

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. 1260

05.0009.0733

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 3-21-86
DATE FOR REVIEW 3-31-86
DATE DUE 4-4-86

Adopted w/a hearing _____
Adopted w/o hearing ✓
Temporary rule _____

Approved 3-31-86 mjc Disapproved _____ Returned to Agency _____

Resubmitted _____ Due _____
Approved _____ Disapproved _____ Returned to Agency _____

Date filed w/Secretary of State 3-31-86 Revisor approved _____ disapproved _____

✓ Rule as Adopted

✓ Rule as Proposed

✓ Order Adopting 3.19.86. Date combined w/ F of F

✓ Notice of Intent to Solicit Outside Opinion SR. 12.16.85 + comments

_____ Order for rulemaking
_____ date of Hearing not submitted

_____ Certificate of Board's Authorizing Resolution not submitted

✓ Notice of rulemaking
✓ Sufficiency

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

✓ Affidavit of Additional Notice

✓ Mailing list Certificate

✓ Publication in State Register
2.10.86. 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

✓ Agency's Findings of Fact combined with order Adopting also, submitted in ~~separate~~ document.

N/A LCRAR Report or agency Affidavit

✓ Certificate of Board's Resolution Adopting Rules labelled "authorizing"
+ copy of Resolution labelled "adopting"

N/A Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness includes small biz statement

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)

✓ 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 OF MINNESOTA

Office Memorandum

DEPARTMENT ATTORNEY GENERAL

TO: DAVID J. FREEMAN
Minnesota Racing Commission

DATE: 3/31/86

ATTN: MARY MAGNUSSON
Special Assistant Attorney General

FROM: MARTHA J. CASSERLY
Special Assistant Attorney General

PHONE: 296-4692

SUBJECT: In the Matter of the Proposed Adoption of Rules of the Minnesota Racing Commission Governing Amendments to Existing Rules, Standardbred and Quarter Horse Breeders' Funds, and Registration Requirements for the Thoroughbred Breeders' Fund

The above-referenced rule has been approved as to its legality by the Attorney General on March 31, 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

RR1260

AG copy

Minnesota Racing Commission

Adopted Rules Governing Horse Racing

Rules as Adopted

7869.0100 DEFINITIONS.

Subpart 1. to 15. [Unchanged.]

Subp. 16. **Condition book.** "Condition book" means the publication issued by the association advertising races for upcoming racing days.

Subp. 17. to 23. [Unchanged.]

Subp. 24. **Entry.** "Entry" means, according to its context, either:

A. the act of entering a horse to race;

B. a horse eligible and entered in a race; or

C. two or more horses that are entered in a race and which are coupled for wagering purposes.

Subp. 25. to 40. [Unchanged.]

Subp. 41. **Official.** "Official" means the act of the stewards declaring the results of the race final and authorizing pari-mutuel winnings to be paid out.

Subp. 42. to 50. [Unchanged.]

Subp. 51. **Race.** "Race" means a contest among horses for purse, stakes, premium, or wager for money, run in the presence of racing officials of the association and the commission. The following are categories of races:

A. to I. [Unchanged.]

J. "Qualifying race" means a non pari-mutuel wagering race in which a standardbred horse must compete to establish or reestablish its eligibility to enter a race on which pari-mutuel wagering will be conducted.

K. "Quarter horse race" means a race on the flat at 870 yards or less.

L. "Race on the flat" means a race over a course in which no jumps or other obstacles are placed.

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M. "Restricted race" means a race required pursuant to Minnesota Statutes, section 240.29.

N. "Stakes race" or "sweepstakes race" means a race to which nominators of the engaged entries contribute to a purse, and to which money or any other award may be added. No overnight race, regardless of its conditions, may be deemed a stakes race.

O. "Time trial" means a race against time for the purpose of establishing a performance record.

Subp. 52. [Unchanged.]

Subp. 53. **Recognized racetrack.** "Recognized racetrack" means a racetrack where pari-mutuel wagering is authorized by law, or which is recognized by the American Quarter Horse Association or the United States Trotting Association.

Subp. 54. to 69. [Unchanged.]

7873.0127 PARI-MUTUEL POOLS DEPENDENT ON ENTRIES.

Unless the commission approves a prior written request from an association to alter wagering opportunities for a specific race, each association must offer:

A. win, place, and show wagering on all scheduled races involving six or more betting interests;

B. if horses representing five betting interests are scheduled to start in a race, then the association may prohibit show wagering on that race; and

C. if horses representing four or fewer betting interests are scheduled to start in a race, then the association may prohibit place wagering, show wagering, or both on that race.

Where possible, the official program must contain a notice indicating races on which place wagering, show wagering, or both are not offered.

7873.0130 PREVENTION TO START.

In a thoroughbred or quarter horse race, if the doors in front of a stall in a mechanically or electronically operated starting gate should fail to open simultaneously with the other stall doors, thereby preventing a horse from obtaining a fair

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start when the starter dispatches the field, the following shall apply:

A. and B. [Unchanged.]

C. If any horse or horses are so prevented from starting so that it would reduce the total number of starters below six, the following shall apply:

(1) if five starters of different betting interests leave the stalls, the association may refund the entire amount wagered in the show pool;

(2) if four or fewer horses of different betting interests leave the stalls, the association may refund the entire amount wagered in the show pool, the place pool, or both; and

(3) if fewer than two horses of different betting interests leave the stalls, the race must be canceled and the entire amount wagered in the win, place, and show pools must be promptly refunded.

7873.0140 FAILURE TO START.

After wagering has commenced on a race and prior to the race being run, should a horse or horses be scratched resulting in a field of less than six different betting interests, the following shall apply:

A. if five horses of different betting interests will leave the stalls, the association may refund the entire amount wagered in the show pool;

B. if four or fewer horses of different betting interests will leave the stalls, the association may refund the entire amount wagered in the show pool, the place pool, or both; and

C. if fewer than two horses leave the stalls, the race must be canceled and the entire amount wagered in the win, place, and show pools must be promptly refunded.

In all cases, the association must, prior to the race being run, announce to the public its decision to cancel any pools.

7875.0200 EQUIPMENT.

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Subpart 1. to 8. [Unchanged.]

Subp. 9. **External communications.** An association may have telephone or telegraph systems on the premises during a race meeting for the benefit of the public press or for transacting ordinary business, but no information regarding the results of any race shall be transmitted out of the racetrack until 15 minutes after the results are official~~,--nor~~ except for races that are broadcast or televised live. For those races the results and payoffs may be announced as soon as the race is official. Under no circumstances shall any message be sent over said wires transmitting money, or other things of value, or directing the placing of any wager on the result of a race except as permitted by part 7873.0400.

PF 1.

No telephone calls, telegrams, or messages of any kind for any person attending or participating in the conduct of a race meeting shall be accepted, nor shall any notice be given pertaining to such message or telephone call during the hours indicated unless permission is first given by the stewards or the authorized representative of the commission.

A telephone on a private line shall be provided in the offices of the commission. All costs of the telephone service shall be borne by the association and the service shall not be interrupted at any time.

All telephones or other instruments of communication, other than those designated for the sole use of the commission or those approved by the commission for use during racing, must be rendered inoperable between the hours starting 30 minutes before post time for the first race and the flashing of the "official" sign following the last race.

All portable telephones, transmitters, or any other instrument of communication that can be used for transmitting messages off the grounds of an association is subject to confiscation by security personnel or by the racing commission and its employees.

7876.0110 OFF-TRACK STABLING.

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Subpart 1. [Unchanged.]

Subp. 2. **Requirements of commission must be met at racetrack.** All workout, tattooing, approval from the starting gate, and eligibility requirements of the commission or stewards must be secured at a licensed racetrack at which racing is being conducted. However, workouts may be obtained at sites approved by the commission and which are staffed by a clocker or clockers licensed by the commission.

Subp. 3. [Unchanged.]

7877.0110 PROCEDURE FOR OBTAINING CLASS C LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Application content.** An application for a Class C license shall include the following information with respect to the applicant:

A. to F. [Unchanged.]

G. a completed FBI fingerprint card.

Subp. 3. [Unchanged.]

Subp. 4. **Racing officials.** Each association shall submit to the commission for its approval or disapproval the names of all persons whom the association has selected as racing officials, and other employees whose duties relate to the actual running of races. The list shall include, where applicable, the following racing officials:

A. to V. [Unchanged.]

The list of racing officials' names shall be submitted to the commission in writing at least 30 days prior to the opening of each race meeting.

The association shall be responsible for filing a complete application for a Class C license with respect to each nominee who has not been previously licensed by the commission as a racing official.

The commission may request any person whose name is proposed as a racing official to submit to a physical examination and to forward the results of said examination to the commission. The request shall be made only where there is a

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reasonable basis for suggesting that the applicant's physical condition would hinder or prevent him or her from performing the duties of a racing official.

The commission shall act on the association's list of officials at a meeting of the commission. If commission staff recommends disapproval of an official, the association shall be notified of that recommendation in advance of the commission's meeting.

Under no circumstances shall an identifier, placing judge, or patrol judge be approved by the commission unless he or she has satisfactorily passed an optical examination within 90 days prior to approval evidencing 20-20 vision (corrected) and the ability to distinguish colors.

7877.0120 FEES.

Subpart 1. **License fees.** Each application for a Class C license, or its renewal, shall be accompanied by the payment of an annual fee according to the following schedule:

B. to Z. [Reletter as A. to Y.]

Subp. 2. **Fingerprint charge.** In addition to the license fee in subpart 1, each initial application for a Class C license, and each renewal application every third year thereafter, shall be accompanied by a completed FBI fingerprint card taken by the commission and a cashier's check or money order in the amount of $14 payable to "Federal Bureau of Investigation." Any horse owner who does not make application in person must meet all requirements of this subpart, except that the owner may file a completed fingerprint card taken by a law enforcement agency.

Subp. 3. and 4. [Unchanged.]

7877.0130 STANDARDS REQUIRED OF APPLICANTS FOR SPECIFIC LICENSES.

Subpart 1. **Individual owners.** An applicant for an individual owner's license must own or lease a horse eligible to race in Minnesota which is registered with the racing secretary and under the care of a trainer licensed by the commission.

If younger than 18 years of age, an applicant for an

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individual owner's license must submit a notarized affidavit from his or her parent or legal guardian stating that the parent or legal guardian assumes responsibility for the applicant's financial, contractual, and other obligations relating to the applicant's participation in racing. A parent or legal guardian submitting such an affidavit also shall submit information required in part 7877.0110, subpart 2. If the commission has reason to doubt the financial responsibility of an applicant for an individual owner's license, the applicant shall complete a verified financial statement.

Subp. 2. **Multiple owners.** Applicants for a multiple owner's license must comply with the following requirements.

A. A corporation, general partnership, limited partnership, trust, or any combination of two or more individuals, except spouses, which owns or leases a horse eligible to race in Minnesota (hereinafter referred to as "multiple owner") must obtain a Class C license issued by the commission.

B. to G. [Unchanged.]

Subp. 3. to 13. [Unchanged.]

Subp. 14. **Authorized agents.** To be appointed an authorized agent, the appointee must be licensed as either an individual owner or as a trainer. A written agency appointment authorizing him or her to act on behalf of a licensed owner or licensed trainer in racing matters not directly related to the care and training of horses must accompany the appointment. The authorization shall be on a form provided by the commission and shall define the powers, limits, and terms of the agency agreement. The authorization must be signed by the principals and notarized.

A separate notarized agency appointment is required for each principal an authorized agent intends to represent. All such agencies shall remain in effect for the duration of the current race meeting unless written notice of revocation is submitted to the stewards at the meeting where the principal is racing.

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Subp. 15. [Unchanged.]

7877.0140 TEMPORARY LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Termination.** A temporary license shall carry no presumption of qualifications or fitness and may be terminated summarily by the commission for cause.

A temporary license shall terminate upon a decision of the commission to issue or deny a Class C license, or 120 days after the grant of the temporary license, whichever occurs first.

7877.0145 EMERGENCY LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Owners.** If an owner is unable to complete an application for an owner's license because of absence or illness, the licensed trainer desiring to enter a horse in a race shall be permitted to apply for an emergency owner's license on behalf of the absent owner.

The trainer applying for an emergency owner's license on behalf of an absent owner must submit a notarized affidavit with the license application specifying the reasons the owner is unable to complete the application.

The trainer must, at the time of submission for an emergency owner's license, provide at least the following information: the owner's full name, home or business address, telephone number, and social security number. At the time of application, the appropriate licensing fee must be paid to the commission. Failure to provide all of the foregoing information is grounds for denial of an emergency owner's license.

Any emergency owner's license shall be valid for a maximum of 21 days from the date issued.

7877.0170 DUTIES AND RESPONSIBILITIES OF CLASS C LICENSEES.

Subpart 1. **Owners.** Horse owners shall have the following responsibilities:

A. to C. [Unchanged.]

D. An owner of a thoroughbred or quarter horse is

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responsible for the registration of colors and for their availability to, and use by, the jockey engaged to ride the owner's horse.

