

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. ~~1253~~ 05.0099.0733

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 2-11-86
DATE FOR REVIEW 2-20-86
DATE DUE 2-25-86

Adopted w/a hearing ____
Adopted w/o hearing x
Temporary rule ____

Approved 2.25.86 mjc Disapproved ____ Returned to Agency ____

Resubmitted ____ Due ____
Approved ____ Disapproved ____ Returned to Agency ____

Date filed w/Secretary of State 2-25-86 Revisor approved ____ disapproved ____

✓ Rule as Adopted — regulations Terry

✓ Rule as Proposed see SR.

✓ Order Adopting 1.22.86 Date

✓ Notice of Intent to Solicit Outside Opinion SR. 9.12.83.

✓ Order for rulemaking
N/A date of Hearing

✓ Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking
✓ Sufficiency minimal small biz statement

✓ Affidavit of Mailing Notice or rulemaking
11.21.85 At least 30 days prior to ~~hearing~~/adoption

✓ Affidavit of Additional Mailing on 11.21.85

✓ Mailing list Certificate

✓ Publication in State Register
11.18. At least 30/~~20~~ days prior to ~~hearing~~/adoption

N/A Hearing Examiner's Report

✓ Chief Hearing Examiner's Report(s)
____ Approving H.E.'s Report
____ Approving agency action

N/A Agency's Findings of Fact

✓ LCRAR Report or agency Affidavit

✓ Certificate of Board's Resolution Adopting Rules

N/A Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness contains statement of direct impact on small biz

N/A Petition for Adoption of a Rule

✓ Record (includes transcript or tape, exhibits, comments received by agency, requests for a hearing, and other relevant materials)

✓ affidavit of no comments Rec'd
Certificate of Compliance w/Rulemaking Procedures

N/A Affidavit of Mailing Notice of Submission to Attorney General

✓ Notice of Submission to the Attorney General

SF-00006-03

STATE MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO: DAVID J. FREEMAN, Executive Director
Minnesota Racing Commission

DATE: 2/25/86

ATTN: MARY B. MAGNUSON
Special Assistant Attorney General

FROM: MARTHA J. CASSERLY MJC
Special Assistant Attorney General

PHONE: 296-4692

SUBJECT: In the Matter of the Proposed Adoption of Rules of the Minnesota Racing Commission Governing Horse Medication

The above-referenced rule has been approved as to its legality by the Attorney General on February 25, 1986.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies of the approved rule with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth copy is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submission or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

In order for a permanent rule without a hearing to become effective, your agency must publish a notice of adoption in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

If you have any questions in this regard, please contact me.

MJC:pmf

Enclosures

cc: Maryanne Hruby
Executive Director
Legislative Commission to Review
Administrative Rules

Duane Harves
Chief Administrative Law Judge
Office of Administrative Hearings

RR1254

AG Copy

Racing Commission

Adopted Rules Relating to Horse Medication

Rules as Adopted

CHAPTER 7890
MINNESOTA RACING COMMISSION
HORSE MEDICATION

7890.0100 DEFINITIONS.

Subpart 1. **Scope.** The terms used in this chapter shall have the meanings given them in this part.

Subp. 2. **Analgesic.** "Analgesic" is a substance used to relieve pain.

Subp. 3. **Anesthetic.** "Anesthetic" is a substance used to effect a loss of feeling or sensation in any part of the body.

Subp. 4. **Bleeder.** "Bleeder" means, according to its context, either:

A. a horse which during a race or exercise is observed by the commission veterinarian or ~~stewards~~ his or her desginee to be shedding blood from one or both nostrils ~~or which is suspected of having bled and is so confirmed by an endoscopic examination conducted by the commission veterinarian within one hour following the race or exercise. Bleeder also includes~~ and in which no upper airway injury is noted during an examination by the commission veterinarian immediately following such a race or exercise;

B. a horse which, within 1-1/2 hours of such a race or exercise, is observed by the commission veterinarian, through visual and/or endoscopic examination, to be shedding blood from the lower airway; or

C. a horse which has been shipped into Minnesota and which meets the criteria in part 7890.0140, subpart 6 3.

Subp. 5. **Bleeder list.** "Bleeder list" means a tabulation of all bleeders maintained by the commission veterinarian.

Subp. 6. **Bute.** "Bute" means phenylbutazone or

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oxyphenbutazone.

Subp. 7. **Chemist.** "Chemist" means any official racing chemist designated by the commission.

Subp. 8. **Depressant.** "Depressant" is a substance used to diminish the function of the body, including the cardiovascular system, pulmonary system, urinary system, nervous system, musculo-skeletal system, or any other ~~functions~~ systemic function of the body.

Subp. 9. **Detention barn.** "Detention barn" means a secured structure designated by the commission.

Subp. 10. **DMSO.** "DMSO" means dimethylsulfoxide.

Subp. 11. **Horse.** "Horse" includes all horses registered for racing under the jurisdiction of the commission and, for purposes of this chapter, includes a stallion, colt, gelding, ridgling, filly, or mare.

Subp. 12. **Lasix®.** "Lasix®" means furosemide (4-chloro-N-furfuryl-5-sulfamoylanthranilic acid).

Subp. 13. **Medication.** "Medication" is a substance, compound, or element, or combination thereof, which is or can be administered to a horse for the purpose of preventing, curing, or alleviating the effects of any disease, condition, ailment, or infirmity, or symptom thereof, or for altering in any way the behavior, attitude, temperament, or performance of a horse, including athletic performance. The term medication includes all analgesics, anesthetics, depressants, narcotics, stimulants, tranquilizers, and other classifications of medications. Nothing herein shall be deemed to include:

A. Bute, provided that the test sample does not contain more than three micrograms of the substance or metabolites thereof per milliliter of blood plasma.

B. Lasix®, provided, however, that if it is administered to a confirmed bleeder on a day it is entered to race, it must be given intravenously under the visual supervision of the commission veterinarian and at a dose level not to exceed 250 milligrams (five milliliters of a 50 ~~milligrams/milliliters~~ milligrams/milliliter or five percent

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solution) per administration.

C. Topical applications, such as antiseptics, ointments, salves, DMSO, leg rubs, and leg paints which may contain antibiotics (excluding procaine, penicillin, and chloranphenicol) but which may not contain benzocaine, steroids, or other medications.

D. Food additives, such as vitamins and electrolytes, provided such additives are administered orally and do not contain any medications.

Subp. 14. **Narcotic.** "Narcotic" is a substance used to induce a sleep or stupor and at the same time relieve pain.

Subp. 15. **Positive test.** "Positive test" means the detection of any medication or metabolites thereof in a test sample or a test level of Bute above the allowed level.

Subp. 16. **Stimulant.** "Stimulant" is a substance used to increase or excite the function of the body, including the cardiovascular system, pulmonary system, urinary system, nervous system, musculo-skeletal system, or any other systemic function of the body.

Subp. 17. **Test level.** "Test level" means the concentration of Bute found in a test sample.

Subp. 18. **Test sample.** "Test sample" means any bodily substance including blood, urine, saliva, or other substance designated by the commission, taken from a horse under the supervision of the commission veterinarian for the purpose of analysis.

Subp. 19. **Tranquilizer.** "Tranquilizer" is a substance used to alter the psychic state.

Subp. 20. **Veterinarian.** "Veterinarian" means a doctor of veterinary medicine licensed by the commission to practice at a Minnesota racetrack.

Subp. 21. **Veterinarian's list.** "Veterinarian's list" means a tabulation of horses maintained by the commission veterinarian that are prohibited from entering a race for a minimum of five calendar days and not until such time as the commission veterinarian deems the horse in fit condition to race.

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7890.0110 MEDICATIONS PROHIBITED.

No person shall administer or cause to be administered to a horse within 48 hours of a race in which it is scheduled to run any medication (except as permitted by part 7890.0100, subpart 13, items A to D) by injection, oral or topical administration, rectal infusion or suppository, or by inhalation.

7890.0120 REPORTING PROCEDURES.

Subpart 1. **Veterinarians must keep records.** Veterinarians must submit daily to the commission veterinarian on a prescribed form a report of all medications and other substances (as provided in part 7890.0100, subpart 13, items A to D) which the veterinarian prescribed, administered, or dispensed for horses registered at a current race meeting. A logbook detailing other professional services performed while on the grounds of an association must be kept by veterinarians and shall be made immediately available to the commission veterinarian or the stewards upon request.

Subp. 2. **Administration of Bute to be reported.** The following procedures shall be observed when Bute is administered.

A. The administration of Bute to a horse entered to race must be reported to the commission veterinarian on a prescribed form by not later than 7:00 a.m. the day of the race.

B. Upon discontinuing the administration of Bute to a horse entered to race, the attending trainer must notify the commission veterinarian by 7:00 a.m. the day of the race.

C. If Bute is not detected in a test sample taken from a horse registered to use such substance, disciplinary action shall be initiated against the attending trainer and, if applicable, the assistant trainer or substitute trainer.

7890.0130 FINDINGS OF CHEMIST.

Subpart 1. **Prima facie evidence.** A finding by a chemist that any medication or Bute exceeding the allowable test level provided in part 7890.0100, subpart 13, item A, shall be considered prima facie evidence that such medication or

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substance was administered and carried in the body of the horse while participating in a race. Such finding shall also be considered prima facie evidence that the trainer and, if applicable, the assistant trainer or substitute trainer was negligent in the handling or care of the horse.

Subp. 2. **Distributed purse money.** The fact that purse money has been distrubuted prior to the issuance of the chemist's report shall not be deemed a finding that no medication or Bute exceeding allowable level was administered to the horse earning such purse money in violation of this chapter.

7890.0140 BLEEDERS.

Subpart 1. **~~Maintenance.--An-up-to-date-bleeder-list-shall be-posted-in-the-office-of-the-racing-secretary~~** **Examination of bleeders.** A horse which is alleged to have bled in Minnesota must be physically examined by the commission veterinarian in order to confirm its inclusion on the bleeder list, veterinarian's list, or both. The examination must be performed within 1-1/2 hours following the finish of a race or exercise in which the horse has participated. At the time of the physical examination the commission veterinarian may also require an endoscopic examination to confirm the source of hemorrhage. The endoscopic examination shall be conducted by a veterinarian employed by the horse's owner or his or her agent, and shall be conducted in the presence of and in consultation with the commission veterinarian. The commission veterinarian shall decide, based upon his or her experience and professional training, whether the amount of hemmorhage is sufficient to cause such horse to be certified as a bleeder.

Subp. 2. **~~Horses-placed-on-bleeder-list.--Bleeders-shall-be placed-on-the-bleeder-list-and-veterinarian's-list-and-shall-be ineligible-to-be-entered-in-a-race-pursuant-to-subpart~~** 5 **Confirmation of bleeder must be certified.** The confirmation of a bleeder examined pursuant to subpart 1 must be certified in writing by the commission veterinarian and such horse must be included on the bleeder list. Upon request, a copy of the

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certification shall be provided to the owner of the horse or his or her agent.

Subp. 3. ~~Endoscopic-examination.--Within-one-hour-of-the finish-of-the-race-or-exercise-in-which-a-horse-has participated,-the-commission-veterinarian-may-require-an endoscopic-examination-in-order-to-confirm-the-horse's-inclusion on-the-bleeder-list.--The-endoscopic-examination-shall-be conducted-by-a-veterinarian-employed-by-the-horse's-owner-or-his or-her-agent,-and-shall-be-conducted-in-the-presence-of-and-in consultation-with-the-commission-veterinarian.--The-commission veterinarian-shall-decide,-based-upon-his-or-her-experience-and professional-training,-whether-the-amount-of-hemmorhage-is sufficient-to-cause-such-horse-to-be-certified-as-a~~ bleeder Bleeders imported from other jurisdictions. A horse shipped into Minnesota from another jurisdiction may be considered a bleeder provided that the jurisdiction from which it was shipped certified the horse as a bleeder, and documentation to that effect is transmitted to and accepted by the commission veterinarian at the Minnesota racetrack to which it is shipped; and the transmission occurs prior to the initial entry of the horse into a race at the current race meeting.

