious. Arbitrary and capricious mean without reason. There are sound reasons for the proposed amendments. Because a few people may disagree with the proposed amendments, does not render the proposed amendments without reason. Disagreement does not make the proposed amendments arbitrary or capricious.

The Commission did make a written record of the Commission's consideration of written and oral submissions.

March 10th, 2008

Dear Committee Member:

As President of the North Dakota Thoroughbred Association, I spoke with several directors regarding the proposed ND Bred Rule changes prepared by Mr. Blaseg. Directors were notified to contact me and not all directors provided feedback. The conversations were conducted individually by phone without an in-depth meeting. The directors that I visited with accepted the proposed rule changes.

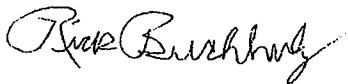
The main concern from the directors, as well as other Thoroughbred Association members, is how the breed money is being used to supplement purses. It is understood that breed money does need to be used to supplement purses and a majority of the money taken from the breed fund should support the futurity, derby, and maturity bred races.

Some directors also accept the rule change wording from Mare to Broodmare.

Please understand these opinions are represented by a few active directors and not by an association at large.

Consider contacting me with any questions or comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rick Buchholz".

Rick Buchholz
President NDTA
701-282-2082

MAR 10 2008

To: N.D. Racing Commission

3-6-08

Dear Commissioners,

I have met with the members of
The North Dakota Harness Horsemen's Association,
and we agree and support supplementing
N. D. Bred races with monies from the
Breeder's Fund. We also agreed that
a mare that is raising babies is
called a broodmare. We also agreed
that as long as a North Dakota Bred
horse is competitive, he or she should
be eligible to collect Breeder's awards.

Sincerely,

Dale Lagerquist

Dale Lagerquist
North Dakota Harness
Horsemen's Association

Blaseg, Randy L.

From: garyb [garyb@utma.com]
Sent: Tuesday, December 11, 2007 9:02 AM
To: Blaseg, Randy L.
Subject: ND Breed Fund Rules

When a race is run using ND Breeders Funds, the purse is larger than a similar race using only the Purse Funds. At the end of the year these same horses that ran for a larger purse and the race restricted to ND Breds are receiving another check from the Breeders Fund. So in essence there is double dipping going on. These horses already received their share of the Breeders Fund by running for a larger purse than normal and running in a race restricted to North Dakota Breds, they should not be receiving another check for the same thing at the end of the year.

Currently, only ND bred horses age 6 and under are eligible for Breeders Fund money. ND does not have alot of horses and maybe by removing the age limit a few more horses would continue to race in ND. It would not affect many horses by a few would help the racing in North Dakota.

Gary Bergsrud
ND Owner & Breeder

12/11/2007

Montpelier N. Dak
12-11-2007

N.D.R.C.

I would like the new regulations to be like last year with no age limit on race horses to be eligible for Breed fund money in purses or for breed money for winning races.

Breed money could also be added to purse money at the time of the race for horses that qualify. That would benefit the trainer and jockey. Assinibois Downs and Canterbury have been doing it for years.

I also think bred mares should be registered before foaling even if they were registered as a race horse and fee paid.

Sincerely,

Bill Maulding

N.D. breeder and race horse owner.

COPY

HORSEMAN'S COUNCIL MEETING.

14

Date= January 13, 2008

Place Lone Steer Motel, Steele, ND

Director Blaseg opened the meeting. Members present from the council were as follows: Curt Rohweder, Doug Demontigny, Randall Schwartz, Dale Lagerquist, and Leslie Schmidt. An election of officers was held with the following people elected: Les Schmidt Pres, Randall Schwartz VP, Doug Demontigny Sec-Treas.

Horsemen present were: Robert Meidinger, Leon Glasser, Ralph Buchholz, Billy Buchholz, Lance Hagen, Elery Scherbenske, Bill Mauldin.

Special guests present were legislators, DeKrey and Kretchmeier.

The first item on the agenda was do we want to use Bred money for purses. There was a lengthy discussion. Both pros and cons were submitted. The QH people were unified against the using of bred money for purses. The TB people were split. I present a work sheet of seven different examples of what the bred money would do to enhance purses, along with what the purses would be without the bred money available. After much discussion, Doug made a motion, seconded by Randy Schwartz, that no funds from the bred money be used. Question called, The result of the vote was as follows, Demontgie and Schwartz yea, Schmidt, Lagerquest, and Rohweder no. The motion failed. It was recommended by our committee that bred money be used for purses.