E. [Unchanged.]

Subp. 2. **Trainers.** Trainers shall have the following responsibilities.

A. to G. [Unchanged.]

H. A trainer may use only veterinarians licensed by the commission to tend horses in his or her care that are entered to race or at any time that the horses are on the grounds of an association.

I. to N. [Unchanged.]

O. A trainer is responsible for having each horse in his or her charge that is racing in Minnesota or stabled on the grounds of an association tested for equine infectious anemia (EIA) once every 12 months. The tests shall be performed by a laboratory approved by the United States Department of Agriculture. A copy of each horse's negative EIA test results (Coggins Certificate) must be attached to the horse's foal registration certificate on or before the time of entry into a race or the entry must not be accepted. The Coggins Certificates must be dated within a 12-month period prior to the date of entry, and must be renewed or replaced on foal registration certificate no later than ten days following the date of expiration.

P. A trainer must ensure that at the time of arrival at a licensed racetrack, each horse in his or her care that will be entered and remain in the stable area for more than 24 hours is accompanied by a health certificate issued not more than ten days prior to the arrival. The health certificate must be completed by an accredited veterinarian and must contain complete Equine Infectious Anemia (EIA) test results, including the date of the most recent negative EIA test. The health certificates must be surrendered to stable gate personnel for immediate transmittal to the commission veterinarian.

Q. A trainer must promptly report the death of any

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horse in his or her care on the grounds of an association to the commission veterinarian and must comply with part 7891.0110 governing post-mortem examinations.

R. If a trainer must be absent because of illness or any other cause, the trainer shall appoint another licensed trainer to fulfill his or her duties, and promptly report the appointment to the stewards. The absent trainer and substitute trainer will have joint responsibility for the condition of the horses normally trained by the absent trainer.

S. Trainers licensed as owners must train all horses owned wholly or in part by them.

Subp. 2a. **Assistant trainers.** An assistant trainer shall be charged with the same responsibilities as a trainer. The assistant trainer shall be held equally culpable with the trainer by whom he or she is employed for any acts to which the assistant trainer has prior knowledge or involvement.

Subp. 3. **Jockeys and apprentice jockeys.** Jockeys and apprentice jockeys shall have the following responsibilities.

A. An apprentice jockey must ride with a five-pound weight allowance except stakes races and handicap races beginning with his or her first mount and for one full year thereafter. If after one full year from the date of his or her fifth winning mount the apprentice jockey has failed to ride 40 winners, he or she shall continue to ride with a five-pound weight allowance for up to two more years from the date of his or her fifth winning mount or until he or she has ridden a total of 40 winners, whichever comes first. In no event shall an apprenticeship extend more than four years from date of initial licensure as an apprentice jockey.

B. to K. [Unchanged.]

L. A jockey must wear the racing colors provided by the owner of the horse he or she is to ride, plus white riding pants, top boots, and a number on the right shoulder corresponding to the mount's number as shown on the saddle cloth and in the daily program.

M. to W. [Unchanged.]

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Subp. 4. to 10. [Unchanged.]

7877.0175 DUTIES AND RESPONSIBILITIES OF RACING OFFICIALS.

Subpart 1. **Racing secretary.** The racing secretary shall have the following responsibilities.

A. to G. [Unchanged.]

H. The racing secretary must post, in a location accessible to all trainers, a list of all horses registered as "nerved," pursuant to part 7877.0100, subpart 11.

I. The racing secretary shall establish a preference system for horses which have been excluded from races due to overfilling and shall maintain the system for the duration of a meeting. The racing secretary shall be allowed broad discretion with regard to the preference system but shall act in the best interest of racing and the meeting.

J. In the event that a race is declared off due to an insufficient number of entries, the racing secretary must post in a conspicuous place the names of all trainers that entered horses in each race that was declared off.

Subp. 2. and 3. [Unchanged.]

Subp. 4. **Paddock judge.** The paddock judge shall have the following responsibilities.

A. to F. [Unchanged.]

G. The paddock judge shall inspect the bandages worn by all horses arriving in the paddock and may order the bandages removed or replaced if he or she has reason to believe that a violation of statute or rule has occurred, is occurring, or will occur.

(1) The paddock judge shall not allow a horse in the paddock if it is wearing bandages at knee level or higher.

(2) Paddock boots and all bandages, except those bandages that will be worn during a race, must be removed immediately after saddling in the paddock so that a satisfactory examination may be assured.

H. to L. [Unchanged.]

Subp. 5. to 7. [Unchanged.]

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Subp. 8. **Commission veterinarian.** The commission veterinarian shall maintain a list of the following:

A. and B. [Unchanged.]

The commission veterinarian's list shall be posted in the racing secretary's office, and any horse whose name is on the list shall be ineligible to enter a race for five calendar days, or until the commission veterinarian removes it from the list, whichever is later.

The commission veterinarian or his or her designee shall conduct racing-soundness examinations pursuant to part 7891.0100. If the veterinarian finds that any horse is unfit to race he or she shall notify the stewards immediately.

The commission veterinarian shall supervise the operation of a barn for the detention and testing of horses after each race pursuant to chapter 7890.

The commission veterinarian shall have the authority to draw blood from any horse or pony on the grounds of an association for the purpose of conducting an Agar-Gel immunodiffusion (Coggins) test, and shall supervise the removal from the racetrack of any horse or pony having positive Coggins test results.

Subp. 9. to 15. [Unchanged.]

7877.0180 CONFLICTS.

Subpart 1. **Racing officials.** No racing official, other than a general manager, shall own any interest in a Minnesota racetrack at which he or she is serving as an official, and no racing official shall own any interest in a horse eligible to race at a meeting at which he or she serves as an official.

No racing official shall buy or sell for himself or herself, or as an agent for anyone else, any horse eligible to race at a meeting at which he or she serves as an official.

No racing official shall hold any interest in the contract of a jockey or apprentice jockey riding at a meeting at which the official serves.

No racing official shall buy or sell for another person any

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right to a contract of any jockey or apprentice jockey riding at a meeting at which the racing official serves.

No racing official shall wager money or anything of value on any race in Minnesota during his or her term of employment.

No racing official, detention barn employee, commission staff, assistant starter, claims clerk, outrider, association veterinarian, or track superintendent shall request or accept any remuneration or honorarium in payment or kind from any owner, trainer, or other person licensed by the commission.

Subp. 2. [Unchanged.]

7878.0130 BASIC COURSE.

Subpart 1. **Applicant shall successfully complete basic course.** No security officer may be licensed unless the officer or his or her appointing authority furnishes proof to the commission that the prospective licensee has successfully completed a basic course which includes at least 40 hours of instruction in the following subject areas:

A. to G. [Unchanged.]

H. cardio pulmonary resuscitation (CPR);

I. to K. [Unchanged.]

Subp. 2. and 3. [Unchanged.]

7878.0140 CONTINUING EDUCATION.

Subpart 1. **Licensee shall successfully complete refresher training.** No security officer's license may be renewed unless the licensee or his or her appointing authority furnishes the commission proof that the licensee has successfully completed, on an annual basis, at least 16 hours of refresher training in the areas of:

A. to D. [Unchanged.]

E. security plan, policy, and procedure of the racing association; and

F. [Unchanged.]

Subp. 2. [Unchanged.]

7878.0150 STANDARDS OF CONDUCT FOR SECURITY OFFICERS.

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Subpart 1. [Unchanged.]

Subp. 2. **Restrictions on security officers.** No security officer may:

A. use unreasonable force;

B. to D. [Unchanged.]

7878.0160 SECURITY COOPERATION.

Subpart 1. **Security officers must cooperate with law enforcement agencies.** Class A, Class B, and Class D licensees and all security officers must cooperate fully with federal, state, and local law enforcement agencies with jurisdiction to enforce criminal laws at horse racing facilities, and must report promptly all crimes suspected, investigated, or prevented at a licensed racetrack to the BCA.

Subp. 2. **Notification of searches.** Within 24 hours of any searches conducted by an association or its security personnel, the racing commission director of racing security or his or her designee must be notified of the searches and any relative circumstances involved. A copy of the inventory sheet of all items confiscated during the searches must accompany the notification. All illegal contraband seized as a result of a search must be immediately delivered to the local law enforcement agency. Under no circumstances shall the association or its security personnel destroy or otherwise dispose of any illegal contraband.

7883.0100 ENTRIES AND SUBSCRIPTIONS.

Subpart 1. to 6. [Unchanged.]

Subp. 7. **Coupled entries.** Except in stakes races and races which are conditioned for horses eligible for specified stakes, not more than two horses of the same licensed ownership or interest shall be entered and started in a race.

A. No trainer shall enter more than two horses in an overnight event except in split races.

B. Horses trained by a public stable trainer shall not be coupled with horses trained by another public stable trainer unless the horses in question are owned by the same

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person or are coupled as a field for wagering purposes.

C. All horses owned wholly or in part by the same person, or his or her spouse, or trained by the same trainer, shall be coupled and run as an entry.

D. Notwithstanding items A to D, where two or more horses are coupled as an entry only for the reason that the horses are trained by the same trainer, the association may run those horses as separate interests.

Subp. 8. to 16. [Unchanged.]

7883.0140 CLAIMING RACES.

Subpart 1. to 8. [Unchanged.]

Subp. 9. **Prohibition on claims.** No person or racing interest shall:

A. to I. [Unchanged.]

J. enter, or allow to be entered, any horse against which any claim is held, either by mortgage or lien of any kind without, prior to entering, having filed the written consent of the holder of the mortgage or lien with the racing secretary and horsepersons' bookkeeper. Notification of the mortgage or lien must be posted in a conspicuous place in both the racing secretary's and horsepersons' bookkeeper's offices; or

K. claim a horse if he or she only leases a horse for racing purposes, unless the claim is executed pursuant to subpart 1, item C.

Subp. 10. to 19. [Unchanged.]

Subp. 20. **Excused horse eligible to be claimed for same claiming price in next start; harness racing.** If, in a claiming race, a horse is excused by the stewards, any claim or claims for the horse will be void. However, such a horse, in its next start, must race in a claiming race for a claiming price not greater than the amount for which it could have been claimed in the race from which it was excused. Should the horse be entered in an allowance or stakes race in its next start, said horse shall be subject to claim for the claiming price from the previous race from which it was excused. The provisions of this

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subpart shall apply for a period of 90 days from the date of the claiming race in which the horse was excused.

Subp. 21. to 29. [Unchanged.]

7883.0150 PADDOCK TO POST.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Bandages and blankets.** Immediately after saddling in the paddock, all blankets and bandages, except those bandages that will be worn during a race, must be removed. Should weather conditions so dictate, blankets may be worn after saddling with permission of the paddock judge. After saddling, all horses must be walked to allow a satisfactory examination.

Subp. 4. to 12. [Unchanged.]

7891.0100 RACING SOUNDNESS EXAMINATION.

Subpart 1. **Horses subject to examination.** Every horse entered to race at a licensed racetrack under the jurisdiction of the commission shall be subjected to a veterinary examination for racing soundness and health on race day conducted by the commission veterinarian or a veterinarian designated by the commission veterinarian in or near the stall to which the horse is assigned.

Subp. 2. [Unchanged.]

7892.0150 PURSES.

Subpart 1. **Purse may be redistributed.** Upon receipt of a positive laboratory report, the stewards shall direct that no undistributed purse money won by the horse tested may be awarded pending final determination of the matter. The stewards shall order distributed purse money returned, and it must be returned. If it is determined finally that a violation of chapter 7890 has occurred, the purse money won by the horse involved may be forfeited and redistributed among the other horses in the race according to their order of finish. No forfeiture and redistribution shall affect the distribution of pari-mutuel pools. Distribution of purse money prior to issuance of a laboratory report shall not be deemed a

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determination that chapter 7890 has not been violated.

Subp. 2. **Determination of purse redistribution.** In determining whether or not to redistribute a purse for a violation of chapter 7890, the commission or stewards shall consider the following factors:

A. inherent severity of the conduct as indicated by the potential harm to person, property, or the integrity of racing;

B. culpability of the violator;

C. frequency of the violator's failure to comply with law or rule;

D. actual harm caused to person, property, or the integrity of racing; and

E. any other factors related to the seriousness of violations which the commission or stewards deem crucial to the determination as long as the same factors are considered with regard to all violators. The commission or stewards, in making a determination, shall consider both the number of factors applicable to a violation and the degree to which each applies.

7895.0125 THOROUGHBRED REGISTRATION.

Subpart 1. **Broodmare registration.** To be eligible to receive any breeders' award payments, the following requirements must be met:

A. Prior to foaling, a broodmare must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency on or before January 31 of the year in which the broodmare will foal. The broodmare's original jockey club certificate must ~~accompany the registration application~~ be received by the racing commission or official registering agency. FF2

B. In the event an unregistered broodmare should foal in Minnesota before January 31, the owner must submit a sworn affidavit to the racing commission or the official registering agency attesting that the foal was born in Minnesota. The affidavit will be considered evidence that the foal is a

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Minnesota-bred or Minnesota-foaled horse and the owner of the broodmare or his or her agent must register the broodmare in accordance with item A. The attending veterinarian, licensed by the state of Minnesota, must certify on information and belief that the information provided from the owner or agent is true and correct.