Subp. 4. ~~Confirmation-of-bleeder-must-be-certified.--The confirmation-of-a-bleeder-must-be-certified-in-writing-by-the commission-veterinarian-and-such-horse-must-be-included-on-the bleeder-list.--Upon-request,-a-copy-of-such-certification-shall be-provided-to-the-owner-of-the-horse-or-his-or-her-agent~~ Horses placed on bleeder list. Bleeders shall be placed on a bleeder list and the list shall be posted in the office of the racing secretary. Horses certified as having bled in Minnesota shall also be placed on the veterinarian's list at the time of the observed bleeding and shall be ineligible to be entered in a race pursuant to subpart 5.

Subp. 5. Restrictions on confirmed bleeders. Confirmed bleeders shall be subject to the following restrictions:

A. For the first observed bleeding in Minnesota, the horse shall be placed on the bleeder list and the veterinarian's

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list and shall not be removed from the veterinarian's list ~~for at least 14 days, and not until the commission veterinarian has approved its removal~~ without the approval of the commission veterinarian. Such a horse shall be ineligible to race for at least 16 days following the observed bleeding.

B. When a horse has been observed bleeding for the second time in Minnesota, the horse shall be placed on the veterinarian's list and shall not be removed from the list ~~for at least 28 days, and not until the commission veterinarian has approved its removal~~ without the approval of the commission veterinarian. Such a horse shall be ineligible to race for at least 30 days following the observed bleeding.

C. When a horse has been observed bleeding for the third time in Minnesota, the horse shall be placed on the veterinarian's list and shall not be removed from the list for at least six months, and not until the commission veterinarian has approved its removal.

D. When a horse is observed bleeding a fourth time in Minnesota, the horse shall be barred from further pari-mutuel racing in Minnesota.

Subp. 6. ~~**Bleeders imported from other jurisdictions.** A horse shipped into Minnesota from another jurisdiction may be considered a bleeder provided there is compliance with the following procedures:~~

~~A. the jurisdiction from which it was shipped considered the horse a bleeder, and documentation to that effect is immediately transmitted to the stewards and the commission veterinarian at the Minnesota racetrack to which it is shipped; and~~

~~B. the commission veterinarian certifies the horse as a bleeder~~ **Lasix® may be administered to certified bleeders.** Upon request, any horse placed on the bleeder list shall, in its next race, be permitted the use of Lasix®. Once a horse has raced with Lasix®, it must continue to race with Lasix® in all subsequent races unless a request is made to discontinue the use. If the use of Lasix® is discontinued, the horse shall be

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prohibited from again racing with Lasix® unless it is later observed to be bleeding pursuant to subpart 1 or meets the requirements of subpart 3. Requests for the use of or discontinuance of Lasix® must be made to the commission veterinarian by the horse's trainer or assistant trainer on a form prescribed by the commission on or before the day of entry into the race for which the request is made.

Subp. 7. **~~Bleeders-confined~~ Confinement to security stall.** Once a horse ~~is-placed-on-the-bleeder-list~~ has been permitted the use of Lasix®, it must be ~~in~~ brought to the detention barn for treatment not less than four hours prior to scheduled post time for the race in which it is entered to start. Once at the detention barn, a horse shall remain there until it is taken to the paddock to be saddled or harnessed for a race.

Subp. 8. **Deadline for Lasix®.** ~~Bleeders-entered-to-race~~ A horse entered to race with Lasix® must be treated at least four hours prior to post time. ~~Immediately-prior-to-treatment, a-blood-sample-shall-be-taken-by-the-commission-veterinarian-for analysis.~~

Subp. 9. **Administration of Lasix®.** Lasix® shall be administered intravenously by a veterinarian employed by the owner or trainer of the horse ~~or-his-or-her-agent~~ under the visual supervision of the commission veterinarian ~~and-at-a-dose level-not-to~~. The practicing veterinarian must deposit with the commission veterinarian at the detention barn an unopened supply of Lasix® and sterile hypodermic needles and syringes to be used for the administrations. The dose level of Lasix® must not exceed 250 milligrams (five milliliters of a 50 ~~milligrams/milliliters~~ milligrams/milliliter or five percent solution) per administration.

Subp. 10. **Responsibility of trainer.** While in the detention barn, the horse shall be in the care, custody, and under the control of the trainer or a licensed person assigned by the trainer. The trainer shall be responsible for the condition, care, and handling of the horse while it remains in the security area.

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7890.0150 DISCLOSURE OF APPROVED MEDICATIONS TO PUBLIC.

All horses that have been treated with Bute or approved for race day use of Lasix® must be identified in the daily racing program on the day such horses are to race. Horses that are racing for the first time using Lasix®, must be so identified in the daily racing program.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
FEB 25 1986
Joan Anderson Growe
Secretary of State
2:10 PM

APPROVED AS TO FORM AND LEGALITY
February 25 1986
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY MJ Cassedy
SPECIAL ASSISTANT ATTORNEY GENERAL

ORDER ADOPTING NON-CONTROVERSIAL RULES

STATE OF MINNESOTA

MINNESOTA RACING COMMISSION

In the Matter of the Proposed Adoption of Rules of the Minnesota Racing Commission Governing Possession of Electrical Devices, Reciprocity of Rulings, Distribution of Purse Money, Direct Deposit Requirements and Reporting of Payments, Stewards, and Breeders' Fund.

ORDER ADOPTING RULES

Notice of the Minnesota Racing Commission's intent to adopt the above-entitled rules without a public hearing were published in 9 S.R. 2652-2657 on June 10, 1985, were withdrawn and republished in 10 S.R. 1151-1158 on November 18, 1985 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, Section 14.14, subdivision 1 on November 21, 1985. After affording interested and affected persons an opportunity to submit comments for 30 days after Notice, receiving no written requests for a public hearing within the 30-day comment period, and determining the need for and reasonableness of the above-captioned rules.

NOW, THEREFORE, IT IS ORDERED that these rules, identified as Amendments to Rules of Racing Chapters 7870 through 7899, are adopted this 22nd day of January, 1986 pursuant to the authority vested in the Minnesota Racing Commission by Minnesota Statutes, chapter 240 (1984).

IN WITNESS HEREOF, I have subscribed my name this 22ND day of JANUARY, 1986.

Rosemary T. Fruehling

ROSEMARY T. FRUEHLING
Minnesota Racing Commission

Minnesota Racing Commission

Notice of Intent to Solicit Outside Opinion Regarding Proposed Rules Governing Parimutuel Horse Racing in Minnesota

Notice is hereby given that the Minnesota Racing Commission is seeking information or opinions from sources outside the agency in preparing to promulgate rules governing all aspects of parimutuel horse racing in Minnesota, including the development of criteria for setting the number of racing days, the issuance of Class A, B, C and D licenses and the promulgation of procedural rules to govern the commission. The commission is authorized to promulgate rules under Laws 1983, chapter 214.

The Minnesota Racing Commission requests information and comments concerning the subject matter of these rules. Interested or affected persons may submit statements of information or comment in writing to: Minnesota Racing Commission, Suite 400, 312 Central Avenue, Minneapolis, Minnesota 55414.

All statements of information and comments will be accepted with respect to each set of rules until such set has progressed to the point at which public comment is terminated pursuant to the Minnesota Administrative Procedure Act. Any written material received by the Minnesota Racing Commission shall become part of the record in the event that the rules are promulgated.

Notice of Public Meetings to Hear Statements of Information and Comment Prior to Drafting of Rules

Notice is hereby given that the Minnesota Racing Commission will hold the following meetings at United Labor Centre, 312 Central Avenue, Minneapolis, Minnesota 55414:

Thursday, September 15, 1983 at 10 a.m., to hear Statements of Information and Comment from Potential Investors in Racetrack Construction.

Wednesday, September 21, 1983 at 4 p.m., to hear Statements of Information and Comment from Interested and Affected Persons and Groups other than Potential Investors in Racetrack Construction.

Ray Eliot, Chairman
Minnesota Racing Commission

STATE OF MINNESOTA

MINNESOTA RACING COMMISSION

In the Matter of the Proposed Adoption of Rules of the Minnesota Racing Commission Governing Reciprocity of Rulings, Direct Deposit and Reporting of Payments, Possession of Electrical Devices, Distribution of Purse Money, Stewards, and Breeders' Fund

ORDER FOR NOTICE OF INTENT TO ADOPT RULES WITHOUT A PUBLIC HEARING

IT IS ORDERED THIS 4th day of October, 1985, that a Notice of Intent to Adopt Rules Without Public Hearing in the above-entitled matter be given to all persons who have registered their names with the Minnesota Racing Commission for that purpose and be published in the State Register.

STATE OF MINNESOTA

David J. Freeman

DAVID J. FREEMAN
Executive Director

MINNESOTA RACING COMMISSION

CERTIFICATE OF COMMISSION'S AUTHORIZING RESOLUTION

I, Rosemary T. Fruehling, do hereby certify that I am a member and the Vice Chair of the Minnesota Racing Commission, a Commission duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of the Resolution adopted at a meeting of the Minnesota Racing Commission duly and properly called and held on the 22nd day of January, 1986; that a quorum was present at said meeting; that a majority of those present voted for the Resolution; and that said Resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "**RESOLVED,** that the Minnesota Racing Commission (MRC), pursuant to the authority vested in it by Minn. Stat. ch. 240 (1984), as amended, hereby approves and adopts the proposed rules relating to Reciprocity of Rulings, Direct Deposit and Reporting of Payments, Possession of Electrical Devices, Distribution of Purse Monies, Stewards, and Breeders' Fund; all of which were published in 9 S.R. 2652-2657 on June 10, 1985, were withdrawn and republished in 10 S.R. 1151-1158 on November 18, 1985.
>
> **BE IT FURTHER RESOLVED,** that prior to publishing in the State Register the rules as adopted, the MRC Executive Director is authorized to make any form changes in the proposed rules that the Revisor of Statutes requires in order to obtain the Revisor's Certificate as required in Minn. Stat. §14.08 (1984) and to make any changes or modifications to the proposed rules recommended by the Attorney General pursuant to his review as long as the changes or modifications do not result in a substantial change to the proposed rules.
>
> **BE IT FURTHER RESOLVED,** that the Vice Chair is authorized to sign an Order of the Minnesota Racing Commission adopting the proposed rules described above and to perform any acts incidental thereto."

IN WITNESS HEREOF, I have hereunto subscribed my name this 22nd day of January, 1986.

Rosemary T. Fruehling

ROSEMARY T. FRUEHLING, VICE CHAIR
MINNESOTA RACING COMMISSION

RACING COMMISSION

Withdrawal of Proposed Rules Governing Horse Racing, Re-publication of these rules with Certain Modifications and Notice of Intent to Adopt These Rules Without a Public Hearing

Notice is hereby given that the proposed rules governing prohibited acts; disciplinary sanctions; distribution of purse money; direct deposit requirement and reporting of payments; stewards; and breeders' funds which were published in the State Register on Monday, June 10, 1985, pages 2652-2657 (9 S.R. 2652), are withdrawn because the Racing Commission is re-publishing them with certain modifications and re-noticing its intent to adopt them without a public hearing.

Accordingly, notice is hereby given that the Minnesota Racing Commission proposes to adopt the above-referenced rules without a public hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority for the Racing Commission to adopt these rules is found in Minnesota Statutes, sections 240.13, subd. 5; 240.15, subd. 2, 240.16, subd. 4, 5 and 6; and 240.18; 240.23; and 240.25, subd. 4(a).

Persons interested in these rules shall have 30 days in which to submit comment in support of or in opposition to the proposed rules, or any part or subpart of the rules, and comments are encouraged. Each comment should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rules within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rules addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Persons who wish to submit comments or a written request for a public hearing must submit such comments or requests to:

David J. Freeman
Executive Director
Minnesota Racing Commission
11000 W. 78th St.
Suite 201
Eden Prairie, Minnesota 55344
Telephone: (612) 341-7555

The proposed rules may be modified if the modifications are supported by data and views and do not result in a substantial change to the proposed rules.