Item #2 on the agenda was as follows: What amount of money should be used from the bred and purse funds for purses? There were suggestions from the horsemen(both QH & TB) that the amount of money that was withdrawn from the bred fund for 2007 was excessive. I suggested that we could live with \$150,000 as that was the amount granted in 2006. Rohweder discussed the need for good purses, both for the resale of ND Bred horse, and for the ability to obtain good jockeys for the races. The horsemen were interested in one thing only, and that was the ability to keep the bred money for the breeders. They can't seem to grasp the importance of being able to sell the foals for a premium. For years the bred money had been paid to the breeders, and you heard nothing but complaints about not getting any money for the colts. Again I presented my work sheet as for the need of funding in order to present an adequate race program.

After a lengthy discussion, Doug made a motion, Schwartz seconded, that we recommend to the race commission that no more than the amount that is paid out as breeders awards be used for the purse supplement. The vote was called, motion passed.

The recommendation for the purse fund followed in basically the same path. The committee recommendation to the racing commission was that 1/3 of the money available in the purse fund be used for 2008 purses.

Les Schmidt recommended that the committee meet at least 6 times a year, once at a neutral or central location, and once in each members area. It was recommended that at the area meetings, the rep for that area will invite all legislators to attend the meeting. The next meeting was scheduled for 3-1-08, but will have to be changed to 3-15-08 as two of the committee will be out of the area. Randy volunteered to have the March meeting in Dickinson.

Report by Les Schmidt, Pres.

SECTION 6. Wyoming-Bred Horses

X (a) A "Wyoming bred" horse is a horse foaled in the state of Wyoming, out of a mare that has been registered as an accredited Wyoming broodmare.

X (b) A "Wyoming broodmare" is a mare permanently domiciled in the state of Wyoming except for medical, racing, and breeding purposes and registered with the American Quarter Horse Association, the American Paint Horse Association, the Appaloosa Horse Congress, or the Jockey Club and accredited by the state breed organization recognized by the Commission. X

(i) This rule shall not affect the status of any horse recognized as a Wyoming bred horse prior to the 1994 2007 breeding season.

—FORMS & INSTRUCTIONS—**new mexico horse breeders association**

Office Location: 1020 Texas St. NE
Albuquerque, NM

Mailing Address: NMHBA
Uptown Station
P.O. Box 36869
Albuquerque, NM 87176-6869

Phone: (505) 262-0224
(800) 698-4023

THE NEW MEXICO HORSE BREEDERS ASSOCIATION HAS THREE SEPARATE REGISTRIES:

1. Registration of a New Mexico bred, which is affixing our seal and registration number on the foal certificate papers.
2. Registration of a mare in our permanent BROODMARE registry.
3. Registration of a stallion in our permanent STALLION registry.

1. For registration of a New Mexico bred:

A foal born in 1982 or thereafter will be eligible for registration AS A NEW MEXICO BRED if:

- (a) The foal's sire was registered in the STALLION registry before time of breeding.
- X (b) The foal's dam was registered in the BROODMARE registry before September 1 of the year the dam was bred.
- (c) The foal's dam remained in the state of New Mexico during pregnancy and foaling (unless prior written approval for the mare to leave the state temporarily was obtained from the Board of Trustees). The Board of Trustees, at any time, can demand that the Owner of the mare in question submit to the Board sufficient proof that the horse remained in the State of New Mexico during pregnancy and foaling. TRUSTEE APPROVAL IS NOT REQUIRED FOR EMERGENCY VETERINARIAN CARE.

USE FORM #100 FOR REGISTRATION OF A NEW MEXICO BRED

2. For registration of a New Mexico BROODMARE:

FEE \$100

The mare must be registered in the Association's BROODMARE registry before September 1 of the year the dam is bred. (Penalty payments will apply for in-foal registrations after that date.) Contact association office for details.

USE FORM #200 FOR REGISTRATION OF A BROODMARE

3. For registration of a New Mexico STALLION:

FEE \$400

The stallion must be registered in the Association's STALLION registry before time of breeding. (Late stallion registry requires a penalty.) Contact association office for details.