C. Failure to submit broodmare registration forms on or before the January 31 cutoff date (excluding Saturday and Sunday) will disqualify any subsequent claims for breeders' award payments or for the foal to be registered as Minnesota-bred.

Subp. 2. **Stallion registration.** To be eligible to receive any stallion award payments, the following requirements must be met:

A. Stallions must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency by February 1 of the current breeding year. The stallion's original jockey club certificate must ~~accompany the registration application~~ be received by the racing commission or official registering agency. If the stallion is leased, a copy of the lease must accompany the registration application. The lease must include a statement that the lessee is authorized to sign the breeding certificate.

FF2

B. Stallions must remain in Minnesota for the entire breeding season from February 15 to July 31.

C. Stallion reports (record of mares bred) must be received by the racing commission or official registering agency by September 30 of the immediately preceding breeding season.

D. Failure to submit stallion reports (record of mares bred) by the September 30 cutoff date will disqualify any subsequent claims for stallion award payments.

Subp. 3. **Foal registration and certification.** For a horse foaled in Minnesota to be registered and subsequently certified as a Minnesota-bred, the following requirements must be met:

A. Within 30 days of the date a horse is foaled in Minnesota, the foal must be registered with the racing

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commission or official registering agency. The registration form must contain the following information: the date, the name of the owner of the foaling dam, the date that the foal was born, an owner's statement that the foal was born in Minnesota, and the signature and veterinary license number of the veterinarian submitting the report. Failure to submit the veterinarian's report will disqualify any subsequent claim to register the foal as Minnesota-bred.

B. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

C. Failure to have foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn any breeders' fund payments.

Subp. 4. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0100, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, the person may protest the eligibilty of the horse in the manner prescribed in this part. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the name of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 5. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 6. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

A. the horse in question must be disqualified from

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any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be ineligible; and

D. where appropriate, disciplinary action may be taken against the trainer of the horse found if it is determined that the trainer had prior knowledge of the owners' ineligibility.

7895.0250 STANDARDBRED BREEDERS' FUND.

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

A. "Breeder" means the owner or lessee of the dam at the time of conception in Minnesota.

B. "Minnesota-bred" means:

(1) in the case of a horse foaled prior to 1987, either:

(a) the United States Trotting Association (USTA) foal certificate reflects the breeder to be a Minnesota resident;

(b) the horse was sired by a stallion standing in the state of Minnesota as reflected on the USTA stallion report;

(c) at the time the horse was foaled in Minnesota the owner of the foal was a Minnesota resident; or

(2) Foals born on or after January 1, 1987, must have been sired by a stallion registered with the racing commission or official registering agency that stood in the state of Minnesota for the entire breeding season.

C. "Minnesota-foaled" means:

(1) In the case of a horse foaled prior to 1987, either:

(a) the USTA foal certificate reflects the breeder to be a Minnesota resident;

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(b) the horse was sired by a stallion standing in the state of Minnesota as reflected on the USTA stallion report; or

(c) at the time the horse was foaled in Minnesota the owner of the foal was a Minnesota resident.

(2) Foals born on or after January 1, 1987, must have been sired by a stallion registered with the racing commission or official registering agency that stood in the state of Minnesota for the entire breeding season.

D. "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

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owner's license issued by the commission as required in part 7877.0130, subparts 1 and 2.

E. "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, from January 1 to September 1 in Minnesota.

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

A. 25 percent shall be set aside and paid to breeders as breeders' awards; and

B. 75 percent shall be paid to supplement purses in races which are restricted to horses that are Minnesota-bred, Minnesota-foaled, or Minnesota-owned. In all such races, Minnesota-bred and Minnesota-foaled shall have first preference, and Minnesota-owned horses shall have second preference.

Subp. 3. **Distribution of money.** The money available from the standardbred breeders' fund shall be distributed as breeders' awards and paid to the breeder, as reflected on the USTA foal certificate, of a Minnesota-bred or Minnesota-foaled horse that finishes fifth or better in any pari-mutuel race in Minnesota.

Subp. 4. **Methods of payment.** The amount of money distributed for breeders' awards or purse supplements pursuant to subpart 3, shall be paid out in the same percentage as the purse money in the race.

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 breeders' award disbursements. The racing commission shall consider the following criteria in determining the

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applicable percentages:

A. the number of potential breeders' award recipients;

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

C. the need to distribute breeders' awards and purse supplements among the 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 standardbred horses within the state; and

D. that the set amount of the breeders' 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 shall be distributed within 30 days of the end of the race meeting.

Subp. 7. **Maximum awards permitted.** The maximum amount of a breeders' award, exclusive of any purse supplements, paid to an individual or entity under this part must not exceed 50 percent of the total available breeders' award funds during calendar year 1986.

Subp. 8. **Residual funds.** After complying with subparts 4 to 7, any remaining funds in the breeders' awards account, and all unearned purse supplements, shall be retained and carried forward to be included as net distributable funds in the succeeding standardbred race meeting.

7895.0275 STANDARDBRED REGISTRATION.

Subpart 1. **Stallion registration.** To be eligible to participate in the standardbred breeders' fund program, the following requirements must be met:

A. Stallions must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency by January 1 of the current breeding year.

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The stallion's original United States Trotting Association (USTA) certificate must ~~accompany the initial registration application~~ be received by the racing commission or official registering agency. If the stallion is leased, a copy of the lease must accompany the registration application or renewal. The lease agreement must contain a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from January 1 to September 1.

C. Stallion reports (record of mares bred) must be received by the racing commission or official registering agency by September 30 (excluding Saturday and Sunday) of the current breeding season.

Subp. 2. **Foal certification.** In order for a horse bred or foaled in Minnesota to be registered and subsequently certified as Minnesota-bred or Minnesota-foaled, the following requirements must be met:

A. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

B. Failure to have the foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn any breeders' fund payments.

Subp. 3. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0110, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, such person may protest the eligibility of the horse in the manner prescribed hereinafter. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the name of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

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Subp. 4. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 5. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be ineligible; and

D. where appropriate, disciplinary action may be taken against a trainer of the horse if it is determined that the trainer had prior knowledge of the horse's eligibility.

7895.0300 QUARTER HORSE BREEDERS' FUND.

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

A. "Breeder" means the owner or lessee of the dam at time of conception in Minnesota.

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

C. "Minnesota-bred" means:

(1) a horse sired by a registered stallion who stood his entire breeding season in Minnesota; and

(2) a horse born in Minnesota.

D. "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.

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(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.

E. "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, from February 15 through July 31, in Minnesota.

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

A. 35 percent shall be set aside and paid as breeders' awards to:

(1) until December 31, 1988, breeders of Minnesota-bred or Minnesota-foaled horses; and

(2) January 1, 1989, and thereafter breeders of a Minnesota-bred horse or a horse born in Minnesota prior to 1987;

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B. 35 percent shall be set aside and paid as owners' awards to:

(1) until December 31, 1988, owners of Minnesota-bred or Minnesota-foaled horses; and

(2) January 1, 1989, and thereafter owners of a Minnesota-bred horse or a horse born in Minnesota prior to 1987;

C. 20 percent shall be paid to supplement purses in races which are restricted to Minnesota-bred, Minnesota-foaled, or Minnesota-owned horses. In all such races Minnesota-bred or Minnesota-foaled 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. 10 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 quarter horse breeders' fund, other than purse supplements, shall be distributed as follows:

A. "Breeders' awards" shall be paid to the breeder of a Minnesota-bred or Minnesota-foaled horse, as reflected on the American Quarter Horse Association (AQHA) certificate that finishes fifth or better in any race.

B. "Owners' awards" shall be paid to the owners of a Minnesota-bred or Minnesota-foaled horse that finishes fifth or better in any race.

C. "Stallion awards" shall be paid to the stallion owner of a Minnesota-bred or Minnesota-foaled 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

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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 award 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 quarter 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 by December 31 of the year in which they are earned.

7895.0350 QUARTER HORSE REGISTRATION.

Subpart 1. **Broodmare registration.** To be eligible to receive any breeders' award payments, the following requirements must be met:

A. Prior to foaling, a broodmare must in Minnesota and registered or the registration renewed with the racing commission or official registering agency on or before January 31 of the year in which the broodmare will foal. The broodmare's original American Quarter Horse Association (AQHA) certificate must ~~accompany the initial registration application~~

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be received by the racing commission or official registering agency. FF2

B. In the event an unregistered broodmare should foal in Minnesota before January 31, the owner or lessee must submit a sworn affidavit to the racing commission or the official registering agency attesting that the foal was born in Minnesota. The affidavit will be considered evidence that the foal is a Minnesota-bred or Minnesota-foaled horse and the owner of the broodmare or his or her agent must register the broodmare in accordance with item A. The attending veterinarian, licensed by the state of Minnesota, must certify on information and belief that the information provided by the owner, lesseee, or agent is true and correct.

C. Failure to submit broodmare registration forms on or before the January 31 cutoff date (excluding Saturday and Sunday) will disqualify any subsequent claims for breeders' award payments or for the foal to be registered as a Minnesota-bred or Minnesota-foaled horse.

Subp. 2. **Stallion registration.** To be eligible to receive any stallion award payments, the following requirements must be met:

A. Stallions must in Minnesota and registered or the initial registration renewed with the racing commission or official registering agency by February 1 of the current breeding year. The stallion's original American Quarter Horse Association (AQHA) certificate must ~~accompany the initial registration application~~ be received by the racing commission or official registering agency. FF2 If the stallion is leased, a copy of the lease must accompany the registration application. The lease must include a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from February 15 through July 31.

C. Stallion reports (roster of mares bred) must be received by the racing commission or official registering agency by September 30 (excluding Saturday and Sunday) of the

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immediately preceding breeding season.

D. Failure to submit stallion reports (roster of mares bred) by the September 30 cutoff date will disqualify any subsequent claims for the stallion award payments.

Subp. 3. **Foal registration and certification.** For a horse foaled in Minnesota to be registered and subsequently certified as a Minnesota-bred or Minnesota-foaled horse, the following requirements must be met:

A. Within 30 days of the date a horse is foaled in Minnesota, the foal must be registered with the racing commission or official registering agency. The registration must include the following information: the date, the name of the owner or lessee of the dam at time of conception, the date that the foal was born, an owner's or lessee's statement that the foal was born in Minnesota, and the signature and veterinary license number of the attending veterinarian. Failure to submit the veterinarian's report will disqualify any subsequent claim to register the foal as a Minnesota-bred or Minnesota-foaled horse.

B. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

C. Failure to have foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn breeders' fund payments.

Subp. 4. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0110, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, such person may protest the eligibility of the horse in the manner prescribed hereinafter. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the named of the horse's owner(s), the reasons that the owner(s) is believed to

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be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 5. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 6. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be inelegible; and

D. where appropriate, disciplinary action may be taken against the trainer of the horse found if it is determined that the trainer had prior knowledge of the owners' ineligibility.

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STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
MAR 31 1986
Joan Anderson Growe
Secretary of State
8:58 AM

APPROVED AS TO FORM AND LEGALITY
March 31 1986
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY MJ Cassidy
SPECIAL ASSISTANT ATTORNEY GENERAL

Minnesota Racing Commission

Proposed Rules Governing Horse Racing

Rules as Proposed

7869.0100 DEFINITIONS.

Subpart 1. to 15. [Unchanged.]

Subp. 16. **Condition book.** "Condition book" means the publication issued by the association ~~and approved by the commission~~ advertising races for upcoming racing days.

Subp. 17. to 23. [Unchanged.]

Subp. 24. **Entry.** "Entry" means, according to its context, either:

A. the act of entering a horse to race;

B. a horse eligible and entered in a race; or

C. two or more horses that are entered in a race ~~and are owned in whole or in part by the same owner, or are trained by a trainer who owns any interest in any of the other horses in the race,~~ and which are coupled for wagering purposes.

Subp. 25. to 40. [Unchanged.]

Subp. 41. **Official.** "Official" means the act of the stewards declaring the results of the race final and authorizing pari-mutuel winnings to be paid out.

Subp. 42. to 50. [Unchanged.]

Subp. 51. **Race.** "Race" means a contest among horses for purse, stakes, premium, or wager for money, run in the presence of racing officials of the association and the commission. The following are categories of races:

A. to I. [Unchanged.]

J. "Qualifying race" means a non pari-mutuel wagering race in which a standardbred horse must compete to establish or reestablish its eligibility to enter a race on which pari-mutuel wagering will be conducted.

K. "Quarter horse race" means a race on the flat at 870 yards or less.

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~~K.~~ L. "Race on the flat" means a race over a course in which no jumps or other obstacles are placed.