The text of the proposed rules follows this notice in the State Register. Additional copies of the proposed rules are available for review upon request made to David J. Freeman at the above address.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rules has been prepared and is available upon request from David J. Freeman at the above address. The effect, if any, of the proposed rules on small business is addressed in the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the noncontroversial rules, the rules and the required supporting documents will be delivered to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, must submit the written request to David J. Freeman at the above address.

November 4, 1985

David J. Freeman
Executive Director
Minnesota Racing Commission

MINNESOTA RACING COMMISSION

In the Matter of the Proposed
Rules Governing Reciprocity of
Rulings, Direct Deposit and
Reporting of Payments, Possession
of Electrical Devices, Distribution
OF Purse Monies, Stewards, and Breeders'
Fund

AFFIDAVIT OF MAILING

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

DAVID J. FREEMAN, under oath states that:

1. I am Executive Director of the Minnesota Racing Commission (MRC) and, in that capacity, serve as the chief administrative officer for the MRC.

2. On the 21st day of November, 1985, I served the attached Notice of Intent to Adopt Rules Without Public Hearing by depositing in the United States mail at the city of Minneapolis, Minnesota, a copy thereof, properly enveloped, with postage prepaid, on all persons and associations who have requested that their names be placed on file with the MRC for the purpose of receiving notice of the proposed adoption of rules by this agency.

David J. Freeman
DAVID J. FREEMAN
Executive Director

Subscribed and sworn to before me,
this 2st day of November, 1985

Sharon A. Beighley
SHARON A. BEIGHLEY
Notary Public

SHARON A. BEIGHLEY
NOTARY PUBLIC — MINNESOTA
HENNEPIN COUNTY
My Commission Expires Oct. 23, 1989

D. Elizabeth Anderson
CANTERBURY DOWNS
P.O. BOX 508
Shakopee,Minnesota 55379

Stan Bowmer, General Manager
CANTERBURY DOWNS
P.O. Box 508
Shakopee, Minnesota 55379

Bruce D. Malkerson
SCOTTLAND, INC.
5248 Valley Industrial Blvd.
Shakopee, Mjnnesota 55379

Wayne G. Popham
POPHAM HAIK LAW FIRM
4344 IDS Center
Minneapolis, Minnesota 55402

Richard J. Bacon
B.C.A.
1246 University Avenue
St.Paul, Minnesota 55104

Nick Jemas
JOCKEY'S GUILD, INC.
P.O. BOx 30
Haddonfield, NJ 08003

Ronald G. Banks
JOCKEY'S GUILD, INC.
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Meidian, ID 83642

Gloria Berquist
425 Lumber Exchange Bldg.
10 So. 5th Street
Minneapolis, Minnesota 55402

Richard G. Bethke
P.O. Box 84
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Racing Commission

Proposed Rules Governing Horse Racing Regulations; Minnesota Racing Commission

Withdrawal of Proposed Rules Governing Horse Racing, Re-publication of These Rules with Certain Modifications and Notice of Intent to Adopt These Rules without a Public Hearing

Notice is hereby given that the proposed rules governing prohibited acts; disciplinary sanctions; distribution of purse money; direct deposit requirement and reporting of payments; stewards; and breeders' funds which were published in the *State Register* on Monday, June 10, 1985, pages 2651-2657 (9 S.R. 2651), are withdrawn because the Racing Commission is re-publishing them with certain modifications and re-noticing its intent to adopt them without a public hearing.

Accordingly, notice is hereby given that the Minnesota Racing Commission proposes to adopt the above-referenced rules without a public hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority for the Racing Commission to adopt these rules is found in Minnesota Statutes, sections 240.13, subd. 5; 240.15, subd. 2; 240.16, subd. 4, 5 and 6; and 240.18; 240.23; and 240.25, subd. 4(a).

Persons interested in these rules shall have 30 days in which to submit comment in support of or in opposition to the proposed rules, or any part or subpart of the rules, and comments are encouraged. Each comment should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rules within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rules addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Persons who wish to submit comments or a written request for a public hearing must submit such comments or requests to:

David J. Freeman
Executive Director
Minnesota Racing Commission
11000 W. 78th St.
Suite 201
Eden Prairie, Minnesota 55344
Telephone: (612) 341-7555

The proposed rules may be modified if the modifications are supported by data and views and do not result in a substantial change to the proposed rules.

The text of the proposed rules follows this notice in the *State Register*. Additional copies of the proposed rules are available for review upon request made to David J. Freeman at the above address.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rules had been prepared and is available upon request from David J. Freeman at the above address. The effect, if any, of the proposed rules on small business is addressed in the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the noncontroversial rules, the rules and the required supporting documents will be delivered to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this

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material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, must submit the written request to David J. Freeman at the above address.

November 4, 1985

David J. Freeman
Executive Director
Minnesota Racing Commission

Rules as Proposed

7897.0100 PROHIBITED ACTS.

Subpart 1. to 17. [Unchanged.]

Subp. 18. **Possession of electrical devices.** No person, while on the grounds of an association, shall have in his or her possession any electrical or mechanical device or other appliance, other than an ordinary riding whip, that could be used for the purpose of stimulating a horse or affecting its speed in a race or workout.

7897.0120 DISCIPLINARY SANCTIONS.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Reciprocity of rulings.** The commission or the stewards may suspend or revoke a Class C license if it is found that the licensee, or any person who is an agent, employee, or associate of such licensee:

A. is presently under suspension or his or her license has been revoked for any reason by a legally constituted racing commission of another jurisdiction; or

B. becomes suspended or has his or her license revoked for any reason by a legally constituted racing commisssion of another jurisdiction while such licensee is participating in racing in Minnesota.

Before considering a licensee for reinstatement in Minnesota, the commission or stewards shall require such licensee to obtain reinstatement in the original racing jurisdiction where his or her license was suspended or revoked, and to establish his or her fitness to be reinstated in Minnesota.

Rules as Proposed (all new material)

7873.0550 DISTRIBUTION OF PURSE MONEY.

Subpart 1. **Purse amounts.** Pursuant to Minnesota Statutes, section 240.13, subdivision 5, an amount equal to not less than five percent of all money in all pools must be allocated for purses by an association conducting horse racing. In making the distribution of purse money, an association must, to the extent possible, maintain purse amounts in proper relationship to actual pari-mutuel handles.

Subp. 2. **Adjustments to purses.** Should the levels of pari-mutuel handle create overpayment or underpayment of purses paid during the course of the race meeting, the association must make adjustments in each publication of it's condition book to attempt to keep purses consistent with mutuel handles.

Subp. 3. **Overpayments carried over.** If, at the end of each race meeting, an overpayment of purses has occurred, the overpayment shall be carried over to the next race meeting of the same breed and such overpayment may be recovered by the association. The association must make its best effort to recover the overpayment on an even basis over the course of the race meeting to prevent serious inconsistencies in purse levels during the race meeting.

Subp. 4. **Underpayments carried over.** If, at the end of a race meeting, an underpayment of purses has occurred, the underpayment shall be carried over to the next race meeting of the same breed. Such underpayment must be paid to horse owners by adding the underpayment to purses. The association must make its best effort to repay the underpayment on an even basis over the course of the race meeting to prevent serious inconsistencies in purse levels during the race meeting.

Subp. 5. **Willful underpayment.** Should the commission determine that an association willfully failed to adjust purse levels in violation of subpart 1, for the purposes of retaining purse underpayments from one race meeting to the next, the association will be subject to disciplinary action by the commission.

Subp. 6. **Escrow accounts.** All money received by an association for races that charge nominating, sustaining, entry, or starting fees must be placed in interest bearing escrow accounts, and all accrued interest must be added to such races if:

A. the total fees received for such a race exceed $15,000; or

B. fees are due and payable for such a race more than 180 days in advance of the advertised date of the running of the race.

CHAPTER 7874
MINNESOTA RACING COMMISSION
DIRECT DEPOSIT REQUIREMENTS AND REPORTING OF PAYMENTS

7874.0100 GENERAL PROVISIONS.

Subpart 1. **Scope.** For the purpose of administering the direct deposit of taxes, breakage, and unredeemed tickets pursuant to Minnesota Statutes, section 240.15, subdivisions 1, 2, and 5, and subparts 2 to 4 shall apply.

Subp. 2. **Payment of pari-mutuel tax, admissions tax, breakage, and breeders' fund.** Taxes, breakage, and breeders' funds collected by an association must be remitted to the commission within seven days of the day on which it was collected. However, the amount allocated for purse supplements, pursuant to part 7895.0110, subpart 2, item C, may be deducted and retained by the association as reimbursement for purse supplements paid by it. The remittance must be accomplished by a direct deposit in a financial institution designated by the commissioner of finance and approved by the commission. On those days when the seventh day is a holiday or a weekend day, the payment must be made by the succeeding business day.

At the close of each month in which racing is conducted, the association must report to the commission all deposits of taxes and breakage for that month.

Subp. 3. **Payment of unredeemed tickets.** After reporting to the commission, pursuant to Minnesota Statutes, section 240.13, and not later than 100 days after the end of a race meeting, an association must remit to the commission an amount equal to the total value of unredeemed tickets from the race meeting in the same manner as in subpart 2.

Subp. 4. **Recapitulation.** On each day that deposits are made by the association, a report must be filed with the commission containing the following recapitulation:

A. total take-out;

B. pari-mutuel tax;

C. state and local admissions taxes;

D. total breakage;

E. commission's share of breakage; and

F. breeders' fund tax.

CHAPTER 7879
MINNESOTA RACING COMMISSION
STEWARDS

7879.0100 QUALIFICATIONS AND APPOINTMENT OF STEWARDS.

Subpart 1. **Qualifications for stewards.** No person may qualify for commission appointment or approval as a steward unless:

A. he or she has served as a steward, racing secretary, assistant racing secretary, starter, placing judge, patrol judge, paddock judge, or clerk of scales at one or more recognized race meetings for a period of not less than 60 days per year during at least three of the five preceding calendar years or has had at least five years experience as a jockey;

B. he or she has satisfactorily passed an optical examination within 90 days prior to approval as a steward evidencing 20-20 vision (corrected) and the ability to distinguish colors; and

C. the commission is satisfied that income, other than salary as a steward, which may accrue to a person under consideration for appointment as a steward is independent of and unrelated to patronage of or employment by any licensee under the supervision of the steward, so as to avoid the appearance of any conflict of interest or suggestion of preferential treatment of a licensee.

Subp. 2. **Appointment and approval of stewards.** The following procedures must be observed in the appointment of stewards:

A. There shall be three stewards for each race meeting, two of whom shall be appointed by the commissioner and one of whom shall be nominated by the association for approval by the commission. The name of the association nominee for steward must be submitted no later than 30 days before commencement of a race meeting and be accompanied by biographical data setting

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forth the experience and qualifications of the nominee. The association may submit successive nominees until one person is approved by the commission as qualified to serve as steward. No steward may serve until approved by the commission.

B. In the event a steward becomes ill, resigns, or is unable to serve for any reason, the remaining stewards shall nominate a temporary steward to the commission for approval. In emergencies, the executive secretary may approve appointment of a temporary steward.