USE FORM #300 FOR REGISTRATION OF A STALLION

SEE REVERSE SIDE FOR ADDITIONAL INSTRUCTIONS

Title 294
Chapter 24

Chapter 24

NEBRASKA-BRED RULES

24.001 REGISTRATION FORMS

24.001.01 Nebraska-bred registration application forms furnished by the official registrar must be completed and filed with the official registrar by the owner or authorized agent to effect the registration of broodmares, stallions standing for service in Nebraska, and foals.

24.001.02 All registration forms used by the official registry shall have been approved by the Nebraska State Racing Commission.

24.002 REGISTRATION OF BROODMARES

24.002.01 Before a foal can be certified as Nebraska-bred its dam must have been registered prior to foaling with the official registrar. An application for Registration of Broodmare, including a notarized affidavit of mare ownership and the required registration fee must be submitted to the official registrar prior to the birth of the foal.

A "late fee" shall be charged for an Application for Registration of Broodmare after September 1 of the year bred, unless said mare is purchased in foal, in which case the mare owner shall have 60 days to register said mare at the regular fee; however, in any event an Application for Registration of Broodmare must be submitted prior to the birth of the foal. A current copy of both sides of the Jockey Club or American Quarter Horse Association papers for the mare must accompany the broodmare application.

24.002.02 The official registrar shall issue a Certificate of Registration for a Broodmare on receipt of satisfactory evidence of the ownership, location and identity of the mare, the completion of the required forms, and the submission of the required registration fee.

24.002.03 In the event of a sale or transfer of all or part ownership of a broodmare that is registered with the official registry, the new owner(s) must apply to the official registrar by completing a Change of Broodmare Ownership form. This form and the applicable fee must be filed with the official registrar.

A "late fee" shall be charged for a Change of Broodmare Ownership submitted after September 1 of the year bred, unless said mare is purchased in foal, in which case the new mare owners(s) shall have 60 days to submit the Change of Broodmare Ownership at the regular fee. A current copy of both sides of the Jockey Club or American Quarter Horse Association papers for the mare must accompany the broodmare application.

CHAPTER 62
REGISTRATION OF IOWA-FOALED
HORSES AND IOWA-WHELPED DOGS
[Prior to 7/27/88, see Agriculture Department 30—Ch 14]

21—62.1(99D) Definitions. For purposes of this chapter, unless a different meaning is clearly indicated by the context:

"Bona fide Iowa resident" means a person who has resided in Iowa for six months prior to the date of registration of the stallion.

"Breeder of a greyhound dog" means the owner of the pup(s) at the time of whelping.

"Breeder of a standardbred and quarter horse" means the owner of the brood mare at the time of breeding.

"Breeder of a thoroughbred" means the owner of the brood mare at the time the foal is dropped.

"Department" means the Iowa department of agriculture and land stewardship.

"Onionskin" means an original individual greyhound application form of the National Greyhound Association.

"Owner of a thoroughbred stallion," "owner of a standardbred stallion" or "owner of a quarter horse stallion" means a bona fide Iowa resident who owns at least 51 percent of a thoroughbred, standardbred or quarter horse stallion for one service season or more.

"Secretary" means the Iowa secretary of agriculture.

21—62.2(99D) Iowa horse and dog breeders' fund. Iowa-foaled horses and Iowa-whelped dog records and breeder payments:

The department will establish and maintain a records system entitled the "Iowa Horse and Dog Breeders' Fund." This records system will feature a list of thoroughbred, standardbred and quarter horses who have qualified to be Iowa-foaled horses, as well as a listing of all greyhound dogs that have qualified to be Iowa-whelped dogs.

A sum equal to 12 percent of the purse won by an Iowa-foaled horse or Iowa-whelped dog shall be used to promote the horse and dog breeding industries. This percentage shall be applicable to all races that are limited to Iowa-foaled horses or Iowa-whelped dogs as well as all other races which are won by Iowa-foaled horses or Iowa-whelped dogs.