~~L.~~ M. "Restricted race" means a race required pursuant to Minnesota Statutes, section 240.29.

~~M.~~ N. "Stakes race" or "sweepstakes race" means a race to which nominators of the engaged entries contribute to a purse, and to which money or any other award may be added. No overnight race, regardless of its conditions, may be deemed a stakes race.

O. "Time trial" means a race against time for the purpose of establishing a performance record.

Subp. 52. [Unchanged.]

Subp. 53. **Recognized racetrack.** "Recognized racetrack" means a racetrack where pari-mutuel wagering is authorized by law, or which is recognized by the American Quarter Horse Association or the United States Trotting Association.

Subp. 54. to 69. [Unchanged.]

7873.0127 PARI-MUTUEL POOLS DEPENDENT ON ENTRIES.

Unless the commission approves a prior written request from an association to alter wagering opportunities for a specific race, each association must offer:

A. win, place, and show wagering on all scheduled races involving six or more betting interests;

B. if horses representing five betting interests are scheduled to start in a race, then the association may prohibit show wagering on that race; and

C. if horses representing four or fewer betting interests are scheduled to start in a race, then the association may prohibit place wagering, show wagering, or both on that race.

Where possible, the official program must contain a notice indicating races on which place wagering, show wagering, or both are not offered.

7873.0130 PREVENTION TO START.

In a thoroughbred or quarter horse race, if the doors in front of a stall in a mechanically or electronically operated

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starting gate should fail to open simultaneously with the other stall doors, thereby preventing a horse from obtaining a fair start when the starter dispatches the field, the following shall apply:

A. and B. [Unchanged.]

C. If any horse or horses are so prevented from starting so that it would reduce the total number of starters below six, the following shall apply:

(1) if five starters of different betting interests leave the stalls, the association may refund the entire amount wagered in the show pool;

(2) if four or fewer horses of different betting interests leave the stalls, the association may refund the entire amount wagered in the show pool, the place pool, or both; and

(3) if fewer than two horses of different betting interests leave the stalls, the race must be canceled and the entire amount wagered in the win, place, and show pools must be promptly refunded.

7873.0140 FAILURE TO START.

~~In-the-event-of-horses-failing-to-start~~ After wagering has commenced on a race and prior to the race being run, should a horse or horses be scratched resulting in a field of less than six different betting interests, the following shall apply:

A. if ~~fewer-than~~ five horses ~~in~~ of different betting interests will leave the stalls, the association may refund the entire amount wagered in the show pool ~~shall-be-promptly refunded.~~;

B. if ~~fewer-than~~ four or fewer horses ~~in~~ of different betting interests will leave the stalls, the association may refund the entire amount wagered in the show pool, the place ~~and show-pools-shall-be-promptly-refunded.~~ pool, or both; and

C. if fewer than two horses leave the stalls, the race must be canceled and the entire amount wagered in the win, place, and show pools ~~shall~~ must be promptly refunded.

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In all cases, the association must, prior to the race being run, announce to the public its decision to cancel any pools.

7875.0200 EQUIPMENT.

Subpart 1. to 8. [Unchanged.]

Subp. 9. **External communications.** An association may have telephone or telegraph systems on the premises during a race meeting for the benefit of the public press or for transacting ordinary business, but no information regarding the results of any race shall be transmitted out of the racetrack until 15 minutes after the results are official, ~~nor~~ shall any message be sent over said wires transmitting money, or other things of value, or directing the placing of any wager on the result of a race except as permitted by part 7873.0400.

EXCEPT FOR RACES THAT ARE BROADCAST OR TELEVISED LIVE. FOR THOSE RACES THE RESULTS AND PAYOFFS MAY BE ANNOUNCED AS SOON AS THE RACE IS OFFICIAL.

UNDER NO CIRCUMSTANCES

No telephone calls, telegrams, or messages of any kind for any person attending or participating in the conduct of a race meeting shall be accepted, nor shall any notice be given pertaining to such message or telephone call during the hours indicated unless permission is first given by the stewards or the authorized representative of the commission.

A telephone on a private line shall be provided in the offices of the commission. All costs of the telephone service shall be borne by the association and the service shall not be interrupted at any time.

All telephones or other instruments of communication, other than those designated for the sole use of the commission or those approved by the commission for use during racing, must be rendered inoperable between the hours starting 30 minutes before post time for the first race and the flashing of the "official" sign following the last race.

All portable telephones, transmitters, or any other instrument of communication that can be used for transmitting messages off the grounds of an association is subject to confiscation by security personnel or by the racing commission and its employees.

7876.0110 OFF-TRACK STABLING.

REVISOR OF STATUTES
OFFICE BY:

Subpart 1. [Unchanged.]

Subp. 2. **Requirements of commission must be met at racetrack.** All workout, tattooing, approval from the starting gate, and eligibility requirements of the commission or stewards must be secured at a licensed racetrack at which racing is being conducted. However, workouts may be obtained at sites approved by the commission and which are staffed by a clocker or clockers licensed by the commission.

Subp. 3. [Unchanged.]

7877.0110 PROCEDURE FOR OBTAINING CLASS C LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Application content.** An application for a Class C license shall include the following information with respect to the applicant:

A. to F. [Unchanged.]

G. ~~two~~ a completed FBI fingerprint ~~cards~~ card.

Subp. 3. [Unchanged.]

Subp. 4. **Racing officials.** Each association shall submit to the commission for its approval or disapproval the names of all persons whom the association has selected as racing officials, and other employees whose duties relate to the actual running of races. The list shall include, where applicable, the following racing officials:

A. to V. [Unchanged.]

The list of racing officials' names shall be submitted to the commission in writing at least 30 days prior to the opening of each race meeting.

The association shall be responsible for filing a complete application for a Class C license with respect to each nominee who has not been previously licensed by the commission as a racing official.

The commission may request any person whose name is proposed as a racing official to submit to a physical examination and to forward the results of said examination to the commission. The request shall be made only where there is a

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reasonable basis for suggesting that the applicant's physical condition would hinder or prevent him or her from performing the duties of a racing official.

The commission shall act on the association's list of officials at a meeting of the commission. If commission staff recommends disapproval of an official, the association shall be notified of that recommendation in advance of the commission's meeting.

Under no circumstances shall an identifier, placing judge, or patrol judge be approved by the commission unless he or she has satisfactorily passed an optical examination within 90 days prior to approval evidencing 20-20 vision (corrected) and the ability to distinguish colors.

7877.0120 FEES.

Subpart 1. **License fees.** Each application for a Class C license, or its renewal, shall be accompanied by the payment of an annual fee according to the following schedule:

~~A.--authorized-agent,-$25;~~

B. to Z. [Releter as A. to Y.]

Subp. 2. **Fingerprint charge.** In addition to the license fee in subpart 1, each initial application for a Class C license, and each renewal application every third year thereafter, shall be accompanied by ~~two~~ a completed FBI fingerprint ~~cards~~ card taken by the commission and a ~~properly executed certified check~~, cashier's check, or money order in the amount of ~~$12~~ $14 payable to "Federal Bureau of Investigation." Any horse owner who does not make application in person must meet all requirements of this subpart, except that the owner may file ~~two~~ a completed fingerprint ~~cards~~ card taken by a law enforcement agency.

Subp. 3. and 4. [Unchanged.]

7877.0130 STANDARDS REQUIRED OF APPLICANTS FOR SPECIFIC LICENSES.

Subpart 1. **Individual owners.** An applicant for an individual owner's license must own or lease a horse eligible to race in Minnesota which is registered with the racing secretary

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and under the care of a trainer licensed by the commission.

If younger than 18 years of age, an applicant for an individual owner's license must submit a notarized affidavit from his or her parent or legal guardian stating that the parent or legal guardian assumes responsibility for the applicant's financial, contractual, and other obligations relating to the applicant's participation in racing. A parent or legal guardian submitting such an affidavit also shall submit information required in part 7877.0110, subpart 2. If the commission has reason to doubt the financial responsibility of an applicant for an individual owner's license, the applicant shall complete a verified financial statement.

Subp. 2. **Multiple owners.** Applicants for a multiple owner's license must comply with the following requirements.

A. A corporation, general partnership, limited partnership, trust, or any combination of two or more individuals, except spouses, which owns or leases a horse eligible to race in Minnesota (hereinafter referred to as "multiple owner") must obtain a Class C license issued by the commission.

B. to G. [Unchanged.]

Subp. 3. to 13. [Unchanged.]

Subp. 14. **Authorized agents.** ~~**An applicant for**~~ To be appointed an authorized ~~**agent's license must submit with his or her license application**~~ agent, the appointee must be licensed as either an individual owner or as a trainer. A written agency appointment authorizing him or her to act on behalf of a licensed owner or licensed trainer in racing matters not directly related to the care and training of horses must accompany the appointment. The authorization shall be on a form provided by the commission and shall define the powers, limits, and terms of the agency agreement. The authorization must be signed by the principals and notarized.

A separate notarized agency appointment is required for each principal an authorized agent intends to represent. All such agencies shall remain in effect for the duration of the

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~~licensing-year~~ current race meeting unless written notice of revocation is submitted to the stewards at the meeting where the principal is racing.

Subp. 15. [Unchanged.]

7877.0140 TEMPORARY LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Termination.** A temporary license shall carry no presumption of qualifications or fitness and may be terminated summarily by the commission for cause.

A temporary license shall terminate upon a decision of the commission to issue or deny a Class C license, or ~~60~~ 120 days after the grant of the temporary license, whichever occurs first.

7877.0145 EMERGENCY LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Owners.** If an owner is unable to complete an application for an owner's license because of absence or illness, the licensed trainer desiring to enter a horse in a race shall be permitted to apply for an emergency owner's license on behalf of the absent owner.

The trainer applying for an emergency owner's license on behalf of an absent owner must submit a notarized affidavit with the license application specifying the reasons the owner is unable to complete the application.

The trainer must, at the time of submission for an emergency owner's license, provide at least the following information: the owner's full name, home or business address, telephone number, and social security number. At the time of application, the appropriate licensing fee must be paid to the commission. Failure to provide all of the foregoing information is grounds for denial of an emergency owner's license.

Any emergency owner's license shall be valid for a maximum of 21 days from the date issued.

7877.0170 DUTIES AND RESPONSIBILITIES OF CLASS C LICENSEES.

Subpart 1. **Owners.** Horse owners shall have the following

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responsibilities:

A. to C. [Unchanged.]

D. ~~Racing colors must be registered with the commission when filing an application for an owner's license. A $10 annual fee must accompany the registration. Authority for the use of racing colors must be sanctioned by the commission. Racing colors may not bear any advertising. Any difference between owners to the rights of particular colors shall be decided by the stewards. The registered colors of an owner may not be registered by another, except after five years of nonuse or abandonment by the original owner. Any temporary change from the registered colors of the owner must receive the prior approval of the stewards.~~

~~(1)~~ ~~The~~ An owner of a thoroughbred or quarter horse is responsible for the registration of colors and for their availability to, and use by, the ~~jockey/driver~~ jockey engaged to ride the owner's horse.

~~(2) The colors to be worn by each jockey/driver in a race shall be described in the official racing program, and any change in colors from those described in the program shall be announced to the public prior to commencement of the race.~~

E. [Unchanged.]

Subp. 2. **Trainers.** Trainers shall have the following responsibilities.

A. to G. [Unchanged.]

H. A trainer may use only veterinarians licensed by the commission to tend horses in his or her care that are entered to race or at any time that the horses are on the grounds of an association.

I. to N. [Unchanged.]

O. A trainer is responsible for having each horse in his or her charge that is racing in Minnesota or stabled on the grounds of an association tested for equine infectious anemia (EIA) once every 12 months. The tests shall be performed by a laboratory approved by the United States Department of Agriculture. ~~Trainers must maintain in their possession a~~

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~~written certificate of the EIA test~~ A copy of each horse's negative EIA test results (Coggins Certificate) must be attached to the horse's foal registration certificate on or before the time of entry into a race or the entry must not be accepted. The Coggins Certificates must be dated within a 12-month period prior to the date of entry, and must be renewed or replaced on foal registration certificate no later than ten days following the date of expiration.

P. A trainer must ensure that at the time of arrival at a licensed racetrack, each horse in his or her care that will be entered and remain in the stable area for more than 24 hours is accompanied by a health certificate issued not more than ten days prior to the arrival. The health certificate must be completed by an accredited veterinarian and must contain complete Equine Infectious Anemia (EIA) test results, including the date of the most recent negative EIA test. The health certificates must be surrendered to stable gate personnel for immediate transmittal to the commission veterinarian.

Q. A trainer must promptly report the death of any horse in his or her care on the grounds of an association to the commission veterinarian and must comply with part 7891.0110 governing post-mortem examinations.

~~Q.~~ R. If a trainer must be absent because of illness or any other cause, the trainer shall appoint another licensed trainer to fulfill his or her duties, and promptly report the appointment to the stewards. The absent trainer and substitute trainer will have joint responsibility for the condition of the horses normally trained by the absent trainer.