7879.0200 AUTHORITY AND DUTIES OF STEWARDS.

Subpart 1. **General authority of stewards.** The stewards shall exercise immediate supervision, control, and regulation of racing at each licensed race meeting on behalf of the commission and shall be responsible only to the commission. The powers of the stewards shall include:

A. the authority over all horses and all persons, licensed or unlicensed, on association grounds during a race meeting as to all matters relating to racing;

B. the authority to determine all questions, disputes, protests, complaints, or objections concerning racing matters which arise during a race meeting and to enforce such determinations;

C. the authority to suspend, according to applicable law, the license of a participant in racing;

D. the authority to eject or exclude according to applicable law, from association grounds or any part thereof, licensed or unlicensed persons for violations of law;

E. the authority to interpret and enforce commission rules and determine all questions pertaining to racing matters in conformity with applicable law and the "customs of the turf";

F. the authority to issue decisions or rulings pertaining to racing matters which shall supersede orders of the officers, directors, and officials of the association, which may vary any arrangement relating to the conduct of a race meeting, including postponing or canceling a race, or ruling a race "no contest";

G. the authority to request and receive assistance from commission employees, racing officials, track security, and federal, state, or local police in the investigation of possible violations of law;

H. the authority to conduct hearings on all questions, disputes, protests, complaints, or objections concerning racing matters;

I. in the event a jockey, driver, trainer, or racing official, other than a steward, is determined to be unable for any reason to perform his or her duties, the authority to appoint a substitute therefor; and

J. the authority to excuse a horse or any jockey, driver, trainer, or racing official other than a steward.

Subp. 2. **Specific duties and responsibilities of stewards.** In addition to the duties and responsibilities necessary and pertinent to general supervision, control, and regulation of race meetings, and without limiting the authority of the stewards to perform those and all other duties listed in this part, the stewards shall have the following specific duties and responsibilities:

A. To consider and review all allegations of misconduct or rule infractions and, when warranted, initiate investigations of the allegations and conduct necessary hearings; or take the action necessary to prevent rule infractions.

B. At least one steward shall be on association grounds from scratch time (or, if not a racing day, when entries are first taken) until entries are closed. At least one steward shall be present for the regular showing of racing films or video tapes. All three stewards shall be on association grounds for a continuous period beginning not less than one hour before post time for the first race until conclusion of the last race.

C. At least one steward, or a designated representative of the stewards, shall be present in the paddock before each race and remain there until the horses leave for the starting gate, to observe the conduct of all persons in and around the paddock.

D. To review applications for Class C licenses and administer, or cause to be administered by technically qualified persons, standard examinations to all first-time applicants for a trainer, jockey, apprentice jockey, driver, or farrier license, and to make recommendations to the commission as to the qualifications of all applicants for Class C licenses.

E. To review all license applications, registration certificates, contracts, papers, and other documents pertaining to the sale or ownership of a horse, payment of purse money, appointments of agents, and applications for racing colors or stable name.

F. To require proof of eligibility of a horse or person to participate in a race if the eligibility is in question and, in the absence of sufficient proof to establish eligibility, to rule the horse or person ineligible.

G. To supervise the taking of entries and receive all declarations and scratches and determine all questions arising and pertaining to same; the stewards may refuse the entry of any horse by any person, or refuse to permit a declaration or scratch, or may limit entries when necessary to protect the safety or integrity of racing.

H. To lock all pari-mutuel betting machines not later than the start of a race.

I. To cause the "inquiry" sign to be posted on the infield totalizator board immediately after the horses have crossed the finish line in a race if any doubt is held by any steward as to the fairness of the running of the race.

J. To cause the "objection" sign to be posted on the infield totalizator board upon the lodging of an objection.

K. To cause the "official" sign to be posted on the infield totalizator board after determining the official order of finish for purposes of pari-mutuel payoff.

L. To review the video tapes of each day's races before commencement of the successive day's races and to draw up and post a list of jockeys (including all apprentice jockeys) whom the stewards feel should review such films for instructional purposes.

M. To maintain daily reports of actions taken and observations made during the conduct of each day's racing program. The report must contain the name of the track, the date, weather and track conditions, claims, inquiries and objections, and any unusual circumstances or conditions. The reports must be signed by all three stewards and filed with the commission within 24 hours.

N. During racing hours, make periodic inspections of the jockeys' and drivers' room and observe security, and note the inspections and observations made in the stewards' daily report.

O. To maintain detailed records of all questions, disputes, protests, complaints, or objections brought to the attention of the stewards, and a summary of interviews, reports of investigations, and rulings issued thereon. If a ruling is not unanimous, the dissenting steward shall record the reasons for the dissent. The stewards' log must be available to the commission for inspection at all times.

P. Within seven days after the conclusion of a race meeting, the stewards must submit to the commission a written report containing their observations and comments concerning the conduct of the race meeting and the condition of the association grounds and any appropriate recommendation for improvement.

Subp. 3. **Criteria and bases for stewards' decisions.**

A. When making judgments with respect to the conduct of horse racing, the stewards shall take into consideration the following:

(1) their prior experience in horse racing;

(2) the applicability of similar prior decisions to the decision being made;

(3) all relevant circumstances surrounding the decision under consideration;

(4) what effect, if any, the decision being made has upon the integrity of racing and the safety, health and welfare of the participants and the general public; and

(5) any other relevant factors which affect the integrity of horse racing, so long as the same factors are considered with regard to all similar decisions.

B. When making a determination or recommendation regarding the qualifications of an applicant for a Class C license, the stewards shall consider the following factors:

(1) whether the applicant's ability is sufficient so as to not endanger the life or safety of the applicant, other participants, racetrack patrons, horses, or property;

(2) whether the applicant is able to perform in a competitive manner so as to enhance the quality of horse racing;

(3) whether the applicant's ability and/or qualifications are at least equal to those of current licensees; and

(4) any other relevant factors which affect the integrity of horse racing, or the health, safety, or welfare of persons and animals so long as these same factors are applied uniformly to all applicants for Class C licenses.

7879.0300 COMPENSATION OF STEWARDS.

Subpart 1. **Commission to be reimbursed.** An association must reimburse the commission, on a weekly basis, for the cost of providing state stewards. The level of compensation and benefits for all stewards shall be determined by the commission.

Subp. 2. **Compensation level.** In determining the level of compensation for stewards, the commission shall consider the following criteria:

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A. the current comparable rate of compensation for stewards in other racing jurisdictions;

B. the experience and background of the stewards, as well as their responsibilities and required hours of work; and

C. the cost of any necessary equipment used or specialized courses required to fulfill their duties.

CHAPTER 7895
MINNESOTA RACING COMMISSION
BREEDERS' FUND

7895.0100 GENERAL PROVISIONS.

Subpart 1. **Scope.** The purpose of this chapter is to administer the breeders' fund under Minnesota Statutes, section 240.18, and the required race provision of Minnesota Statutes, section 240.29.

Subp. 2. **Registration.** To qualify for payment of awards and for entry into restricted races, all foal certificates must have the Minnesota registration seal affixed upon them. The seal shall be proof that the requirements of this part have been met.

Subp. 3. **Decisions regarding eligibility for registration.** Questions regarding the registration, eligibility for registration, or breeding of a Minnesota-bred horse shall be decided by the commission. An official registering agency may be designated by the commission and empowered to act in matters relative to registration, eligibility for registration, or breeding. A decision of the official registering agency shall be subject to review by the commission which retains the right to make the final decision as to any right or liability under this chapter. All original foal registration certificates must be submitted for inspection to the commission or official registering agency. Affidavits or other substantive proof, as the commission or official registering agency deems necessary, may be required to support any claim for Minnesota-bred registration.

Subp. 4. **Decision regarding eligibility to enter restricted races.** Questions as to the eligibility for nomination or entry in restricted races shall be decided by the commission or the official registering agency.

Subp. 5. **Basis for allocation.** The amount of money allocated for any particular race should reflect the quality of the race being run.

Subp. 6. **Breeders' fund advisory committees.** All money allocated pursuant to this chapter shall be determined by the commission after consultation with the appropriate breeders' fund advisory committee.

7895.0110 THOROUGHBRED BREEDERS' FUND.

Subpart 1. **Definitions.** For purposes of this part, the following terms have the meaning given them unless another intention clearly appears.

A. "Minnesota-owned" means:

(1) In the case of a horse owned by an individual, the owner must reside in Minnesota, declare himself or herself to be a resident of Minnesota for purposes of Minnesota Statutes, chapter 290, and declare that he or she is not a resident of any other state.

(2) In the case of a horse owned by a corporation, the corporation must:

(a) be legally incorporated in the state of Minnesota;

(b) have its principal place of business in Minnesota;

(c) have at least 51 percent of all outstanding shares of stock owned by shareholders who are residents of Minnesota for purposes of Minnesota Statutes, chapter 290, and who declare that they are not residents of any other state.

(3) In the case of a horse owned by a limited partnership, the general partners and at least 51 percent of the limited partners must be residents of Minnesota for purposes of Minnesota Statutes, chapter 290, and declare that they are not residents of any other state.

(4) In the case of a horse owned by a partnership, all partners must be residents of Minnesota for purposes of Minnesota Statutes, chapter 290, and declare that they are not residents of any other state.

Every owner of a Minnesota-owned horse must hold a Class C owner's license issued by the commission as required in part 7877.0130, subparts 1 and 2.

B. "Minnesota-foaled" means a horse foaled in Minnesota.

C. "Minnesota-bred" means a horse foaled in Minnesota.

D. "Minnesota-sire" means a stallion owned at least 50 percent by residents of Minnesota or leased entirely by Minnesota residents, and which has stood the entire breeding season, between February 15 and July 31, in Minnesota.

Subp. 2. **Division of money.** The money available from the breeders' fund for the thoroughbred breed category shall be divided as follows:

A. 31 percent shall be set aside and paid to breeders of Minnesota-bred horses as breeders' awards;

B. 31 percent shall be set aside and paid to owners of Minnesota-bred horses as owners' awards;

C. 31 percent shall be paid to supplement purses in races which are restricted to Minnesota-bred or Minnesota-owned horses. In all such races Minnesota-bred horses shall be preferred, and the purse supplements shall be apportioned in accordance with the quality of the race as determined by the commission.

D. Seven percent shall be set aside and paid as stallion awards to the owners of the Minnesota-sire at the time of breeding.

Subp. 3. **Distribution of money.** The money available from the thoroughbred breeders' fund, other than purse supplements, shall be distributed as follows:

A. "Breeders' awards" shall be paid to the breeder of a Minnesota-bred horse, as reflected on the Jockey Club certificate that finishes fifth or better in any race.

B. "Owners' awards" shall be paid to the owners of Minnesota-bred horses that finish fifth or better in any race.

C. "Stallion awards" shall be paid to the owners of the Minnesota-sire of a Minnesota-bred horse that finishes fifth or better in any race.

Subp. 4. **Methods of payment.** The amount of money distributed by the commission for awards or purse supplements pursuant to subpart 3 shall be paid out in the same percentage as the purse money in the race. The amount of money to be distributed shall be in accordance with subpart 5.

Subp. 5. **Adjustments.** The racing commission shall set percentages to be applied to each category of the breeders' fund for the purpose of determining the amount of awards and purse supplements that may be earned during the current race meeting. The racing commission may, in its discretion, during the course of a race meeting vary the percentages set in each category for the purpose of keeping awards and purse supplements consistent with the amount of money being earned in the breeders' fund and subsequent awards disbursements. The racing commission shall consider the following criteria in determining the applicable percentages:

A. the number of potential award recipients;

B. the total amount of awards and purse supplements to be distributed;

C. the need to distribute awards and purse supplements among Minnesota breeders and owners in a fair and equitable manner with a view toward encouraging the continued support of the horse industry in Minnesota, thereby providing incentive to breeders and owners of thoroughbred horses within the state; and

D. that the set amount of the awards and purse supplements or any adjustments made thereto are in the best interest of horse racing within the state.

Subp. 6. **Time of payment.** Purse supplements are part of the purse and shall be credited to owners' accounts at the time such purses are earned. All money allocated for breeders' awards, owners' awards, and stallion awards shall be distributed within 30 days of the end of the race meeting.

Subp. 7. **Maximum awards permitted.** The maximum amount of any award, exclusive of purse supplements, paid to an individual or entity under this part shall not exceed:

A. For calendar year 1985:

(1) $75,000 per breeder;

(2) $75,000 per owner; or

(3) $75,000 in total combined awards if a breeder is also an owner.