The 12 percent shall be withheld by the licensee from the breakage and shall be paid at the end of the race meeting to the state department of agriculture and land stewardship which, in turn, shall deposit it in a special fund to be known as the "Iowa Horse and Dog Breeders' Fund" and pay it by December 31 of each calendar year to the breeder of the winning Iowa-foaled horse or the breeder of the Iowa-whelped dog.

62.2(1) All foals/horses qualified through the department to be Iowa-foaled horses and dogs qualified to be Iowa-whelped will be listed by a department registration number. The Iowa-foaled horse mare breeder(s) at the time of foaling, or the owner of the standardbred and quarter horse brood mare at the time of breeding, or the owner of the dog, as a pup, at the time of whelping, shall be properly recorded with a registration number.

62.2(2) A race track licensee shall hold at least one race on each racing day limited to Iowa-foaled horses or Iowa-whelped dogs. However, if sufficient competition cannot be had among that class of horses or dogs on any day, another race for the day may be substituted.

62.2(3) As the department receives this money from the licensee, the department shall credit each horse or dog, by registration number, with the amount. At the end of each calendar year, the department shall pay the amount credited to winning Iowa-foaled horses or Iowa-whelped dogs to the Iowa-foaled horse breeder or to the Iowa-whelped dog breeder.

62.2(4) The department will implement and maintain a system of keeping the Iowa state racing commission informed and updated relative to all horses and dogs which are eligible to race as Iowa foaled or Iowa whelped.

BLEEDER - A horse which demonstrates visible external evidence of Exercise Induced Pulmonary Hemorrhage (EIPH) or existence of hemorrhage in the trachea post exercise upon endoscopic examination. Such examination is to be authorized by or performed in the presence of a Division veterinarian.

BOARD - The Board shall mean the Board of Judges or the Board of Stewards.

BODY FAT SCALE - "Body Fat Scale" shall mean a Division-approved, association-provided professional-grade body-compositing scale, utilizing bioelectric impedance analysis technology, capable of reliably and consistently measuring the percentage of body fat at 0.1% body fat graduation, and capable of printing out the measured body-fat percentage results immediately after measurement.

BREEDER (HORSE) - A Breeder is the owner of the horse's dam at the time of foaling for Thoroughbreds. For Quarter Horses, Appaloosas, Arabians, and Paint Horses, the Breeder is the owner of the dam at the time of service.

BREEDER - (GREYHOUND) - A breeder is the owner or lessee of a female at the time of whelping.

CLAIM CERTIFICATE - A claim certificate is a form issued by the stewards to a person who desires to claim a horse but has no horses registered to race at the meet.

COGGINS TEST - A test required of horses to determine exposure to Equine Infectious Anemia.

COLORADO BRED (GREYHOUND) - A greyhound whose National Greyhound Association certificate has been stamped as whelped in Colorado.

* **COLORADO BRED (HORSE)** - A Colorado bred horse is a horse which satisfies each of the following criteria:

- * 1) A horse which was foaled in the State of Colorado out of a mare that was, itself, at the time of the foal's birth, a Colorado broodmare registered with the relevant official Colorado breed registry; and,
- 2) A horse which has been registered with the relevant official Colorado breed registry.

COMMISSION - See C.R.S. 12-60-102(5).

CROSS SIMULCASTING - See C.R.S. 12-60-102(6).

DAILY DOUBLE - Requires the selection of the first place finisher in each of two consecutive races.

DAY -

Randy Blazey
Director of Race
Stet of Nat Dist

701-328-4280
faced ~~up~~

As an owner/breeder I prefer any bred monies be included in the purse. That way you more accurately know what you are going to receive. I believe better purses lead to fuller fields, which help the track handle.

Also amounts received go back into the local economy where it is used to pay feed, vet, etc, as most people need it to "settle up" their expenses at the end of the meet.

Above from Tom Maher:

As an owner/breeder I prefer any bred monies be included in the purse. That way you more accurately know what you are going to receive.

I believe better purses lead to fuller fields which help the track's handle.

Also amounts received go back into the local economy where it is used to buy feed, vet, etc. as most people need to settle up their expenses at the end of the meet.

Daily Double / Exacta / Trifecta / 10 Cent Superfecta



4th

Approx. Post 8:22 PM

Win	Place	Show

MAIDEN. PURSE \$19,125. (INCLUDES \$4,125 FROM MBF) FOR MN-BRED MAIDENS, TWO YEAR OLDS. Weight, 118 Lbs. Five Furlongs.