~~R.~~ S. Trainers licensed as owners must train all horses owned wholly or in part by them.

Subp. 2a. **Assistant trainers.** An assistant trainer shall be charged with the same responsibilities as a trainer. The assistant trainer shall be held equally culpable with the trainer by whom he or she is employed for any acts to which the assistant trainer has prior knowledge or involvement.

Subp. 3. **Jockeys and apprentice jockeys.** Jockeys and

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apprentice jockeys shall have the following responsibilities.

A. An apprentice jockey must ride with a five-pound weight allowance except stakes races and handicap races beginning with his or her first mount and for one full year thereafter. If after one full year from the date of his or her fifth winning mount the apprentice jockey has failed to ride 40 winners, he or she shall continue to ride with a five-pound weight allowance for up to two more years from the date of his or her fifth winning mount or until he or she has ridden a total of 40 winners, whichever comes first. In no event shall an apprenticeship extend more than four years from date of initial licensure as an apprentice jockey.

B. to K. [Unchanged.]

L. A jockey must wear the racing colors ~~registered~~ provided by the owner of the horse he or she is to ride, plus white riding pants, top boots, and a number on the right shoulder corresponding to the mount's number as shown on the saddle cloth and in the daily program.

M. to W. [Unchanged.]

Subp. 4. to 10. [Unchanged.]

7877.0175 DUTIES AND RESPONSIBILITIES OF RACING OFFICIALS.

Subpart 1. **Racing secretary.** The racing secretary shall have the following responsibilities.

A. to G. [Unchanged.]

H. The racing secretary must post, in a location accessible to all trainers, a list of all horses registered as "nerved," pursuant to part 7877.0100, subpart 11.

I. The racing secretary shall establish a preference system for horses which have been excluded from races due to overfilling and shall maintain the system for the duration of a meeting. The racing secretary shall be allowed broad discretion with regard to the preference system but shall act in the best interest of racing and the meeting.

J. In the event that a race is declared off due to an insufficient number of entries, the racing secretary must post

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in a conspicuous place the names of all trainers that entered horses in each race that was declared off.

Subp. 2. and 3. [Unchanged.]

Subp. 4. **Paddock judge.** The paddock judge shall have the following responsibilities.

A. to F. [Unchanged.]

G. The paddock judge shall inspect the bandages worn by all horses arriving in the paddock and may order the bandages removed or replaced if he or she has reason to believe that a violation of statute or rule has occurred, is occurring, or will occur.

(1) The paddock judge shall not allow a horse in the paddock if it is wearing bandages at knee level or higher.

(2) Paddock boots and all bandages, except those bandages that will be worn during a race, must be removed immediately ~~upon arrival~~ after saddling in the paddock so that a satisfactory examination may be assured.

H. to L. [Unchanged.]

Subp. 5. to 7. [Unchanged.]

Subp. 8. **Commission veterinarian.** The commission veterinarian shall maintain a list of the following:

A. and B. [Unchanged.]

The commission veterinarian's list shall be posted in the racing secretary's office, and any horse whose name is on the list shall be ineligible to enter a race for five calendar days, or until the commission veterinarian removes it from the list, whichever is later.

The commission veterinarian or his or her designee shall conduct racing-soundness examinations pursuant to part 7891.0100. If the veterinarian finds that any horse is unfit to race he or she shall notify the stewards immediately.

The commission veterinarian shall supervise the operation of a barn for the detention and testing of horses after each race pursuant to chapter 7890.

The commission veterinarian shall have the authority to draw blood from any horse or pony on the grounds of an

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association for the purpose of conducting an Agar-Gel immunodiffusion (Coggins) test, and shall supervise the removal from the racetrack of any horse or pony having positive Coggins test results.

Subp. 9. to 15. [Unchanged.]

7877.0180 CONFLICTS.

Subpart 1. **Racing officials.** No racing official, other than a general manager, shall own any interest in a Minnesota racetrack at which he or she is serving as an official, and no racing official shall own any interest in a horse eligible to race at a meeting at which he or she serves as an official.

No racing official shall buy or sell for himself or herself, or as an agent for anyone else, any horse eligible to race at a meeting at which he or she serves as an official.

No racing official shall hold any interest in the contract of a jockey or apprentice jockey riding at a meeting at which the official serves.

No racing official shall buy or sell for another person any right to a contract of any jockey or apprentice jockey riding at a meeting at which the racing official serves.

No racing official shall wager money or anything of value on any race in Minnesota during his or her term of employment.

No racing official, detention barn employee, commission staff, assistant starter, claims clerk, outrider, association veterinarian, or track superintendent shall request or accept any remuneration or honorarium in payment or kind from any owner, trainer, or other person licensed by the commission.

Subp. 2. [Unchanged.]

7878.0130 BASIC COURSE.

Subpart 1. **Applicant shall successfully complete basic course.** No security officer may be licensed unless the officer or his or her appointing authority furnishes proof to the commission that the prospective licensee has successfully completed a basic course which includes at least 40 hours of instruction in the following subject areas:

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A. to G. [Unchanged.]

H. ~~firearms~~ cardio pulmonary resuscitation (CPR);

I. to K. [Unchanged.]

Subp. 2. and 3. [Unchanged.]

7878.0140 CONTINUING EDUCATION.

Subpart 1. **Licensee shall successfully complete refresher training.** No security officer's license may be renewed unless the licensee or his or her appointing authority furnishes the commission proof that the licensee has successfully completed, on an annual basis, at least ~~20~~ 16 hours of refresher training in the areas of:

A. to D. [Unchanged.]

E. ~~firearms training~~ security plan, policy, and procedure of the racing association; and

F. [Unchanged.]

Subp. 2. [Unchanged.]

7878.0150 STANDARDS OF CONDUCT FOR SECURITY OFFICERS.

Subpart 1. [Unchanged.]

Subp. 2. **Restrictions on security officers.** No security officer may:

A. use ~~deadly force unless authorized, or use~~ unreasonable force;

B. to D. [Unchanged.]

7878.0160 SECURITY COOPERATION.

Subpart 1. **Security officers must cooperate with law enforcement agencies.** Class A, Class B, and Class D licensees and all security officers must cooperate fully with federal, state, and local law enforcement agencies with jurisdiction to enforce criminal laws at horse racing facilities, and must report promptly all crimes suspected, investigated, or prevented at a licensed racetrack to the BCA.

Subp. 2. **Notification of searches.** Within 24 hours of any searches conducted by an association or its security personnel, the racing commission director of racing security or his or her

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designee must be notified of the searches and any relative circumstances involved. A copy of the inventory sheet of all items confiscated during the searches must accompany the notification. All illegal contraband seized as a result of a search must be immediately delivered to the local law enforcement agency. Under no circumstances shall the association or its security personnel destroy or otherwise dispose of any illegal contraband.

7883.0100 ENTRIES AND SUBSCRIPTIONS.

Subpart 1. to 6. [Unchanged.]

Subp. 7. **Coupled entries.** Except in stakes races and races which are conditioned for horses eligible for specified stakes, not more than two horses of the same licensed ownership or interest shall be entered and started in a race.

A. No trainer shall enter more than two horses in an overnight event~~,--and-in-no-case-shall-two-horses-start-to-the exclusion-of-a-single-entry~~.

~~B.--Not-more-than-two-horses-trained-by-the-same trainer-shall-be-drawn-into-any-overnight-race-or-placed-on-the also-eligible-list-to-the-exclusion-of-another-horse~~, except in split races.

~~C.~~ B. Horses trained by a public stable trainer shall not be coupled with horses trained by another public stable trainer unless the horses in question are owned by the same person or are coupled as a field for wagering purposes.

~~D.~~ C. All horses owned wholly or in part by the same person, or his or her spouse, or trained by the same trainer, shall be coupled and run as an entry.

~~E.~~ D. Notwithstanding items A to D, where two or more horses are coupled as an entry only for the reason that the horses are trained by the same trainer, the association may run those horses as separate interests.

Subp. 8. to 16. [Unchanged.]

7883.0140 CLAIMING RACES.

Subpart 1. to 8. [Unchanged.]

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Subp. 9. **Prohibition on claims.** No person or racing interest shall:

A. to I. [Unchanged.]

J. enter, or allow to be entered, any horse against which any claim is held, either by mortgage or lien of any kind without, prior to entering, having filed the written consent of the holder of the mortgage or lien with the racing secretary and horsepersons' bookkeeper. Notification of the mortgage or lien must be posted in a conspicuous place in both the racing secretary's and horsepersons' bookkeeper's offices; or

K. claim a horse if he or she only leases a horse for racing purposes, unless the claim is executed pursuant to subpart 1, item C.

Subp. 10. to 19. [Unchanged.]

Subp. 20. **Excused horse eligible to be claimed for same claiming price in next start; harness racing.** If, in a claiming race, a horse is excused by the stewards, any claim or claims for the horse will be void. However, such a horse, in its next start, must race in a claiming race for a claiming price not greater than the amount for which it could have been claimed in the race from which it was excused. Should the horse be entered in an allowance or stakes race in its next start, said horse shall be subject to claim for the claiming price from the previous race from which it was excused. The provisions of this subpart shall apply for a period of 90 days from the date of the claiming race in which the horse was excused.

Subp. 21. to 29. [Unchanged.]

7883.0150 PADDOCK TO POST.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Bandages and blankets.** Immediately ~~upon arrival~~ after saddling in the paddock, all blankets and bandages, except those bandages that will be worn during a race, must be removed. Should weather conditions so dictate, blankets may be worn after saddling with permission of the paddock judge. After saddling, all horses must be walked to allow a satisfactory

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examination.

Subp. 4. to 12. [Unchanged.]

7891.0100 RACING SOUNDNESS EXAMINATION.

Subpart 1. **Horses subject to examination.** Every horse entered to race at a licensed racetrack under the jurisdiction of the commission shall be subjected to a veterinary examination for racing soundness and health on race day conducted by the commission veterinarian or a veterinarian designated by the commission veterinarian in or near the stall to which the horse is assigned.

Subp. 2. [Unchanged.]

7892.0150 PURSES.

Subpart 1. **Purse may be redistributed.** Upon receipt of a positive laboratory report, the stewards shall direct that no undistributed purse money won by the horse tested may be awarded pending final determination of the matter. The stewards shall order distributed purse money returned, and it must be returned. If it is determined finally that a violation of chapter 7890 has occurred, the purse money won by the horse involved ~~shall~~ may be forfeited and redistributed among the other horses in the race according to their order of finish. No forfeiture and redistribution shall affect the distribution of pari-mutuel pools. Distribution of purse money prior to issuance of a laboratory report shall not be deemed a determination that chapter 7890 has not been violated.

Subp. 2. **Determination of purse redistribution.** In determining whether or not to redistribute a purse for a violation of chapter 7890, the commission or stewards shall consider the following factors:

A. inherent severity of the conduct as indicated by the potential harm to person, property, or the integrity of racing;

B. culpability of the violator;

C. frequency of the violator's failure to comply with law or rule;

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D. actual harm caused to person, property, or the integrity of racing; and

E. any other factors related to the seriousness of violations which the commission or stewards deem crucial to the determination as long as the same factors are considered with regard to all violators. The commission or stewards, in making a determination, shall consider both the number of factors applicable to a violation and the degree to which each applies.

Rules as Proposed (all new material)

7895.0125 THOROUGHBRED REGISTRATION.

Subpart 1. **Broodmare registration.** To be eligible to receive any breeders' award payments, the following requirements must be met:

A. Prior to foaling, a broodmare must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency on or before January 31 of the year in which the broodmare will foal. The broodmare's original jockey club certificate must ~~accompany the registration application~~ be received by the racing commission or official registering agency.

B. In the event an unregistered broodmare should foal in Minnesota before January 31, the owner must submit a sworn affidavit to the racing commission or the official registering agency attesting that the foal was born in Minnesota. The affidavit will be considered evidence that the foal is a Minnesota-bred or Minnesota-foaled horse and the owner of the broodmare or his or her agent must register the broodmare in accordance with item A. The attending veterinarian, licensed by the state of Minnesota, must certify on information and belief that the information provided from the owner or agent is true and correct.

C. Failure to submit broodmare registration forms on or before the January 31 cutoff date (excluding Saturday and Sunday) will disqualify any subsequent claims for breeders' award payments or for the foal to be registered as Minnesota-bred.

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Subp. 2. **Stallion registration.** To be eligible to receive any stallion award payments, the following requirements must be met:

A. Stallions must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency by February 1 of the current breeding year. The stallion's original jockey club certificate must ~~accompany the registration application~~ BE RECEIVED BY THE RACING COMMISSION OR OFFICIAL REGISTERING AGENCY. If the stallion is leased, a copy of the lease must accompany the registration application. The lease must include a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from February 15 to July 31.

C. Stallion reports (record of mares bred) must be received by the racing commission or official registering agency by September 30 of the immediately preceding breeding season.

D. Failure to submit stallion reports (record of mares bred) by the September 30 cutoff date will disqualify any subsequent claims for stallion award payments.