B. For calendar year 1986:

(1) $150,000 per breeder;

(2) $150,000 per owner; or

(3) $150,000 in total combined awards if a breeder is also an owner.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Subp. 8. **Residual funds.** After complying with subparts 4 to 7:

A. any remaining funds in the stallion awards account shall be transferred to and distributed through the owners' account; and

B. any remaining funds in the owners' awards account and the breeders' awards account shall be distributed in proportion to the award money earned by each individual Minnesota-bred horse to the total award money earned by Minnesota-bred horses as a group.

After complying with subparts 4 to 8, any remaining funds in the breeders' and owners' accounts, and all unearned purse supplements, shall be retained and carried forward to be included as net distributable funds in the succeeding thoroughbred race meeting.

In the Matter of the Proposed Adoption of Rules of the **Minnesota Racing Commission** Governing Reciprocity of Rulings, Direct Deposit and Reporting of Payments, Possession of Electrical Devices, Distribution of Purse Monies, Stewards, and Breeders' Fund

AFFIDAVIT OF ADDITIONAL NOTICE

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

DAVID J. FREEMAN, under oath states that:

1. I am Executive Director of the Minnesota Racing Commission (MRC) and, in that capacity, serve as chief administrative officer for the MRC.

2. I supervised the publication and distribution of the proposed rules promulgated by the MRC and published in the State Register at 10 S.R. 1151-1157, et seq., on November 18, 1985.

3. On November 21, 1985, the persons and organizations included on the attached list were mailed or delivered copies of the aforementioned Notices and rules.

FURTHER AFFIANT SAYETH NOT.

David J. Freeman
DAVID J. FREEMAN

Subscribed and sworn to before me
this 21st day of November, 1985.

Sharon A. Beighley
SHARON A. BEIGHLEY
Notary Public

SHARON A. BEIGHLEY
NOTARY PUBLIC — MINNESOTA
HENNEPIN COUNTY
My Commission Expires Oct. 23, 19..

MINNESOTA RACING COMMISSION

11000 West 78th Street, Suite 201
Eden Prairie, Minnesota 55344
(612) 341-7555

Ray Eliot, Chair
C. Elmer Anderson
Catherine L. Anderson
Carol Connolly
Lawrence M. Coss
John H. Daniels, Jr.
Rosemary T. Fruehling
Dan Gustafson
Muriel W. Poehler

David J. Freeman
Executive Director

November 21, 1985

Enclosed are pages 1151-1158 of the November 18, 1985 edition of the State Register (vol. 10, no.21) which contains proposed rules of the Minnesota Racing Commission (MRC).

Inasmuch as your name has been selected by the MRC to be notified of any rules promulgated by the MRC, we are sending you the enclosed material.

Should you have any questions relative to the proposed rules please do not hesitate to contact me at (612) 341-7555.

David J. Freeman

DAVID J. FREEMAN
Executive Director

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In the Matter of the Proposed
Adoption of Rules of the **Minnesota Racing Commission** Governing Reciprocity of Rulings, Direct Deposit and Reporting of Payments, Possession of Electrical Devices, Distribution of Purse Monies, Stewards, and Breeders' Fund

CERTIFICATE REGARDING
OFFICIAL
MAILING LIST

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN

DAVID J. FREEMAN, under oath states that:

1. I am Executive Director of the Minnesota Racing Commission (MRC) and, in that capacity, serve as chief administrative officer for the MRC.

2. I supervised the publication and distribution of the proposed rules promulgated by the MRC and published in the State Register at 10 S.R. 1511, et seq., on November 18, 1985.

3. The attached list of persons and organizations who have requested, pursuant to Minn. Stat. §§14.14, subd. 1a, and 14.22 (1984), that their names be placed on file with the MRC for the purpose of receiving notice of the proposed adoption of rules by the MRC, is accurate and complete as of 12:00 P.M. on November 16, 1985.

FURTHER AFFIANT SAYETH NOT.

David J. Freeman
DAVID J. FREEMAN

Subscribed and sworn to before me
this 21st day of November, 1985.

Sharon A. Beighley
SHARON A. BEIGHLEY
Notary Public

SHARON A. BEIGHLEY
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Racing Commission

Proposed Rules Governing Horse Racing Regulations; Minnesota Racing Commission

Withdrawal of Proposed Rules Governing Horse Racing, Re-publication of These Rules with Certain Modifications and Notice of Intent to Adopt These Rules without a Public Hearing

Notice is hereby given that the proposed rules governing prohibited acts; disciplinary sanctions; distribution of purse money; direct deposit requirement and reporting of payments; stewards; and breeders' funds which were published in the *State Register* on Monday, June 10, 1985, pages 2651-2657 (9 S.R. 2651), are withdrawn because the Racing Commission is re-publishing them with certain modifications and re-noticing its intent to adopt them without a public hearing.

Accordingly, notice is hereby given that the Minnesota Racing Commission proposes to adopt the above-referenced rules without a public hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority for the Racing Commission to adopt these rules is found in Minnesota Statutes, sections 240.13, subd. 5; 240.15, subd. 2; 240.16, subd. 4, 5 and 6; and 240.18; 240.23; and 240.25, subd. 4(a).

Persons interested in these rules shall have 30 days in which to submit comment in support of or in opposition to the proposed rules, or any part or subpart of the rules, and comments are encouraged. Each comment should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rules within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rules addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Persons who wish to submit comments or a written request for a public hearing must submit such comments or requests to:

David J. Freeman
Executive Director
Minnesota Racing Commission
11000 W. 78th St.
Suite 201
Eden Prairie, Minnesota 55344
Telephone: (612) 341-7555

The proposed rules may be modified if the modifications are supported by data and views and do not result in a substantial change to the proposed rules.

The text of the proposed rules follows this notice in the *State Register*. Additional copies of the proposed rules are available for review upon request made to David J. Freeman at the above address.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rules had been prepared and is available upon request from David J. Freeman at the above address. The effect, if any, of the proposed rules on small business is addressed in the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the noncontroversial rules, the rules and the required supporting documents will be delivered to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, must submit the written request to David J. Freeman at the above address.

November 4, 1985

David J. Freeman
Executive Director
Minnesota Racing Commission

Rules as Proposed

7897.0100 PROHIBITED ACTS.

Subpart 1. to 17. [Unchanged.]

Subp. 18. **Possession of electrical devices.** No person, while on the grounds of an association, shall have in his or her possession any electrical or mechanical device or other appliance, other than an ordinary riding whip, that could be used for the purpose of stimulating a horse or affecting its speed in a race or workout.

7897.0120 DISCIPLINARY SANCTIONS.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Reciprocity of rulings.** The commission or the stewards may suspend or revoke a Class C license if it is found that the licensee, or any person who is an agent, employee, or associate of such licensee:

A. is presently under suspension or his or her license has been revoked for any reason by a legally constituted racing commission of another jurisdiction; or

B. becomes suspended or has his or her license revoked for any reason by a legally constituted racing commisssion of another jurisdiction while such licensee is participating in racing in Minnesota.

Before considering a licensee for reinstatement in Minnesota, the commission or stewards shall require such licensee to obtain reinstatement in the original racing jurisdiction where his or her license was suspended or revoked, and to establish his or her fitness to be reinstated in Minnesota.

Rules as Proposed (all new material)

7873.0550 DISTRIBUTION OF PURSE MONEY.

Subpart 1. **Purse amounts.** Pursuant to Minnesota Statutes, section 240.13, subdivision 5, an amount equal to not less than five percent of all money in all pools must be allocated for purses by an association conducting horse racing. In making the distribution of purse money, an association must, to the extent possible, maintain purse amounts in proper relationship to actual pari-mutuel handles.

Subp. 2. **Adjustments to purses.** Should the levels of pari-mutuel handle create overpayment or underpayment of purses paid during the course of the race meeting, the association must make adjustments in each publication of it's condition book to attempt to keep purses consistent with mutuel handles.

Subp. 3. **Overpayments carried over.** If, at the end of each race meeting, an overpayment of purses has occurred, the overpayment shall be carried over to the next race meeting of the same breed and such overpayment may be recovered by the association. The association must make its best effort to recover the overpayment on an even basis over the course of the race meeting to prevent serious inconsistencies in purse levels during the race meeting.

Subp. 4. **Underpayments carried over.** If, at the end of a race meeting, an underpayment of purses has occurred, the underpayment shall be carried over to the next race meeting of the same breed. Such underpayment must be paid to horse owners by adding the underpayment to purses. The association must make its best effort to repay the underpayment on an even basis over the course of the race meeting to prevent serious inconsistencies in purse levels during the race meeting.

Subp. 5. **Willful underpayment.** Should the commission determine that an association willfully failed to adjust purse levels in violation of subpart 1, for the purposes of retaining purse underpayments from one race meeting to the next, the association will be subject to disciplinary action by the commission.

Subp. 6. **Escrow accounts.** All money received by an association for races that charge nominating, sustaining, entry, or starting fees must be placed in interest bearing escrow accounts, and all accrued interest must be added to such races if:

A. the total fees received for such a race exceed $15,000; or

B. fees are due and payable for such a race more than 180 days in advance of the advertised date of the running of the race.

CHAPTER 7874
MINNESOTA RACING COMMISSION
DIRECT DEPOSIT REQUIREMENTS AND REPORTING OF PAYMENTS

7874.0100 GENERAL PROVISIONS.

Subpart 1. **Scope.** For the purpose of administering the direct deposit of taxes, breakage, and unredeemed tickets pursuant to Minnesota Statutes, section 240.15, subdivisions 1, 2, and 5, and subparts 2 to 4 shall apply.

Subp. 2. **Payment of pari-mutuel tax, admissions tax, breakage, and breeders' fund.** Taxes, breakage, and breeders' funds collected by an association must be remitted to the commission within seven days of the day on which it was collected. However, the amount allocated for purse supplements, pursuant to part 7895.0110, subpart 2, item C, may be deducted and retained by the association as reimbursement for purse supplements paid by it. The remittance must be accomplished by a direct deposit in a financial institution designated by the commissioner of finance and approved by the commission. On those days when the seventh day is a holiday or a weekend day, the payment must be made by the succeeding business day.

At the close of each month in which racing is conducted, the association must report to the commission all deposits of taxes and breakage for that month.

Subp. 3. **Payment of unredeemed tickets.** After reporting to the commission, pursuant to Minnesota Statutes, section 240.13, and not later than 100 days after the end of a race meeting, an association must remit to the commission an amount equal to the total value of unredeemed tickets from the race meeting in the same manner as in subpart 2.

Subp. 4. **Recapitulation.** On each day that deposits are made by the association, a report must be filed with the commission containing the following recapitulation:

A. total take-out;

B. pari-mutuel tax;

C. state and local admissions taxes;

D. total breakage;

E. commission's share of breakage; and

F. breeders' fund tax.

CHAPTER 7879
MINNESOTA RACING COMMISSION
STEWARDS

7879.0100 QUALIFICATIONS AND APPOINTMENT OF STEWARDS.

Subpart 1. **Qualifications for stewards.** No person may qualify for commission appointment or approval as a steward unless:

A. he or she has served as a steward, racing secretary, assistant racing secretary, starter, placing judge, patrol judge, paddock judge, or clerk of scales at one or more recognized race meetings for a period of not less than 60 days per year during at least three of the five preceding calendar years or has had at least five years experience as a jockey;

B. he or she has satisfactorily passed an optical examination within 90 days prior to approval as a steward evidencing 20-20 vision (corrected) and the ability to distinguish colors; and

C. the commission is satisfied that income, other than salary as a steward, which may accrue to a person under consideration for appointment as a steward is independent of and unrelated to patronage of or employment by any licensee under the supervision of the steward, so as to avoid the appearance of any conflict of interest or suggestion of preferential treatment of a licensee.

Subp. 2. **Appointment and approval of stewards.** The following procedures must be observed in the appointment of stewards:

A. There shall be three stewards for each race meeting, two of whom shall be appointed by the commissioner and one of whom shall be nominated by the association for approval by the commission. The name of the association nominee for steward must be submitted no later than 30 days before commencement of a race meeting and be accompanied by biographical data setting

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forth the experience and qualifications of the nominee. The association may submit successive nominees until one person is approved by the commission as qualified to serve as steward. No steward may serve until approved by the commission.