Track Record: Tonight Rainbow 117 lbs. 5 y.o. 5-31-04 :57.11

MAKE SELECTION BY PROGRAM NUMBER				Probable Odds
	OWNER	TRAINER	JOCKEY	
1 RED	Winchester Place Thoroughbreds LLC (Lorie Michaels) (Chicago, IL) <i>White, Red Stripes, White Stars on Blue Sleeves</i> Brilliant Baby 2y.o. (Apr) Dk B/ Br. c (MN) by Matty G - Holly Wreath (North Prospect) (2-0-1-0)	Victor Hanson (76-9-9-4)	5-2 Tanner Riggs (213-19-35-27)	
2 WHITE	Kissoon Tb's (K & D Kissoon) (Prior Lake, MN) <i>Red, Silver Diamond Belt</i> Tez Sunaman 2y.o. (Apr) Ch. c (MN) by Demidoff - Tez Triya (Petaski) (1-0-0-0)	Tammy Domenosky (56-7-9-9)	8 T. Houghton (47-3-9-5)	
3 BLUE	M A Johnson, G McCloud & R Bahde (Grand Island, NE) <i>Red, Red MAJ on White Diamond, Red Diamonds on White Sleeves</i> I the Jury 2y.o. (Feb) B. g (MN) by Petionville - Minnesota Magic (Manila) (0-0-0-0)	Marvin A. Johnson (55-5-3-3)	6 Ry Eikleberry (156-15-26-24)	
4 YELLOW	North Star Stable <i>Red, Black Diamond, Black Cuff on White Sleeves</i> Dixie Gourmet 2y.o. (Feb) B. c (MN) by Dixie Power - Gourmand (Fit to Fight) (0-0-0-0)	Bernell Rhone (140-18-24-14)	7-2 Dean Butler (146-22-29-17)	
5 GREEN	Wayne D. Scanlan (Hugo, MN) <i>Navy Blue, Silver "WS" in Horseshoe</i> Tioga Crossing 2y.o. (Mar) B. c (MN) by Valley Crossing - Play the Float (Bedford) (0-0-0-0)	Debra Hale (37-3-2-2)	15 Braulio Fernandez (17-1-1-1)	
6 BLACK	New Phase Partners <i>Green, White Shamrock, Green Shamrocks on White Sleeves</i> Chi But Proud 2y.o. (Apr) Dk B/ Br. c (MN) by Chicago Six - Bourne Proud (Exbourne) (0-0-0-0)	Troy A. Bethke (125-12-11-10)	5 Jesse Garcia (185-31-36-21)	
7 ORANGE	Francisco Bravo (Aubrey, TX) <i>Lime Green, Blue Tree, Blue Diamonds on Sleeves</i> Touchmewithmagic 2y.o. (Feb) Ch. c (MN) by Magic Cat - Pounding Mills (Lord Avie) (0-0-0-0)	Owner (Rafael Flores) (88-13-12-12)	3 Derek Bell (211-54-31-24)	

L - Lasix; O - First time on Lasix; LX - Off Lasix; B - Bute; S - Nasal Strip User
 - Minnesota Bred

LIKELY FAVORITES 1-7-4-6

B=NSAIDS (Phenylbutazone, Flunixin or Ketoprofen)
 08/03/2007 Race 4

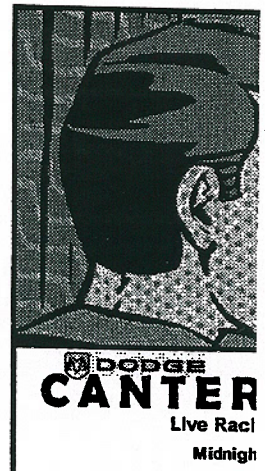
TEZ SUNAMAN lost stumbled and was che down the stretch along a lot from that expe expecting a good race

TOUCHMEWITHMAG debut. His sire Magic TOUCHMEWITHMAG and does get the serv

BRILLIANT BABY wil keen early speed. H time out and faded to time lasix tonight bu Taking a skeptical vie