Subp. 3. **Foal registration and certification.** For a horse foaled in Minnesota to be registered and subsequently certified as a Minnesota-bred, the following requirements must be met:

A. Within 30 days of the date a horse is foaled in Minnesota, the foal must be registered with the racing commission or official registering agency. The registration form must contain the following information: the date, the name of the owner of the foaling dam, the date that the foal was born, an owner's statement that the foal was born in Minnesota, and the signature and veterinary license number of the veterinarian submitting the report. Failure to submit the veterinarian's report will disqualify any subsequent claim to register the foal as Minnesota-bred.

B. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

C. Failure to have foal certificate embossed shall

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disqualify any claim to enter the horse in a restricted race or to earn any breeders' fund payments.

Subp. 4. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0100, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, the person may protest the eligibilty of the horse in the manner prescribed in this part. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the name of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 5. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 6. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be ineligible; and

D. where appropriate, disciplinary action may be taken against the trainer of the horse found if it is determined that the trainer had prior knowledge of the owners' ineligibility.

7895.0250 STANDARDBRED BREEDERS' FUND.

Subpart 1. **Definitions.** For purposes of this part, the

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following terms have the meaning given them unless another intention clearly appears.

A. "Breeder" means the owner or lessee of the dam at the time of conception in Minnesota.

B. "Minnesota-bred" means:

(1) in the case of a horse foaled prior to 1987, either:

(a) the United States Trotting Association (USTA) foal certificate reflects the breeder to be a Minnesota resident;

(b) the horse was sired by a stallion standing in the state of Minnesota as reflected on the USTA stallion report;

(c) at the time the horse was foaled in Minnesota the owner of the foal was a Minnesota resident; or

(2) Foals born on or after January 1, 1987, must have been sired by a stallion registered with the racing commission or official registering agency that stood in the state of Minnesota for the entire breeding season.

C. "Minnesota-foaled" means:

(1) In the case of a horse foaled prior to 1987, either:

(a) the USTA foal certificate reflects the breeder to be a Minnesota resident;

(b) the horse was sired by a stallion standing in the state of Minnesota as reflected on the USTA stallion report; or

(c) at the time the horse was foaled in Minnesota the owner of the foal was a Minnesota resident.

(2) Foals born on or after January 1, 1987, must have been sired by a stallion registered with the racing commission or official registering agency that stood in the state of Minnesota for the entire breeding season.

D. "Minnesota-owned" means:

(1) In the case of a horse owned by an individual, the owner must reside in Minnesota, declare himself

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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.

E. "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, from January 1 to September 1 in Minnesota.

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

A. 25 percent shall be set aside and paid to breeders as breeders' awards; and

B. 75 percent shall be paid to supplement purses in

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races which are restricted to horses that are Minnesota-bred, Minnesota-foaled, or Minnesota-owned. In all such races, Minnesota-bred and Minnesota-foaled shall have first preference, and Minnesota-owned horses shall have second preference.

Subp. 3. **Distribution of money.** The money available from the standardbred breeders' fund shall be distributed as breeders' awards and paid to the breeder, as reflected on the USTA foal certificate, of a Minnesota-bred or Minnesota-foaled horse that finishes fifth or better in any pari-mutuel race in Minnesota.

Subp. 4. **Methods of payment.** The amount of money distributed for breeders' awards or purse supplements pursuant to subpart 3, shall be paid out in the same percentage as the purse money in the race.

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 breeders' award disbursements. The racing commission shall consider the following criteria in determining the applicable percentages:

A. the number of potential breeders' award recipients;

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

C. the need to distribute breeders' awards and purse supplements among the 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 standardbred horses within the state; and

D. that the set amount of the breeders' awards and purse supplements or any adjustments made thereto are in the

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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 shall be distributed within 30 days of the end of the race meeting.

Subp. 7. **Maximum awards permitted.** The maximum amount of a breeders' award, exclusive of any purse supplements, paid to an individual or entity under this part must not exceed 50 percent of the total available breeders' award funds during calendar year 1986.

Subp. 8. **Residual funds.** After complying with subparts 4 to 7, any remaining funds in the breeders' awards account, and all unearned purse supplements, shall be retained and carried forward to be included as net distributable funds in the succeeding standardbred race meeting.

7895.0275 STANDARDBRED REGISTRATION.

Subpart 1. **Stallion registration.** To be eligible to participate in the standardbred breeders' fund program, the following requirements must be met:

A. Stallions must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency by January 1 of the current breeding year. The stallion's original United States Trotting Association (USTA) certificate must ~~accompany the initial registration application~~ BE RECEIVED BY THE RACING COMMISSION OR OFFICIAL REGISTERING AGENCY. If the stallion is leased, a copy of the lease must accompany the registration application or renewal. The lease agreement must contain a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from January 1 to September 1.

C. Stallion reports (record of mares bred) must be received by the racing commission or official registering agency by September 30 (excluding Saturday and Sunday) of the current breeding season.

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Subp. 2. **Foal certification.** In order for a horse bred or foaled in Minnesota to be registered and subsequently certified as Minnesota-bred or Minnesota-foaled, the following requirements must be met:

A. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

B. Failure to have the foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn any breeders' fund payments.

Subp. 3. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0110, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, such person may protest the eligibility of the horse in the manner prescribed hereinafter. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the name of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 4. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 5. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the

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owner(s) of the horse found to be ineligible; and

D. where appropriate, disciplinary action may be taken against a trainer of the horse if it is determined that the trainer had prior knowledge of the horse's eligibility.

7895.0300 QUARTER HORSE BREEDERS' FUND.

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

A. "Breeder" means the owner or lessee of the dam at time of conception in Minnesota.

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

C. "Minnesota-bred" means:

(1) a horse sired by a registered stallion who stood his entire breeding season in Minnesota; and

(2) a horse born in Minnesota.

D. "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

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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.

E. "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, from February 15 through July 31, in Minnesota.

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

A. 35 percent shall be set aside and paid as breeders' awards to:

(1) until December 31, 1988, breeders of Minnesota-bred or Minnesota-foaled horses; and

(2) January 1, 1989, and thereafter breeders of a Minnesota-bred horse or a horse born in Minnesota prior to 1987;

B. 35 percent shall be set aside and paid as owners' awards to:

(1) until December 31, 1988, owners of Minnesota-bred or Minnesota-foaled horses; and

(2) January 1, 1989, and thereafter owners of a Minnesota-bred horse or a horse born in Minnesota prior to 1987;

C. 20 percent shall be paid to supplement purses in races which are restricted to Minnesota-bred, Minnesota-foaled, or Minnesota-owned horses. In all such races Minnesota-bred or Minnesota-foaled 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. 10 percent shall be set aside and paid as stallion

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awards to the owners of the Minnesota-sire at the time of breeding.

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

A. "Breeders' awards" shall be paid to the breeder of a Minnesota-bred or Minnesota-foaled horse, as reflected on the American Quarter Horse Association (AQHA) certificate that finishes fifth or better in any race.

B. "Owners' awards" shall be paid to the owners of a Minnesota-bred or Minnesota-foaled horse that finishes fifth or better in any race.

C. "Stallion awards" shall be paid to the stallion owner of a Minnesota-bred or Minnesota-foaled 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 award 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

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equitable manner with a view toward encouraging the continued support of the horse industry in Minnesota, thereby providing incentive to breeders and owners of quarter 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 by December 31 of the year in which they are earned.

7895.0350 QUARTER HORSE REGISTRATION.

Subpart 1. **Broodmare registration.** To be eligible to receive any breeders' award payments, the following requirements must be met:

A. Prior to foaling, a broodmare must in Minnesota and registered or the registration renewed with the racing commission or official registering agency on or before January 31 of the year in which the broodmare will foal. The broodmare's original American Quarter Horse Association (AQHA) certificate must ~~accompany the initial registration application~~ BE RECEIVED BY THE RACING COMMISSION OR OFFICIAL REGISTERING AGENCY.

B. In the event an unregistered broodmare should foal in Minnesota before January 31, the owner or lessee must submit a sworn affidavit to the racing commission or the official registering agency attesting that the foal was born in Minnesota. The affidavit will be considered evidence that the foal is a Minnesota-bred or Minnesota-foaled horse and the owner of the broodmare or his or her agent must register the broodmare in accordance with item A. The attending veterinarian, licensed by the state of Minnesota, must certify on information and belief that the information provided by the owner, lesseee, or agent is true and correct.

C. Failure to submit broodmare registration forms on or before the January 31 cutoff date (excluding Saturday and

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Sunday) will disqualify any subsequent claims for breeders' award payments or for the foal to be registered as a Minnesota-bred or Minnesota-foaled horse.

Subp. 2. **Stallion registration.** To be eligible to receive any stallion award payments, the following requirements must be met:

A. Stallions must in Minnesota and registered or the initial registration renewed with the racing commission or official registering agency by February 1 of the current breeding year. The stallion's original American Quarter Horse Association (AQHA) certificate must ~~accompany the initial registration application.~~ BE RECEIVED BY THE RACING COMMISSION OR OFFICIAL REGISTERING AGENCY. If the stallion is leased, a copy of the lease must accompany the registration application. The lease must include a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from February 15 through July 31.

C. Stallion reports (roster of mares bred) must be received by the racing commission or official registering agency by September 30 (excluding Saturday and Sunday) of the immediately preceding breeding season.

D. Failure to submit stallion reports (roster of mares bred) by the September 30 cutoff date will disqualify any subsequent claims for the stallion award payments.

Subp. 3. **Foal registration and certification.** For a horse foaled in Minnesota to be registered and subsequently certified as a Minnesota-bred or Minnesota-foaled horse, the following requirements must be met:

A. Within 30 days of the date a horse is foaled in Minnesota, the foal must be registered with the racing commission or official registering agency. The registration must include the following information: the date, the name of the owner or lessee of the dam at time of conception, the date that the foal was born, an owner's or lessee's statement that the foal was born in Minnesota, and the signature and veterinary license number of the attending veterinarian. Failure to submit

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horse.

B. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

C. Failure to have foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn breeders' fund payments.

Subp. 4. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0110, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, such person may protest the eligibility of the horse in the manner prescribed hereinafter. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the named of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 5. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 6. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be inelegible; and

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D. where appropriate, disciplinary action may be taken against the trainer of the horse found if it is determined that the trainer had prior knowledge of the owners' ineligibility.

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_____

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 Amendments to Existing Rules, Standardbred and Quarter Horse Breeders' Funds, and Registration Requirements for the Thoroughbred Breeders' Fund

FINDINGS OF FACT AND ORDER ADOPTING RULES

Notice of the Minnesota Racing Commission's intent to adopt the above-entitled rules without a public hearing were published in 10 S.R., 1672-1686 on February 10, 1986, 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 February 10, 1986. 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 and reasonableness of the above-encaptioned rules, the Minnesota Racing Commission finds the following:

FINDINGS OF FACT

The Minnesota Racing Commission (MRC) published the attached rules in the State Register at 10 S.R., volume 33, pages 1672-1686, on February 10, 1986. Within the 30-day comment period, recommended changes were received by the MRC. Additionally, the MRC determined that minor technical changes were necessary to make the proposed rules clear and conformable. The proposed changes are purely technical in nature, and in each case reduce the burden upon the persons affected by the change. The MRC submits that the changes are neither controversial nor substantial.

1. Page 4, line 10. Part 7875.0200, subpart 9.

The language added to subpart 9 was recommended by Canterbury Downs to enable it to comply with the proposed rule and to facilitate broadcasts of certain races to the general public. Every major racetrack televises important stakes races and local media, such as television and radio, broadcast such races. The media may also televise or broadcast live the featured race each day. The rule reduces the burden upon the track and the media to legally broadcast races of interest and permits the orderly dissemination of racing information to the public. The change does not result in a substantial change, nor does it reduce the MRC's ability to deter illegal bookmaking.

2. Page 18, lines 18 and 19. Part 7895.0125, subpart 1.
Page 19, lines 7 and 8. Part 7895.0125, subpart 2.
Page 24, lines 25 and 26. Part 7895.0175, subpart 1, item A.
Page 29, line 22. Part 7895.0350, subpart 1, item A.
Page 30, lines 11 and 12. Part 7895.0350, subpart 1, item A.

The language accompany the initial registration application has been deleted. New language be received by the Racing Commission or Official Registering Agency has been substituted therefor for the following reasons. The rule as originally adopted required that a horse's original foal registration papers accompany a Breeders' Fund registration application. This requirement resulted in unreasonable and sometimes impossible demands. Many times horse papers may be at the Jockey Club (New York), American Quarter Horse Association or the United States Trotting Association for correction, bloodtyping, transfer and the like. Registration papers are often delayed for weeks or even months at these organizations, thereby making it impossible for the registering party to include the papers with the registration application. Additionally, original certificates are sometimes held by banks, horse sale companies, or private individuals as security against outstanding liens or mortgages on a horse. In these circumstances, the original papers would not be available at the time of registration.