B. In the event a steward becomes ill, resigns, or is unable to serve for any reason, the remaining stewards shall nominate a temporary steward to the commission for approval. In emergencies, the executive secretary may approve appointment of a temporary steward.

7879.0200 AUTHORITY AND DUTIES OF STEWARDS.

Subpart 1. **General authority of stewards.** The stewards shall exercise immediate supervision, control, and regulation of racing at each licensed race meeting on behalf of the commission and shall be responsible only to the commission. The powers of the stewards shall include:

A. the authority over all horses and all persons, licensed or unlicensed, on association grounds during a race meeting as to all matters relating to racing;

B. the authority to determine all questions, disputes, protests, complaints, or objections concerning racing matters which arise during a race meeting and to enforce such determinations;

C. the authority to suspend, according to applicable law, the license of a participant in racing;

D. the authority to eject or exclude according to applicable law, from association grounds or any part thereof, licensed or unlicensed persons for violations of law;

E. the authority to interpret and enforce commission rules and determine all questions pertaining to racing matters in conformity with applicable law and the "customs of the turf";

F. the authority to issue decisions or rulings pertaining to racing matters which shall supersede orders of the officers, directors, and officials of the association, which may vary any arrangement relating to the conduct of a race meeting, including postponing or canceling a race, or ruling a race "no contest";

G. the authority to request and receive assistance from commission employees, racing officials, track security, and federal, state, or local police in the investigation of possible violations of law;

H. the authority to conduct hearings on all questions, disputes, protests, complaints, or objections concerning racing matters;

I. in the event a jockey, driver, trainer, or racing official, other than a steward, is determined to be unable for any reason to perform his or her duties, the authority to appoint a substitute therefor; and

J. the authority to excuse a horse or any jockey, driver, trainer, or racing official other than a steward.

Subp. 2. **Specific duties and responsibilities of stewards.** In addition to the duties and responsibilities necessary and pertinent to general supervision, control, and regulation of race meetings, and without limiting the authority of the stewards to perform those and all other duties listed in this part, the stewards shall have the following specific duties and responsibilities:

A. To consider and review all allegations of misconduct or rule infractions and, when warranted, initiate investigations of the allegations and conduct necessary hearings; or take the action necessary to prevent rule infractions.

B. At least one steward shall be on association grounds from scratch time (or, if not a racing day, when entries are first taken) until entries are closed. At least one steward shall be present for the regular showing of racing films or video tapes. All three stewards shall be on association grounds for a continuous period beginning not less than one hour before post time for the first race until conclusion of the last race.

C. At least one steward, or a designated representative of the stewards, shall be present in the paddock before each race and remain there until the horses leave for the starting gate, to observe the conduct of all persons in and around the paddock.

D. To review applications for Class C licenses and administer, or cause to be administered by technically qualified persons, standard examinations to all first-time applicants for a trainer, jockey, apprentice jockey, driver, or farrier license, and to make recommendations to the commission as to the qualifications of all applicants for Class C licenses.

E. To review all license applications, registration certificates, contracts, papers, and other documents pertaining to the sale or ownership of a horse, payment of purse money, appointments of agents, and applications for racing colors or stable name.

F. To require proof of eligibility of a horse or person to participate in a race if the eligibility is in question and, in the absence of sufficient proof to establish eligibility, to rule the horse or person ineligible.

G. To supervise the taking of entries and receive all declarations and scratches and determine all questions arising and pertaining to same; the stewards may refuse the entry of any horse by any person, or refuse to permit a declaration or scratch, or may limit entries when necessary to protect the safety or integrity of racing.

H. To lock all pari-mutuel betting machines not later than the start of a race.

I. To cause the "inquiry" sign to be posted on the infield totalizator board immediately after the horses have crossed the finish line in a race if any doubt is held by any steward as to the fairness of the running of the race.

J. To cause the "objection" sign to be posted on the infield totalizator board upon the lodging of an objection.

K. To cause the "official" sign to be posted on the infield totalizator board after determining the official order of finish for purposes of pari-mutuel payoff.

L. To review the video tapes of each day's races before commencement of the successive day's races and to draw up and post a list of jockeys (including all apprentice jockeys) whom the stewards feel should review such films for instructional purposes.

M. To maintain daily reports of actions taken and observations made during the conduct of each day's racing program. The report must contain the name of the track, the date, weather and track conditions, claims, inquiries and objections, and any unusual circumstances or conditions. The reports must be signed by all three stewards and filed with the commission within 24 hours.

N. During racing hours, make periodic inspections of the jockeys' and drivers' room and observe security, and note the inspections and observations made in the stewards' daily report.

O. To maintain detailed records of all questions, disputes, protests, complaints, or objections brought to the attention of the stewards, and a summary of interviews, reports of investigations, and rulings issued thereon. If a ruling is not unanimous, the dissenting steward shall record the reasons for the dissent. The stewards' log must be available to the commission for inspection at all times.

P. Within seven days after the conclusion of a race meeting, the stewards must submit to the commission a written report containing their observations and comments concerning the conduct of the race meeting and the condition of the association grounds and any appropriate recommendation for improvement.

Subp. 3. **Criteria and bases for stewards' decisions.**

A. When making judgments with respect to the conduct of horse racing, the stewards shall take into consideration the following:

(1) their prior experience in horse racing;

(2) the applicability of similar prior decisions to the decision being made;

(3) all relevant circumstances surrounding the decision under consideration;

(4) what effect, if any, the decision being made has upon the integrity of racing and the safety, health and welfare of the participants and the general public; and

(5) any other relevant factors which affect the integrity of horse racing, so long as the same factors are considered with regard to all similar decisions.

B. When making a determination or recommendation regarding the qualifications of an applicant for a Class C license, the stewards shall consider the following factors:

(1) whether the applicant's ability is sufficient so as to not endanger the life or safety of the applicant, other participants, racetrack patrons, horses, or property;

(2) whether the applicant is able to perform in a competitive manner so as to enhance the quality of horse racing;

(3) whether the applicant's ability and/or qualifications are at least equal to those of current licensees; and

(4) any other relevant factors which affect the integrity of horse racing, or the health, safety, or welfare of persons and animals so long as these same factors are applied uniformly to all applicants for Class C licenses.

7879.0300 COMPENSATION OF STEWARDS.

Subpart 1. **Commission to be reimbursed.** An association must reimburse the commission, on a weekly basis, for the cost of providing state stewards. The level of compensation and benefits for all stewards shall be determined by the commission.

Subp. 2. **Compensation level.** In determining the level of compensation for stewards, the commission shall consider the following criteria:

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A. the current comparable rate of compensation for stewards in other racing jurisdictions;

B. the experience and background of the stewards, as well as their responsibilities and required hours of work; and

C. the cost of any necessary equipment used or specialized courses required to fulfill their duties.

CHAPTER 7895
MINNESOTA RACING COMMISSION
BREEDERS' FUND

7895.0100 GENERAL PROVISIONS.

Subpart 1. **Scope.** The purpose of this chapter is to administer the breeders' fund under Minnesota Statutes, section 240.18, and the required race provision of Minnesota Statutes, section 240.29.

Subp. 2. **Registration.** To qualify for payment of awards and for entry into restricted races, all foal certificates must have the Minnesota registration seal affixed upon them. The seal shall be proof that the requirements of this part have been met.

Subp. 3. **Decisions regarding eligibility for registration.** Questions regarding the registration, eligibility for registration, or breeding of a Minnesota-bred horse shall be decided by the commission. An official registering agency may be designated by the commission and empowered to act in matters relative to registration, eligibility for registration, or breeding. A decision of the official registering agency shall be subject to review by the commission which retains the right to make the final decision as to any right or liability under this chapter. All original foal registration certificates must be submitted for inspection to the commission or official registering agency. Affidavits or other substantive proof, as the commission or official registering agency deems necessary, may be required to support any claim for Minnesota-bred registration.

Subp. 4. **Decision regarding eligibility to enter restricted races.** Questions as to the eligibility for nomination or entry in restricted races shall be decided by the commission or the official registering agency.

Subp. 5. **Basis for allocation.** The amount of money allocated for any particular race should reflect the quality of the race being run.

Subp. 6. **Breeders' fund advisory committees.** All money allocated pursuant to this chapter shall be determined by the commission after consultation with the appropriate breeders' fund advisory committee.

7895.0110 THOROUGHBRED BREEDERS' FUND.

Subpart 1. **Definitions.** For purposes of this part, the following terms have the meaning given them unless another intention clearly appears.

A. "Minnesota-owned" means:

(1) In the case of a horse owned by an individual, the owner must reside in Minnesota, declare himself or herself to be a resident of Minnesota for purposes of Minnesota Statutes, chapter 290, and declare that he or she is not a resident of any other state.

(2) In the case of a horse owned by a corporation, the corporation must:

(a) be legally incorporated in the state of Minnesota;

(b) have its principal place of business in Minnesota;

(c) have at least 51 percent of all outstanding shares of stock owned by shareholders who are residents of Minnesota for purposes of Minnesota Statutes, chapter 290, and who declare that they are not residents of any other state.

(3) In the case of a horse owned by a limited partnership, the general partners and at least 51 percent of the limited partners must be residents of Minnesota for purposes of Minnesota Statutes, chapter 290, and declare that they are not residents of any other state.

(4) In the case of a horse owned by a partnership, all partners must be residents of Minnesota for purposes of Minnesota Statutes, chapter 290, and declare that they are not residents of any other state.

Every owner of a Minnesota-owned horse must hold a Class C owner's license issued by the commission as required in part 7877.0130, subparts 1 and 2.

B. "Minnesota-foaled" means a horse foaled in Minnesota.

C. "Minnesota-bred" means a horse foaled in Minnesota.

D. "Minnesota-sire" means a stallion owned at least 50 percent by residents of Minnesota or leased entirely by Minnesota residents, and which has stood the entire breeding season, between February 15 and July 31, in Minnesota.

Subp. 2. **Division of money.** The money available from the breeders' fund for the thoroughbred breed category shall be divided as follows:

A. 31 percent shall be set aside and paid to breeders of Minnesota-bred horses as breeders' awards;

B. 31 percent shall be set aside and paid to owners of Minnesota-bred horses as owners' awards;

C. 31 percent shall be paid to supplement purses in races which are restricted to Minnesota-bred or Minnesota-owned horses. In all such races Minnesota-bred horses shall be preferred, and the purse supplements shall be apportioned in accordance with the quality of the race as determined by the commission.

D. Seven percent shall be set aside and paid as stallion awards to the owners of the Minnesota-sire at the time of breeding.

Subp. 3. **Distribution of money.** The money available from the thoroughbred breeders' fund, other than purse supplements, shall be distributed as follows:

A. "Breeders' awards" shall be paid to the breeder of a Minnesota-bred horse, as reflected on the Jockey Club certificate that finishes fifth or better in any race.

B. "Owners' awards" shall be paid to the owners of Minnesota-bred horses that finish fifth or better in any race.

C. "Stallion awards" shall be paid to the owners of the Minnesota-sire of a Minnesota-bred horse that finishes fifth or better in any race.

Subp. 4. **Methods of payment.** The amount of money distributed by the commission for awards or purse supplements pursuant to subpart 3 shall be paid out in the same percentage as the purse money in the race. The amount of money to be distributed shall be in accordance with subpart 5.

Subp. 5. **Adjustments.** The racing commission shall set percentages to be applied to each category of the breeders' fund for the purpose of determining the amount of awards and purse supplements that may be earned during the current race meeting. The racing commission may, in its discretion, during the course of a race meeting vary the percentages set in each category for the purpose of keeping awards and purse supplements consistent with the amount of money being earned in the breeders' fund and subsequent awards disbursements. The racing commission shall consider the following criteria in determining the applicable percentages:

A. the number of potential award recipients;

B. the total amount of awards and purse supplements to be distributed;

C. the need to distribute awards and purse supplements among Minnesota breeders and owners in a fair and equitable manner with a view toward encouraging the continued support of the horse industry in Minnesota, thereby providing incentive to breeders and owners of thoroughbred horses within the state; and

D. that the set amount of the awards and purse supplements or any adjustments made thereto are in the best interest of horse racing within the state.