Trifecta: 2, 7, over 1, 2

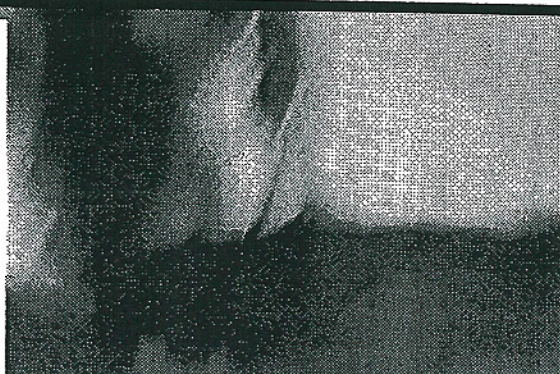
Daily Double: 2, 7 with



For further information, look for the

Golden Gloves Boxing

Sponsored by



RACE	BEST EARLY SPEED	HIGHEST JOCKEY WIN %
4		
1		
2		
3		

ND Racing Commission
500 North 9th Street, Bismarck, ND
Tuesday, October 2, 2007

DRAFT

ND Racing Commission's Consideration and Response
to the September 6, 2007 public hearing comments by four individuals
and to three written comments submitted in
regards to the Administrative Rules changes

69.5-01-02-07 and 69.5-01-05-09

Doug DeMontigny stated there are two sections that need to correlate. 69.5-01-02-07 (subsection 4) requires that to be present in the test barn area at a live race meet an individual has to be 18 years of age. However there is a proposed rule of 69.5-01-05-09 (subsection 2) where we allow an exception to the 18 year age requirement for horse ownership. So we will allow a person younger than 18 years to own a horse but if he wins a race he can't go to the test barn with that horse and those two rules need to correlate.

The Commission decided that in reference to Mr. DeMontigny's concerns that for safety reasons no one under the age of 18 needed to be allowed into the testing area. The trainer and or his representative would be required to witness any samples taken from the runner.

Commissioner Weir made the motion to leave proposed rule change as is. Commissioner Secrest seconded the motion. All voted aye and motion passed.

69.5-01-03-19 Association veterinarian

Scott Horst commented regarding the association veterinarian. I just am little concerned with why they want to nix the veterinarian from seeing the horses on race day. That is the safety of the horse and the jockey.

The Director of Racing stated it was the responsibility of the Commission Veterinarian to advise the stewards if a horse is to receive a veterinarian's scratch. The wording is in place to give the commission veterinarian the authority to assign the responsibility to an association veterinarian if an emergency should occur.

Commissioner Secrest made the motion to leave proposed rule change as is. Commissioner Weir seconded the motion. All voted aye and motion passed.

69.5-01-05-02 Licensing Fees

John Bubel asked what is the justification for raising the fees and where does the money go? He thought the fees should be left as they were.

Scott Horst asked when or if the licensing fees are raised, do they go into the general fund, breeders' fund or into the promotion fund? Do they get split up amongst the three or do they do go all into one?

Doug DeMontigny commented on the proposed increase in fees for all the activities that his position on this was that the increases were excessive and don't know that it is necessary. I am opposed to these drastic fee increases in every aspect of racing.

The Director of Racing stated the fees go directly into the Administrative Fund and that fees haven't been increased in nearly 20 years. In the past five years, nearly \$2,000,000 has been paid to owners and breeders of ND Certified Bred runners and it appears the increased fees would be justified. The state auditor's office in their last audit recommended raising fees.

Commissioner Pladson made the motion to adopt proposed rule as drafted with no additional changes. Commissioner Secrest seconded the motion. All voted aye. Motion passed.

69.5-01-09-01 North Dakota Breeders' Fund

John Bubel commented that on subsection 1 where the items that have been crossed out should be left as was. That was put in for good reason and that should stay there. Subsection 3 should be left as it was. It appears that what they are trying to do is to make it legal to make us register a foal and re-register it as a broodmare which it was never intended to do. If left as it was it works.

Scott Horst, commented on #1, to continue through the age of six years, I would like to put up to eight years old on that for the Thoroughbred people. Not over eight years just because of some of these guys that run their horses two or three races, certain races, till they are age 15 referring to trotters.