The new language does not relieve the registering party of the requirement to submit the original papers, but rather allows for reasonable delays in doing so. The amended language alleviates impractical regulation and potential non-compliance with the rule while retaining the rule's content. The new language does not result in substantial change and, at the same time, encourages compliance with the rule.

NOW, THEREFORE, IT IS ORDERED that these rules, identified as Amendments to Existing Rules, Standardbred and Quarter Horse Breeders' Fund Rules, and Registration Requirements for the Thoroughbred Breeders' Fund, are adopted this 19th day of March, 1986 pursuant to the authority vested in the Minnesota Racing Commission by Minnesota Statutes, chapter 240 (1984).

IN WITNESS WHEREOF, I have subscribed my name this 19th day of March, 1986.

Ray Eliot

RAY ELIOT, Chair
MINNESOTA RACING COMMISSION

Lawrence M Coss

LAWRENCE M. COSS

MINNESOTA RACING COMMISSION

RESOLUTION NO. 86-03

RESOLUTION ADOPTING NON-CONTROVERSIAL RULES

"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 Amendments to Existing Rules, Standardbred and Quarter Horse Breeders' Fund, and Registration Requirements for the Thoroughbred Breeders' Fund, which were published in 10 S.R. 1672-1686 on February 10, 1986, with certain amendments made thereto as indicated on the attached copy of the proposed rules.

BE IT FURTHER RESOLVED, that prior to publishing in the State Register the amended 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 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."

ADOPTED THIS 19TH DAY OF MARCH, 1986

MOVED BY: John Daniels

SECONDED BY: Muriel Poehler

AYES	NAYS	ABSTENTIONS
C. Elmer Anderson		
Carol Connolly		
Lawrence Coss		
John Daniels		
Ray Eliot		
Rosemary Fruehling		
Muriel Poehler		

Ray Eliot

RAY ELIOT, Chair

Lawrence M Coss

LAWRENCE M. COSS

Diagnostic Categories	DRG Numbers within the Diagnostic Category	MA Relative Value	MA Geometric Mean LOS	MA Outlier Cutoff	GAMC Relative Value	GAMC Geometric Mean LOS	GAMC Outlier Cutoff
FF. Depressive neurosis	(426)	1.33912	8.13	43	1.01700	6.91	30
GG. Psychosis	(430)	1.66412	10.59	45	1.43276	9.74	37
HH. Childhood mental disorders	(431)	3.39766	19.31	80	2.03875	14.03	42
II. Unrelated Operating room procedure	(468)	1.30984	4.16	37	1.52995	5.19	29
JJ. Cases which could not be assigned to other diagnostic categories	(469-470)	.00000	.00	0	.00000	.00	0

Leonard W. Levine, Commissioner
Department of Human Services

Racing Commission

Outside Opinion Sought Regarding Proposed Rules Governing Pari-Mutuel Horse Racing in Minnesota

Notice is hereby given that the Minnesota Racing Commission (MRC) is seeking information or opinions from sources outside the agency in preparing to promulgate rules and amend existing rules governing all aspects of pari-mutuel horse racing in Minnesota including the development of and revision to the issuance of Class "A", "B", and "C" licenses, the conduct of thoroughbred, quarter horse and standardbred racing, horse medication, prohibited acts, stewards, breeders' fund, and penalties. The MRC is authorized to promulgate rules under Minnesota Statutes, Chapter 240.

The MRC requests information and comments concerning the subject matter of these rules, and information or comments to any other rule governing the conduct of pari-mutuel horse racing. Interested or affected persons may submit statements of information or comment to: David J. Freeman, Executive Director, Minnesota Racing Commission, 11000 West 78th Street, Suite 201, Eden Prairie, Minnesota 55344.

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 MRC shall become part of the record in the event that the rules are promulgated.

State Retirement System

Board of Directors Regular Meeting

A meeting of the Board of Directors, Minnesota State Retirement System will be held on Friday, December 20, 1985, at 8:30 a.m. in the office of the System, 529 Jackson Street, St. Paul, Minnesota.

Department of Revenue

Outside Opinion Sought Regarding Proposed Rule Governing Bank Affiliated Returns

Notice is hereby given that the Minnesota Department of Revenue is seeking information, opinions, or comments from sources outside the agency concerning a proposed rule. The proposed rule would permit an affiliated group of corporations which includes a bank and are required to file combined reports to file one return on behalf of the group. The promulgation of this rule is authorized by Minnesota Statutes, section 290.37, subdivision 1(a). A preliminary draft of the proposed rule is available from the Department of Revenue. Interested persons may obtain a copy of the proposed draft by contacting:

Harriet J. Sims, Attorney
Corporate Income Tax Division
P.O. Box 64452, Location 280
St. Paul, MN 55164

(612) 297-4058

MINNESOTA RACING COMMISSION

In the Matter of the Proposed
Rules Governing Amendments to
Existing Rules, Standardbred
And Quarter Horse Breeders' Funds,
and Registration Requirements for
the Thoroughbred 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 10th day of February, 1986, 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 12th day of March, 1986

Sharon A. Beighley
SHARON A. BEIGHLEY
Notary Public

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

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Racing Commission

Proposed Rules Governing Horse Racing

Notice of Intent to Adopt Rules without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Racing Commission proposes to adopt the above captioned rules without a public hearing unless 25 or more persons submit written requests for a public hearing. The Racing Commission has determined that the proposed rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minn. Stat. §§ 14.22 to 14.28 (1984), as amended.

Interested persons shall have 30 days from the date this notice is published in the *State Register* to submit comments in support of or in opposition to the proposed rules. The 30 days will expire on March 12, 1986. Comment is encouraged. Each comment should identify the portion of the proposed rules being addressed, the reason for the comment, and any suggested changes to the rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Racing Commission and do not result in a substantial change in the proposed language.

In addition to submitting comments, interested persons may request in writing during the 30-day comment period that a hearing be held on the proposed rules. Any person requesting a hearing should state his or her name, address, and telephone number, and is encouraged to identify the portion of the proposed rules addressed, the reason for the request, and any changes they want made to the proposed rules.

If a person desires that a hearing be held on only a portion of the proposed rules, it is requested that the Racing Commission be informed of the specific proposed rule on which a hearing is being requested at the time that the hearing request is made. This will enable the Racing Commission to limit the hearing, if one is held, to the specific issues of concern. A public hearing will be held only if 25 or more persons submit in writing requests for a hearing on the proposed rules or a portion thereof by March 12, 1986. If a hearing is required, it will be held in accordance with the provisions of Minn. Stat. §§ 14.131 to 14.20 (1984), as amended, and the hearing notice provided below.

Comments or written requests for a public hearing should be submitted to:

Dave Freeman
Executive Director
Minnesota Racing Commission
11000 West 78th Street, Suite 201
Eden Prairie, Minnesota 55344
Telephone: (612) 341-7555

The statutory authority of the Racing Commission to promulgate the proposed rules is contained in Minn. Stat. § 240.24 (1984), as amended by Minn. Laws 1985, ch. 211, §§ 2 and 4.

If adopted, the proposed rules would amend certain sections of the rules of racing adopted in April of 1985, and would provide for the administration of the Standardbred and Quarter Horse Breeders' Funds.

The proposed rules will be published in the *State Register* issue of February 10, 1986 and a free copy of them may be obtained from the Racing Commission by writing or telephoning Dave Freeman at the address or telephone number listed above.

A Statement of Need and Reasonableness that describes the need for and the 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 may be obtained from the Racing Commission by writing or telephoning Dave Freeman at the address or telephone number listed above.

Promulgation of the proposed rules will not result in the expenditure of public monies by local public bodies nor have an impact on agricultural land; therefore no further information need be provided under Minn. Stat. § 14.11 (1984).

The proposed rules may affect small businesses. The actual effect, if any, is discussed in the Statement of Need and Reasonableness.

Upon adoption of the proposed rules without a public hearing, the rules as proposed, this notice, the Statement of Need and Reasonableness, all written comments received, the rules as adopted, and statement explaining any differences between the rules as proposed and as adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. 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 rules as adopted, should submit a written request to Dave Freeman at the address listed above.

Rules as Proposed

7869.0100 DEFINITIONS.

Subpart 1. to 15. [Unchanged.]

Subp. 16. **Condition book.** "Condition book" means the publication issued by the association ~~and approved by the commission~~ advertising races for upcoming racing days.

Subp. 17. to 23. [Unchanged.]

Subp. 24. **Entry.** "Entry" means, according to its context, either:

A. the act of entering a horse to race;

B. a horse eligible and entered in a race; or

C. two or more horses that are entered in a race ~~and are owned in whole or in part by the same owner, or are trained by a trainer who owns any interest in any of the other horses in the race,~~ and which are coupled for wagering purposes.

Subp. 25. to 40. [Unchanged.]

Subp. 41. **Official.** "Official" means the act of the stewards declaring the results of the race final and authorizing pari-mutuel winnings to be paid out.

Subp. 42. to 50. [Unchanged.]

Subp. 51. **Race.** "Race" means a contest among horses for purse, stakes, premium, or wager for money, run in the presence of racing officials of the association and the commission. The following are categories of races:

A. to I. [Unchanged.]

J. "Qualifying race" means a non pari-mutuel wagering race in which a standardbred horse must compete to establish or reestablish its eligibility to enter a race on which pari-mutuel wagering will be conducted.

K. "Quarter horse race" means a race on the flat at 870 yards or less.

~~K.~~ L. "Race on the flat" means a race over a course in which no jumps or other obstacles are placed.

~~L.~~ M. "Restricted race" means a race required pursuant to Minnesota Statutes, section 240.29.

~~M.~~ N. "Stakes race" or "sweepstakes race" means a race to which nominators of the engaged entries contribute to a purse, and to which money or any other award may be added. No overnight race, regardless of its conditions, may be deemed a stakes race.

O. "Time trial" means a race against time for the purpose of establishing a performance record.

Subp. 52. [Unchanged.]

Subp. 53. **Recognized racetrack.** "Recognized racetrack" means a racetrack where pari-mutuel wagering is authorized by law, or which is recognized by the American Quarter Horse Association or the United States Trotting Association.

Subp. 54. to 69. [Unchanged.]

7873.0127 PARI-MUTUEL POOLS DEPENDENT ON ENTRIES.

Unless the commission approves a prior written request from an association to alter wagering opportunities for a specific race, each association must offer:

A. win, place, and show wagering on all scheduled races involving six or more betting interests;

B. if horses representing five betting interests are scheduled to start in a race, then the association may prohibit show wagering on that race; and

C. if horses representing four or fewer betting interests are scheduled to start in a race, then the association may prohibit place wagering, show wagering, or both on that race.

Where possible, the official program must contain a notice indicating races on which place wagering, show wagering, or both are not offered.

7873.0130 PREVENTION TO START.

In a thoroughbred or quarter horse race, if the doors in front of a stall in a mechanically or electronically operated starting gate should fail to open simultaneously with the other stall doors, thereby preventing a horse from obtaining a fair start when the starter dispatches the field, the following shall apply:

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A. and B. [Unchanged.]

C. If any horse or horses are so prevented from starting so that it would reduce the total number of starters below six, the following shall apply:

(1) if five starters of different betting interests leave the stalls, the association may refund the entire amount wagered in the show pool;

(2) if four or fewer horses of different betting interests leave the stalls, the association may refund the entire amount wagered in the show pool, the place pool, or both; and

(3) if fewer than two horses of different betting interests leave the stalls, the race must be canceled and the entire amount wagered in the win, place, and show pools must be promptly refunded.

7873.0140 FAILURE TO START.

~~In the event of horses failing to start~~ After wagering has commenced on a race and prior to the race being run, should a horse or horses be scratched resulting in a field of less than six different betting interests, the following shall apply:

A. if ~~fewer than~~ five horses ~~in~~ of different betting interests will leave the stalls, the association may refund the entire amount wagered in the show pool ~~shall be promptly refunded.~~;

B. if ~~fewer than~~ four or fewer horses ~~in~~ of different betting interests will leave the stalls, the association may refund the entire amount wagered in the show pool, the place ~~and show pools shall be promptly refunded.~~ pool, or both; and

C. if fewer than two horses leave the stalls, the race must be canceled and the entire amount wagered in the win, place, and show pools ~~shall~~ must be promptly refunded.

In all cases, the association must, prior to the race being run, announce to the public its decision to cancel any pools.

7875.0200 EQUIPMENT.

Subpart 1. to 8. [Unchanged.]

Subp. 9. **External communications.** An association may have telephone or telegraph systems on the premises during a race meeting for the benefit of the public press or for transacting ordinary business, but no information regarding the results of any race shall be transmitted out of the racetrack until 15 minutes after the results are official, nor shall any message be sent over said wires transmitting money, or other things of value, or directing the placing of any wager on the result of a race except as permitted by part 7873.0400.

No telephone calls, telegrams, or messages of any kind for any person attending or participating in the conduct of a race meeting shall be accepted, nor shall any notice be given pertaining to such message or telephone call during the hours indicated unless permission is first given by the stewards or the authorized representative of the commission.