Subp. 6. **Time of payment.** Purse supplements are part of the purse and shall be credited to owners' accounts at the time such purses are earned. All money allocated for breeders' awards, owners' awards, and stallion awards shall be distributed within 30 days of the end of the race meeting.

Subp. 7. **Maximum awards permitted.** The maximum amount of any award, exclusive of purse supplements, paid to an individual or entity under this part shall not exceed:

A. For calendar year 1985:

(1) $75,000 per breeder;

(2) $75,000 per owner; or

(3) $75,000 in total combined awards if a breeder is also an owner.

B. For calendar year 1986:

(1) $150,000 per breeder;

(2) $150,000 per owner; or

(3) $150,000 in total combined awards if a breeder is also an owner.

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Subp. 8. **Residual funds.** After complying with subparts 4 to 7:

A. any remaining funds in the stallion awards account shall be transferred to and distributed through the owners' account; and

B. any remaining funds in the owners' awards account and the breeders' awards account shall be distributed in proportion to the award money earned by each individual Minnesota-bred horse to the total award money earned by Minnesota-bred horses as a group.

After complying with subparts 4 to 8, any remaining funds in the breeders' and owners' accounts, and all unearned purse supplements, shall be retained and carried forward to be included as net distributable funds in the succeeding thoroughbred race meeting.

MINNESOTA RACING COMMISSION

RESOLUTION NO. 85-06

RESOLUTION AUTHORIZING ADOPTION OF RULES WITHOUT A PUBLIC HEARING

RESOLVED, that RICHARD G. EVANS, Executive Secretary of the Minnesota Racing Commission, be and hereby is granted the authority and directed to sign an Order of the Commission directing that Notice be given of the Commission's intent to adopt without a public hearing rules governing:

Reciprocity of Rulings (Minn. Rules pt. 7897.0120, subp. 3)
Direct Deposit Requirements and Reporting of Payments
(Minn. Rules pt. 7874.0100)
Possession of Electrical Devices (Minn. Rules pt. 7897.0100, subp. 18)
Distribution of Purse Monies (Minn. Rules pt. 7873.0550)
Stewards (Minn. Rules pts. 7879.0100 through 7879.0400)
Breeders' Fund (Thoroughbred Breeders' Fund)
(Minn. Rules pts. 7895.0100 and 7895.0110)

The Executive Secretary is further authorized to sign and issue said Notice, and to perform any and all acts incidental thereto.

In the event a public hearing becomes necessary, the Executive Secretary is hereby granted the authority and directed to call a hearing for the purpose of promulgating said rules, as well as perform any and all acts incidental thereto, including but not limited to, signing an Order of Hearing and Notice of Hearing as well as act as the Commission's representative at all hearings.

ADOPTED THIS 23rd DAY OF MAY, 1985

MOVED BY: Connolly

SECONDED BY: Farrell

AYES	NAYES	ABSTENTIONS
Anderson		
Connolly		
Daniels		
Farrell		
Fruehling		
Gustafson		

Ray Eliot

RAY ELIOT, Chair

Rosemary T Fruehling

STATE OF MINNESOTA

BEFORE THE

MINNESOTA RACING COMMISSION

In the Matter of the Proposed Rules Governing Possession of Electrical Devices, Reciprocity of Rulings, Distribution of Purse Money, Direct Deposit Requirements and Reporting of Payments, Steward, and Breeders' Fund.

STATEMENT OF NEED AND REASONABLENESS

GENERAL

The Minnesota Racing Commission began the monumental task of drafting the initial set of rules to govern pari-mutuel horse racing in October of 1983. On December 24, 1984, the majority of those rules were published in the State Register. In the six months since that time, the Commission has continued drafting additional rules that required more research, discussion and, at times, negotiation. On June 10, 1985, the additional rules and some amendments to now existing rules will have been published. The Commission believes the proposed rules are necessary to ensure the integrity of horse racing in Minnesota and to satisfy the legislative intent that the Commission establish rules for the hiring, duties and authority, and compensation of it's stewards. The proposed rules are also necessary to fulfill the legislative mandate that the Commission establish reporting and deposit requirements of pari-mutuel taxes, procedures for purse payments to horsemen and rules for the Minnesota Breeders' Fund.

The proposed rules are reasonable because they provide clarity with respect to the legislative intent and because they are generally customary in pari-mutuel horseracing. The burdens are not undue. Compliance has been obtained in other jurisdictions, racing has not been hampered, and the industry has flourished while meeting the standards set forth.

Statutory authority, necessity and reasonableness of specific rules is shown hereafter.

POSSESSION OF ELECTRICAL DEVICES

Minn. Rule 7897.0100, subpart 18 prohibits

any person, while on the grounds of an association, from possessing any electrical device that could be used for the purpose of stimulating a horse or affecting its speed during a race or workout. This rule was written to mirror Minn. Stat. 240. subdivision 4, (a) as amended. Originally, the statute had prohibited such possession "with intent to use". The Commission feels that it is necessary to prohibit even the possession as there is no practical or ethical use of such devices. The rule is necessary to safeguard against the use of such devices, as they are known to create danger among participants in a race because of a horse's unpredictable reaction to the stimulus, the use is not humane to the horse, and it allows for tampering with the outcome of the race. The rule is reasonable because of the protection it serves to horses, jockeys and patrons and because of the positive effect it creates on the integrity of racing. The rule is necessary and reasonable because it removes the element of having to prove intent to use such devices.

RECIPROCITY OF RULINGS

Minn. Rule 7897.0120, subpart 3 creates recognition of other states, disciplinary sanctions with respect to license suspensions and revocations for rules infractions committed by licensees in other jurisdictions. This rule is necessary for at least three reasons. First, as Minnesota will not issue drivers' licenses to persons who have had their licenses revoked or suspended in other states, racing licenses should be treated in the same manner. If a person has proven himself/herself to be dangerous or otherwise unfit for failure to obey traffic laws or, in this case, racing laws, Minnesota should not become a haven or sanctuary for those persons. Second, because information is not always instantly available at time of licensure, this rule provides protection to Minnesota to suspend a person upon subsequent discovery of the person's disciplinary sanctions elsewhere. Third, this rule provides Minnesota with protection to take suspensory or revocation action against a person should the person have action taken against them by another jurisdiction after being licensed in Minnesota. It is important for the Commission to be able to protect the integrity of racing in Minnesota by suspending the activities of offenders, whether the offense takes place in Minnesota or elsewhere.

The rule is reasonable for at least three reasons. First, the Commission has been given legal protection to guard itself from racing offenders from any jurisdiction. Second, because it is customary for all jurisdictions to honor each others' rulings, Minnesota achieves the credibility necessary to other states and all horsepersons. Third, the rule is reasonable because the burden upon the suspended party is not undue, as the rule allows for the

possible reinstatement of such licensee, when such licensee is reinstated in the original jurisdiction issuing the disciplinary sanction.

DISTRIBUTION OF PURSE MONEY

Minn. Rule 7873.050500 carries out the legislative mandate as set forth in Minn. Stat. chapter 240.13, subdivision 5, by promulgating rules for the distribution of purse money created by the law. The rule has five integral components. First, the rule requires an association to adjust purse levels to horsepersons on a regular basis to correspond with actual purses earned through the levels of pari-mutuel handles. Second; the rule directs that should overpayments of purses occur, an association may apply that negative balance to purse levels in the subsequent year to recover their loss. This is necessary, as it provides protection for an association from sustaining large losses of income through purses. The overpayments can sometimes occur when an association guarantees minimum purse levels to horse owners to provide monetary protection for such owners. At times, wagering levels may fall short of the purse money paid. This part of the rule does, however, require the association to recover its overpayment over an extended term so as not to create large purse discrepancies. Third; just as purses can be overpaid, purses can end up short of reflecting actual purses earned. This occurs for many reasons, such as a number of major money stakes events not being run due to insufficient entries, or wagering levels skyrocketing at the end of a race meeting, thus preventing the association from being able to keep up with purse payments. The rule directs that the positive purse balance be distributed in the subsequent racing year, but on an even basis to prevent serious purse inconsistencies. Fourth; the rule does provide the Commission disciplinary action against a race track operator should the Commission determine that the operator willfully underpaid purse money to use for it's own purposes during the interim period between race meetings. Fifth; the rule requires that when a racetrack operator charges nominating, sustaining, entry or starting fees for a race, those fees must be protected by requiring the fees to be put into interest bearing escrow accounts when the total fees for such a race exceed $15,000 or are held for a term of over 180 days. This is necessary, as racetracks have gone bankrupt and have used such fees in their general accounts and those funds were subsequently lost. The fees are horse owners' money and should be protected from being lost for any reason.

The rule is necessary as it provides for compliance with procedures to keep the racetrack operator and the horse owners protected with respect to purses being distributed equitably. It also gives the Commission authority

to intervene should such procedures be breached. The rule is reasonable because it places no undue burden upon either the racetrack operator or the horse owners. Further, it provides the Commission with the necessary tools to enforce compliance with the statutory mandate.

DIRECT DEPOSIT REQUIREMENTS AND REPORTING OF PAYMENTS

Because the legislature intended the Commission to collect all applicable taxes and fees from a racetrack operator, Minn. Stat. 240.15, subdivisions 1,2 and 5 mandated that rules be promulgated to ensure the safest, quickest and most accountable means be used to inject those taxes and fees into the General Fund. Minn. Rules chapter 7874 is necessary to accomplish that intent.

The rule consists of three parts to provide for the payment of taxes and the accountability therefor. First; the rule states that within seven days of the date that the pari-mutuel tax, breakage and breeders' fund tax are collected, such funds must be remitted to the Commission. Those funds, except for purse supplements for Minnesota-bred races, must be directly deposited in a financial institution designated by the Commissioner of Finance. At the close of each month, a statement of all such deposits must be submitted to the Commission. Second; the proceeds from unredeemed winning pari-mutuel tickets must be remitted to the Commission within 100 days from the close of a race meeting in accordance with Minn. Stat. chapter 240.13. Third; a daily recapitulation must be filed with the Commission detailing the total take-out for the day, the total pari-mutuel tax earned by the state, state and local admissions taxes, total breakage, the Commission's share (50%) of the breakage, and the breeders' fund tax. The Director of Pari-Mutuels verifies these figures to ensure that the state is receiving all amounts due.

The rule is necessary as it provides procedures for a racetrack operator to comply with or face disciplinary action by the Commission. It also creates the most effective way of depositing funds due the state in a safe and expeditious manner. The rule is reasonable because it follows normal state accounting practices and is therefor not cumbersome to the state, the Commission or the racetrack operator.

STEWARDS

Minn. Rule chapter 7879 is a very critical rule as it deals with the stewards, the individuals that have the most influence, authority and impact upon the conduct of racing at a licensed racetrack. The Minnesota Legislature recognized the importance of the stewards in Minn. Stat. chapter 240.16, and directed the Commission to promulgate

rules with respect to the stewards' qualifications, their appointment to service, authority, duties, and compensation. The Commission has satisfied the direction of the legislature.

The qualifications for stewards were drafted following primarily the qualifications set forth by the Kentucky Racing Commission. Kentucky has long been known throughout racing for the high quality stewards that it employs. It is reasonable to emulate those qualifications to ensure that Minnesota has capable, experienced stewards. The rule states that the stewards must have prior experience as a steward or as a racing secretary, assistant racing secretary, starter or other racing official for at least sixty days per year for at least three of the preceding five years. This requirement accomplishes two things. First, it requires the Commission hire individuals with extensive racing experience rather than employing persons that may have used political friends or other influence to secure a position, as has been the case in other racing jurisdictions. Second, the requirement ensures that the stewards have experience in many areas of racing, thereby giving them the skills and knowledge necessary to perform their duties. The stewards must also demonstrate to the Commission that their income, other than as a steward, is unrelated to any licensee. This is necessary to eliminate any possibility of conflict of interest or preferential treatment to a licensee.