Richard Nevins, representing the ND Quarter Horse Racing Association, commented that they want the words to stay the same in subsection 1, "For the purposes of awards and purse supplements, such accreditation for horses racing shall continue through the age of six. "

Richard Nevins, commented on subsection 3, we want to leave the word "Mare" and not change it to "Broodmare".

Written comments were received by Angie Cameron that the ND Breed Fund to be left as it is. Don and Karen Cameron's written comment was also that the ND Breed Fund to be left as it is.

Concerning John Bubel's comments under subsection #1, Chairman Clement wanted to leave the rule as proposed to encourage the breeders and owners to be able to continue racing Certified Bred as long as they were competitive.

Concerning Scott Horst's comments under subsection #1, the commissioners stated that breeders should be rewarded for raising horses that are capable competing as the runners get older. All breeds should be considered equal and the proposed rules regarding age restriction treats all equally. Horses should be allowed to receive breeders' awards if they have the ability to continue racing successfully.

Regarding subsection #1 "Accredited North Dakota-bred horse", Commissioner Secrest made the motion to leave proposed rule change as is and no change due to comments. Commissioner Pladson seconded the motion. All voted aye. Motion passed.

In regards to subsection #3, it was determined by the majority of the commissioners that the term broodmare clearly defines that the mare is being used for breeding. The hand out provided to the commissioners explained in the racing industry's glossary of racing terms, a broodmare is a mare used for breeding purposes.

Regarding subsection #3 "North Dakota-bred", Commissioner Pladson made the motion to adopt the proposed rule change as drafted with no changes made due to comments. Commissioner Secrest seconded the motion. Pladson-Y, Clement-N, Weir-Y, Secrest-Y, Frederick-N. Motion carried.

69.5-01-09-02 Registration and requirements for North Dakota-bred eligibility.

John Bubel commented on regarding #2, Broodmare registration, would like added "a broodmare is defined as a mare and or foal registered with the ND Racing Commission". When you register a horse with AQHA they don't ask to register it as a foal it is registered as a mare or a stallion. The ND Racing Commission could be the same as one of the major breed organization is, they don't register them as a foal. On 2a the registration fee of twenty dollars could stay at ten dollars. If the money is going into the breed fund that is one thing but if it is not that is totally another.

#2b. John Bubel commented that the new part could just be left out because once they are in the system they should always be a broodmare. They are always a mare. The new part should not be put in there.

#3a Stallion registration. John Bubel commented that "or the registration renewed" taken out because you have already put that horse in once when it was born and no reason to put it back in.

#4 Foal registration - John Bubel commented the word foal could be eliminated and just be registration and certification. When it is born it is a horse.

Richard Nevins commented on subsection 2, Broodmare registration. "A broodmare is defined as a mare" is what we would like to have put in there.

Scott Horst commented that currently there is a ten dollar fee to register your foal before the age of 1, age 1 to age 2 it is \$1,000 to register as ND foal, after that they are no longer eligible to receive bred point money or run in restricted races. I would like to go from age 2 to 3 for at least a \$2,000 fee. Let these horses if they are there to run in these races. I would like for just add on of "a \$2,000 fee for ages 2 – 3 to stamp as ND certified".

John Bubel commented he would like the registration fees for foals, broodmare and stallions to stay as they were.

The Director of Racing stated that by the glossary of racing terms a broodmare is a mare used for breeding purposes. If the industry is going to allow breeders to live in other states and raise Certified ND Breds then we need to have documentation verifying where the broodmares are located and what they are being used for. Other states require similar registration requirements, as was indicated in the handout provided to the commissioners for the state of Minnesota's broodmare registration requirements.

Commissioner Pladson stated that this matter was dealt with at the previous commission meeting with a motion that clarified the definition of North Dakota-bred which means a foal born in North Dakota out of a broodmare registered as a broodmare with the North Dakota racing commission.

Commissioner Pladson made the motion to adopt the 69.5-01-09-02 rule as drafted with no changes. Commissioner Secrest seconded the motion. Secrest-Y, Pladson-Y, Weir-Y, Clement-N, Frederick-N. Motion carried.

In regards to Scott Horst's request to allow a foal to be registered as a 2-3 year old at an increased fee of \$2,000, the commission determined the breeders at the present time have ample opportunity to certify a foal.