The rule gives the Commission direction in the appointment of the Commission stewards and the approval and subsequent appointment of the association steward. The rule sets forth the procedure the association must follow to get a nominee for steward approved, and makes it clear that no steward shall serve without first being approved. Finally, part 7879.0100 provides the procedure for the appointment of a temporary steward to replace a steward that is unable to perform his or her duties due to illness, resignation or other reason. The rule is necessary to provide coverage and continuity within the Board of Stewards.

Part 7879.0200 of the rules covers three very important areas with respect to stewards. Those areas are the stewards' general authority, specific duties and responsibilities, and the criteria to be used when making racing related judgments or determining the qualifications of applicants for certain Class "C" licenses.

Subpart 1 outlines the general authority of the stewards. That authority extends to exercising immediate supervision, control and regulation of racing on behalf of the Commission; the authority over all persons on the association grounds; the authority to determine all questions, disputes, protests, complaints or objections

concerning racing matters; the authority to suspend Class "C" licensees; the authority to eject or exclude from the grounds of the association licensed or unlicensed persons; the authority to enforce rules and issue decisions or rulings pertaining to racing matters; the authority to request assistance from law enforcement agencies to conduct investigations for possible violations of the Commission's rules or applicable laws; the authority to conduct hearings; and the authority to remove and subsequently replace any official or licensee should such licensee prove to be unable to perform his or her duties.

The authority in the aforementioned areas is imperative to maintain regulatory control of horse racing. The stewards are the Commission's representatives at each racetrack and are vested with the responsibility of ensuring the integrity of racing, control of all racing functions and of the participants therein. By defining the stewards' authority, there can be no challenge to the judgments made by them nor can the stewards exceed the limitations placed upon them by the rules. The rule is reasonable because it gives the stewards the powers necessary to govern the conduct of racing and, at the same time, does not express implied authority that could lead to possible abuse of such authority. The burden is not undue as the rule provides equal protection for both the stewards and licensees.

Subpart 2 of the rule details the specific duties and responsibilities of the stewards. The rule is necessary to define the stewards' roles on a day-to-day basis. The subpart is broken into 16 separate areas of responsibilities dealing with such matters as requiring the stewards to review all allegations of rules infractions and to initiate investigations and conduct necessary hearings therefor; to review applications for Class "C" licensees and administer or cause to be administered by technically qualified persons standard examinations required of certain first-time applicants; to supervise the activities of the racing office with respect to entries, scratches or declarations; to view all races conducted at an association and conduct inquiries into any race where doubt is held with respect to the fairness of the running of such a race; to declare races "official" for the purpose of pari-mutuel payouts; and to maintain daily race reports and detailed records of all disputes, complaints, objections, interviews, investigations and rulings. The rule is necessary to give the stewards guidelines as to the duties required of them by the Commission and to serve as support for any actions taken by them. The rule is reasonable for at least two reasons. First, it is reasonable to give any employee of the Commission a direct expectation of certain hours of work, tasks to be completed and reports to be kept. It is especially important to define the responsibilities of the stewards by rule because of the critical function

they serve as the Commission's representatives. Second, the rule is reasonable because it makes known to licensees that the stewards have specific responsibilities with respect to taking action against such licensees for violations of racing rules or applicable laws.

Subpart 3 was included in the rule at the suggestion of the Attorney General's office that reviewed the original rules. The rule is necessary to cause the stewards to use specific criteria in racing related judgments and in their assessment of an applicant's capabilities. The criteria has five specific areas with respect to stewards' judgments. The areas are the stewards' prior experience in horse racing; the applicability of similar prior decisions to the decision being made; all relevant circumstances surrounding the decision being made; what, if any, effect the decision being made will have upon the integrity of racing, and the safety, health and welfare of the participants and the general public; and any other relevant factors as long as the same factors are considered with regard to all similar decisions being made.

The criteria stewards are to use when determining the qualifications of an applicant are as follows; whether the applicant's ability is sufficient so as to not endanger the life or safety of the applicant, other participants, racetrack patrons, horses or property; whether the applicant's performance will enhance the quality of horse racing; whether the applicant's ability or qualifications are at least equal to those of current licensees; and any other relevant factors which affect the integrity of horse racing, or the health, safety or welfare of persons and animals so long as these same factors are applied uniformly to all applicants for Class "C" licenses.

The rule is reasonable because it does not place undue burden upon the stewards to use reasonable and necessary criteria in their judgments. It is not uncommon for stewards to use such criteria in their day-to-day activities, but to incorporate the criteria by rule is reasonable to serve as protection for all affected licensees.

Part 7879.0300 deals specifically with the legislative mandate that the Commission set the compensation for stewards, the compensation to be the same for all stewards, and the method of recovering the costs of the stewards from the track operators. The rule is necessary to satisfy the legislative intent. Criteria has been put into the rule for the Commission to consider when determining the level of compensation. The rule is reasonable because it is usual and because it sets criteria to be used in establishing compensation levels.

BREEDERS' FUND

7895.0100 to 7895.0110. Minn. Stat. §240.18 requires the Commission to establish a breeders' fund with money the Commission receives through the tax provisions of Minn. Stat. §240.15 subd. 1. That provision requires racetrack operators to pay ½ to 1 percent of pari-mutuel pools.

Section 240.18 mandates the Commission to distribute the net proceeds of the breeders' fund:

(1) Twenty percent in grants for equine research and related education at public post-secondary institutions in Minnesota; and

(2) The balance to categories corresponding with various breeds of horses racing in Minnesota in proportion to each breed's contribution through taxes on its races.

The funds in each of the breed categories may be spent by the Commission to:

(1) Supplement purses for exclusive races for Minnesota-bred, Minnesota-foaled and Minnesota-owned horses;

(2) Pay breeders or owners awards to the breeders or owners of Minnesota-bred horses which win money at Minnesota racetracks; and

(3) Provide other financial incentives to encourage the horse-breeding industry in Minnesota.

Minn. Stat. §240.29 requires racetrack operators to conduct at least one race a day exclusively for Minnesota horses. If there are not enough Minnesota horses, the track may substitute another race.

Section 240.18 empowers the Commission to establish advisory committees to counsel the Commission on distribution of the breeders' fund.

The section mandates the Commission to adopt rules governing distribution of the fund.

Part 7895.0100 provides procedures regarding the fund. Subpart 2 provides for registration of Minnesota horses. Subpart 3 provides that the Commission must decide all questions regarding registration, eligibility or breeding. Subpart 4 provides for decisions on eligibility for nomination and entry into races for Minnesota horses. Subpart 5 provides for when awards and purse supplements must be paid. Subpart 6 puts a maximum award that any owner, breeder or owner/breeder may receive in 1985 and

1986. It was necessary to include maximum awards due to the small number of Minnesota-breds that will be racing in the formative years in Minnesota. Subpart 7 provides for distribution of award money not paid out of lack of a qualifying horse. This residual money will be awarded at the end of a race meeting to breeders and owners in proportion to award money won.

The rule is necessary to provide incentives for growth of the Minnesota thoroughbred industry. It is reasonable because it is recommended by affected horsemen.

SMALL BUSINESS CONSIDERATIONS

The Commission considered the impact of these rules on small business and considered less stringent requirements for small business, less stringent schedules or deadlines, consolidation or simplification, performance standards as an alternative to design or operational standards and exemptions for small business.

The rules do impact small business. The Commission would submit the rules do not affect small business disproportionately as a quantitative matter nor prevent participation of small business in Minnesota's new pari-mutuel horseracing industry as a qualitative matter.

A small business can cause a scandal, fix a race or otherwise harm the integrity of racing. The Commission cannot be less rigorous in its regulation of one type of business than another.

CONSEQUENCES

Short-term, these rules permit a new industry to get under way with integrity and impose some costs. The economic costs will be felt before the benefits.

Also, costs will be greater at first while compliance is new to affected persons. Over time, affected persons will be able to comply more easily, more quickly, more effectively and less expensively as they become accustomed to the rules.

Compliance will be as efficient as possible from the beginning, because the Commission sought to minimize the burden and propose rules consistent with other jurisdictions.

Long-term economic and other benefits will greatly exceed costs.

IMPACT ON AGRICULTURAL LAND

These rules will not require expenditure of public monies by local public bodies, nor do they have a direct and substantial adverse impact on agricultural land in the state. See Minn. Stat. section 14.11.

MINNESOTA RACING COMMISSION

In the Matter of the Proposed Rules
Governing Reciprocity of Rulings, Direct
Deposit and Reporting of Payments, Possession
of Electrical Devices, Distribution of
Purse Monies, Stewards, and Breeders' Fund

I, David J. Freeman, Executive Director of the Minnesota Racing Commission (MRC), under oath declare the following:

That on November 21, 1985, copies of the proposed rules found in 10 S.R. 1151-1157 (November 18, 1985), were sent to all persons and associations who have requested that their names be placed on file with the MRC for the purpose of receiving notice of the proposed adoption of rules by this agency.

That after affording the opportunity for comment on the proposed rules commencing November 22, 1985, and ending at midnight on December 21, 1985, the MRC received no comments, either written or oral concerning the above captioned rules.

David J. Freeman

DAVID J. FREEMAN, Executive Director
MINNESOTA RACING COMMISSION

Subscribed and sworn to before me
this 5th day of February, 1986

Sharon A. Beighley

SHARON A. BEIGHLEY
Notary Public

SHARON A. BEIGHLEY
NOTARY PUBLIC — MINNESOTA
HENNEPIN COUNTY
My Commission Expires Oct. 23, 1988

STATE OF MINNESOTA

MINNESOTA RACING COMMISSION

In the Matter of the Proposed Adoption of Rules of the Minnesota Racing Commission Governing Possession of Electrical Devices, Reciprocity of Rulings, Distribution of Purse Money, Direct Deposit Requirements and Reporting of Payments, Stewards, and Breeders' Fund.

DECLARATION OF COUNSEL

I, Jerry Anderson, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule, and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules, chapter 2010 have been followed. For Attorney General billing purposes, the four-digit docket client code is 0733.

JERRY ANDERSON
Special Assistant
Attorney General

Dated: February 10, 1986.

MINNESOTA RACING COMMISSION

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(612) 341-7555

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Muriel W. Poehler

David J. Freeman
Executive Director

February 5, 1986

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ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

The Honorable Hubert H. Humphrey III
Attorney General
STATE OF MINNESOTA
102 State Capitol
St. Paul, Minnesota 55155

Re: Minnesota Racing Commission
Rules As Proposed For Adoption

Dear Attorney General Humphrey:

Enclosed for review by the Attorney General's Office pursuant to Minn. Stat. §14.26 (1984) are copies of the following documents relating to rules as proposed for adoption by the Minnesota Racing Commission (MRC):

(1) Notice of Intent to Solicit Outside Opinion (Note: the MRC did not receive any comments pursuant to this Notice).
(2) Certificate of MRC's Authorizing Resolution.
(3) Order for Notice of Intent to Adopt Rules Without Hearing (duplicate copies).
(4) Notice of Intent to Adopt Rules Without Hearing (duplicate copies).
(5) Certificate Regarding Official Mailing List.
(6) Affidavit of Mailing.
(7) Affidavit of Additional Notice.
(8) Rules as Proposed.
(9) Rules as Adopted (Original and 3 copies).
(10) Findings of Fact and Conclusions (duplicate copies).
(11) Statement of Need and Reasonableness (duplicate copies).
(12) Written Comments Received on the Proposed Rules or Request for Public Hearing Received (Note: the MRC did not receive any requests for a public hearing).
(13) Certificate of Compliance With Rulemaking Process.
(14) Certificate of MRC's Authorizing Resolution.
(15) Order Adopting Rules (duplicate copies).

Please be advised that the MRC did not receive any requests for notice of submission to the Attorney General.

Thank you for your consideration in this matter.

Sincerely,

David J. Freeman

David J. Freeman
Executive Director

DJF/sb
enclosures