Commissioner Secrest made the motion to adopt the rule change as drafted regarding the registration fees for a foal. Commissioner Pladson seconded the motion. All voted aye. Motion passed.

69.5-01-09-03 Administration of North Dakota breeders' fund program

John Bubel requested #2 to be left as it was.

Richard Nevins commented we would like it left as is in subsection #1, and in subsection #2, we would like to leave in the wording, "the official registering agency shall provide the commission". That way we are not doing double reporting for whoever is going to do the bred points, the foal registration and stuff, the commission shouldn't have to go back and redo it.

69.5-01-09-03 (Breeders Fund), 69.5-01-10-01 (Purse Fund), 69.5-01-12-02 (Promotion Fund)

Doug DeMontigny commented on the taxation on the three special funds. They all say the same and they all make the same change in language. The racing commission shall make deduction of from each pari-mutuel pool rather than specifying the percentage. This allows for differentiation between walk ups taxation and game room volume betting. Another change is that the equal consideration among the three funds goes away. I would like to see the language remain in place that would require equal treatment

among the three funds as before and the actual percentage left up to the racing commission and they would assign whatever the market would bear in terms of taxation.

The Director of Racing pointed out that the new law specifically provides the amount to be put in each fund. The changes stated in the rules declare deductions shall be made as provided by the ND Century Code. The commission does not have any discretion in the amount to deduct as the deduction is determined according to the law. We did not see the need to be redundant by putting it in the rule as well.

Commissioner Secrest made the motion to leave the rule as drafted and Commissioner Pladson seconded the motion. All voted aye. Motion passed.

69.5-01-09-10 Distribution of funds for North Dakota-bred ~~pari-mutuel~~ pari-mutuel races.

John Bubel stated they would like to have scratched the new part that is written "in trials" because we have had a minimum purse of \$1,000 and we have seen highs and lows in amount of money available for purses and we feel that everything should just stay at \$1,000 and the "in trails, fifteen hundred dollars in all other races" should not be put in. We feel very strongly that the new part "in races restricted to certified North Dakota bred horses" be left out.

Scott Horst commented on #1 "in races restricted to certified North Dakota bred horses, where the purse for such race is funded by the breeder's fund", there we are talking about breeders' fund money, funding races, which I am strongly against, and no additional points, right there so they want to use breeders' fund money to fund your race and then not give you any points. I strongly disagree on this. According to this there will not be any breed points given out at the end of the year.

John Bubel commented on subsection 6, which the whole section was struck out, we would like to see that whole section stay in. We would like the last line left out where it says January 15th of the year, following these races.

Richard Nevins commented in the bottom line of subsection #1 "In race's restricted to certified North Dakota bred horses, where the purse for such race is funded by the breeder's fund, no additional points will be paid to the owners of runners in such races", we would like that taken out of there.

Richard Nevins commented on subsection 6, we would like that left in there, "no more than a total of ten race awards per horse will be permitted."

John Bubel's written comments were an overall review of his statements given at the hearing regarding all the rules.

Doug DeMontigny commented I am endorsing John Bubel's comments in areas that he did comment on.

In regards to John Bubel's comments, for breeders' awards a minimum purse of \$1,000 in trials and \$1,500 in other races, the above comments were previously addressed and agreed upon at an open meeting.

In regards to John Bubel, Richard Nevis, Doug DeMontigny and Scott Horst's comments regarding subsection #1, after lengthy discussion by Chairman Clement and Commissioners Secrest, Pladson, and Weir, it was determined by the majority of the commissioners that since breed fund money is used to fund the purse for certified ND Bred races, the owners of those runners would receive their share of the breeders award from the purse at the time the race was run.

In regards to John Bubel and Richard Nevins' comments on subsection #6, the majority of the commissioners decided if a horse was deserving of the awards allow them to receive the awards.

ND Racing Commission
October 2, 2007
Response to public comments
Page 5

Commissioner Pladson made the motion to approve the rule 69.5-01-09-10 change as drafted. Commissioner Secrest seconded the motion. Clement-N, Frederick-N, Secrest-Y, Pladson-Y, Weir-Y. Motion carried.

Commissioner Secrest made the motion to adopt the proposed administrative rules as drafted with no additional changes. Commissioner Pladson seconded the motion. All vote aye. Motion passed.