A telephone on a private line shall be provided in the offices of the commission. All costs of the telephone service shall be borne by the association and the service shall not be interrupted at any time.

All telephones or other instruments of communication, other than those designated for the sole use of the commission or those approved by the commission for use during racing, must be rendered inoperable between the hours starting 30 minutes before post time for the first race and the flashing of the "official" sign following the last race.

All portable telephones, transmitters, or any other instrument of communication that can be used for transmitting messages off the grounds of an association is subject to confiscation by security personnel or by the racing commission and its employees.

7876.0110 OFF-TRACK STABLING.

Subpart 1. [Unchanged.]

Subp. 2. **Requirements of commission must be met at racetrack.** All workout, tattooing, approval from the starting gate, and eligibility requirements of the commission or stewards must be secured at a licensed racetrack at which racing is being conducted. However, workouts may be obtained at sites approved by the commission and which are staffed by a clocker or clockers licensed by the commission.

Subp. 3. [Unchanged.]

7877.0110 PROCEDURE FOR OBTAINING CLASS C LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Application content.** An application for a Class C license shall include the following information with respect to the applicant:

A. to F. [Unchanged.]

G. ~~two~~ a completed FBI fingerprint ~~cards~~ card.

Subp. 3. [Unchanged.]

Subp. 4. **Racing officials.** Each association shall submit to the commission for its approval or disapproval the names of all persons whom the association has selected as racing officials, and other employees whose duties relate to the actual running of races. The list shall include, where applicable, the following racing officials:

A. to V. [Unchanged.]

The list of racing officials' names shall be submitted to the commission in writing at least 30 days prior to the opening of each race meeting.

The association shall be responsible for filing a complete application for a Class C license with respect to each nominee who has not been previously licensed by the commission as a racing official.

The commission may request any person whose name is proposed as a racing official to submit to a physical examination and to forward the results of said examination to the commission. The request shall be made only where there is a reasonable basis for suggesting that the applicant's physical condition would hinder or prevent him or her from performing the duties of a racing official.

The commission shall act on the association's list of officials at a meeting of the commission. If commission staff recommends disapproval of an official, the association shall be notified of that recommendation in advance of the commission's meeting.

Under no circumstances shall an identifier, placing judge, or patrol judge be approved by the commission unless he or she has satisfactorily passed an optical examination within 90 days prior to approval evidencing 20-20 vision (corrected) and the ability to distinguish colors.

7877.0120 FEES.

Subpart 1. **License fees.** Each application for a Class C license, or its renewal, shall be accompanied by the payment of an annual fee according to the following schedule:

~~A. authorized agent, $25;~~

B. to Z. [Reletter as A. to Y.]

Subp. 2. **Fingerprint charge.** In addition to the license fee in subpart 1, each initial application for a Class C license, and each renewal application every third year thereafter, shall be accompanied by ~~two~~ a completed FBI fingerprint ~~cards~~ card taken by the commission and a ~~properly executed certified check,~~ cashier's check~~,~~ or money order in the amount of ~~$12~~ $14 payable to "Federal Bureau of Investigation." Any horse owner who does not make application in person must meet all requirements of this subpart, except that the owner may file ~~two~~ a completed fingerprint ~~cards~~ card taken by a law enforcement agency.

Subp. 3. and 4. [Unchanged.]

7877.0130 STANDARDS REQUIRED OF APPLICANTS FOR SPECIFIC LICENSES.

Subpart 1. **Individual owners.** An applicant for an individual owner's license must own or lease a horse eligible to race in Minnesota which is registered with the racing secretary and under the care of a trainer licensed by the commission.

If younger than 18 years of age, an applicant for an individual owner's license must submit a notarized affidavit from his or her parent or legal guardian stating that the parent or legal guardian assumes responsibility for the applicant's financial, contractual, and other obligations relating to the applicant's participation in racing. A parent or legal guardian submitting such an affidavit also shall submit information required in part 7877.0110, subpart 2. If the commission has reason to doubt the financial responsibility of an applicant for an individual owner's license, the applicant shall complete a verified financial statement.

Subp. 2. **Multiple owners.** Applicants for a multiple owner's license must comply with the following requirements.

A. A corporation, general partnership, limited partnership, trust, or any combination of two or more individuals, except spouses, which owns or leases a horse eligible to race in Minnesota (hereinafter referred to as "multiple owner") must obtain a Class C license issued by the commission.

B. to G. [Unchanged.]

Subp. 3. to 13. [Unchanged.]

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Subp. 14. **Authorized agents.** ~~An applicant for~~ To be appointed an authorized ~~agent's license must submit with his or her license application~~ agent, the appointee must be licensed as either an individual owner or as a trainer. A written agency appointment authorizing him or her to act on behalf of a licensed owner or licensed trainer in racing matters not directly related to the care and training of horses must accompany the appointment. The authorization shall be on a form provided by the commission and shall define the powers, limits, and terms of the agency agreement. The authorization must be signed by the principals and notarized.

A separate notarized agency appointment is required for each principal an authorized agent intends to represent. All such agencies shall remain in effect for the duration of the ~~licensing year~~ current race meeting unless written notice of revocation is submitted to the stewards at the meeting where the principal is racing.

Subp. 15. [Unchanged.]

7877.0140 TEMPORARY LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Termination.** A temporary license shall carry no presumption of qualifications or fitness and may be terminated summarily by the commission for cause.

A temporary license shall terminate upon a decision of the commission to issue or deny a Class C license, or ~~60~~ 120 days after the grant of the temporary license, whichever occurs first.

7877.0145 EMERGENCY LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Owners.** If an owner is unable to complete an application for an owner's license because of absence or illness, the licensed trainer desiring to enter a horse in a race shall be permitted to apply for an emergency owner's license on behalf of the absent owner.

The trainer applying for an emergency owner's license on behalf of an absent owner must submit a notarized affidavit with the license application specifying the reasons the owner is unable to complete the application.

The trainer must, at the time of submission for an emergency owner's license, provide at least the following information: the owner's full name, home or business address, telephone number, and social security number. At the time of application, the appropriate licensing fee must be paid to the commission. Failure to provide all of the foregoing information is grounds for denial of an emergency owner's license.

Any emergency owner's license shall be valid for a maximum of 21 days from the date issued.

7877.0170 DUTIES AND RESPONSIBILITIES OF CLASS C LICENSEES.

Subpart 1. **Owners.** Horse owners shall have the following responsibilities:

A. to C. [Unchanged.]

D. ~~Racing colors must be registered with the commission when filing an application for an owner's license. A $10 annual fee must accompany the registration. Authority for the use of racing colors must be sanctioned by the commission. Racing colors may not bear any advertising. Any difference between owners to the rights of particular colors shall be decided by the stewards. The registered colors of an owner may not be registered by another, except after five years of nonuse or abandonment by the original owner. Any temporary change from the registered colors of the owner must receive the prior approval of the stewards.~~

~~(1) The~~ An owner of a thoroughbred or quarter horse is responsible for the registration of colors and for their availability to, and use by, the ~~jockey/driver~~ jockey engaged to ride the owner's horse.

~~(2) The colors to be worn by each jockey/driver in a race shall be described in the official racing program, and any change in colors from those described in the program shall be announced to the public prior to commencement of the race.~~

E. [Unchanged.]

Subp. 2. **Trainers.** Trainers shall have the following responsibilities.

A. to G. [Unchanged.]

H. A trainer may use only veterinarians licensed by the commission to tend horses in his or her care that are entered to race or at any time that the horses are on the grounds of an association.

I. to N. [Unchanged.]

O. A trainer is responsible for having each horse in his or her charge that is racing in Minnesota or stabled on the grounds of an association tested for equine infectious anemia (EIA) once every 12 months. The tests shall be performed by a laboratory approved by the United States Department of Agriculture. ~~Trainers must maintain in their possession a written certificate of the~~

~~EIA test~~ A copy of each horse's negative EIA test results (Coggins Certificate) must be attached to the horse's foal registration certificate on or before the time of entry into a race or the entry must not be accepted. The Coggins Certificates must be dated within a 12-month period prior to the date of entry, and must be renewed or replaced on foal registration certificate no later than ten days following the date of expiration.

P. A trainer must ensure that at the time of arrival at a licensed racetrack, each horse in his or her care that will be entered and remain in the stable area for more than 24 hours is accompanied by a health certificate issued not more than ten days prior to the arrival. The health certificate must be completed by an accredited veterinarian and must contain complete Equine Infectious Anemia (EIA) test results, including the date of the most recent negative EIA test. The health certificates must be surrendered to stable gate personnel for immediate transmittal to the commission veterinarian.

Q. A trainer must promptly report the death of any horse in his or her care on the grounds of an association to the commission veterinarian and must comply with part 7891.0110 governing post-mortem examinations.

~~Q.~~ R. If a trainer must be absent because of illness or any other cause, the trainer shall appoint another licensed trainer to fulfill his or her duties, and promptly report the appointment to the stewards. The absent trainer and substitute trainer will have joint responsibility for the condition of the horses normally trained by the absent trainer.

~~R.~~ S. Trainers licensed as owners must train all horses owned wholly or in part by them.

Subp. 2a. **Assistant trainers.** An assistant trainer shall be charged with the same responsibilities as a trainer. The assistant trainer shall be held equally culpable with the trainer by whom he or she is employed for any acts to which the assistant trainer has prior knowledge or involvement.

Subp. 3. **Jockeys and apprentice jockeys.** Jockeys and apprentice jockeys shall have the following responsibilities.

A. An apprentice jockey must ride with a five-pound weight allowance except stakes races and handicap races beginning with his or her first mount and for one full year thereafter. If after one full year from the date of his or her fifth winning mount the apprentice jockey has failed to ride 40 winners, he or she shall continue to ride with a five-pound weight allowance for up to two more years from the date of his or her fifth winning mount or until he or she has ridden a total of 40 winners, whichever comes first. In no event shall an apprenticeship extend more than four years from date of initial licensure as an apprentice jockey.

B. to K. [Unchanged.]

L. A jockey must wear the racing colors ~~registered~~ provided by the owner of the horse he or she is to ride, plus white riding pants, top boots, and a number on the right shoulder corresponding to the mount's number as shown on the saddle cloth and in the daily program.

M. to W. [Unchanged.]

Subp. 4. to 10. [Unchanged.]

7877.0175 DUTIES AND RESPONSIBILITIES OF RACING OFFICIALS.

Subpart 1. **Racing secretary.** The racing secretary shall have the following responsibilities.

A. to G. [Unchanged.]

H. The racing secretary must post, in a location accessible to all trainers, a list of all horses registered as "nerved," pursuant to part 7877.0100, subpart 11.

I. The racing secretary shall establish a preference system for horses which have been excluded from races due to overfilling and shall maintain the system for the duration of a meeting. The racing secretary shall be allowed broad discretion with regard to the preference system but shall act in the best interest of racing and the meeting.

J. In the event that a race is declared off due to an insufficient number of entries, the racing secretary must post in a conspicuous place the names of all trainers that entered horses in each race that was declared off.

Subp. 2. and 3. [Unchanged.]

Subp. 4. **Paddock judge.** The paddock judge shall have the following responsibilities.

A. to F. [Unchanged.]

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G. The paddock judge shall inspect the bandages worn by all horses arriving in the paddock and may order the bandages removed or replaced if he or she has reason to believe that a violation of statute or rule has occurred, is occurring, or will occur.

(1) The paddock judge shall not allow a horse in the paddock if it is wearing bandages at knee level or higher.

(2) Paddock boots and all bandages, except those bandages that will be worn during a race, must be removed immediately ~~upon arrival~~ after saddling in the paddock so that a satisfactory examination may be assured.

H. to L. [Unchanged.]

Subp. 5. to 7. [Unchanged.]

Subp. 8. **Commission veterinarian.** The commission veterinarian shall maintain a list of the following:

A. and B. [Unchanged.]

The commission veterinarian's list shall be posted in the racing secretary's office, and any horse whose name is on the list shall be ineligible to enter a race for five calendar days, or until the commission veterinarian removes it from the list, whichever is later.

The commission veterinarian or his or her designee shall conduct racing-soundness examinations pursuant to part 7891.0100. If the veterinarian finds that any horse is unfit to race he or she shall notify the stewards immediately.

The commission veterinarian shall supervise the operation of a barn for the detention and testing of horses after each race pursuant to chapter 7890.

The commission veterinarian shall have the authority to draw blood from any horse or pony on the grounds of an association for the purpose of conducting an Agar-Gel immunodiffusion (Coggins) test, and shall supervise the removal from the racetrack of any horse or pony having positive Coggins test results.

Subp. 9. to 15. [Unchanged.]

7877.0180 CONFLICTS.

Subpart 1. **Racing officials.** No racing official, other than a general manager, shall own any interest in a Minnesota racetrack at which he or she is serving as an official, and no racing official shall own any interest in a horse eligible to race at a meeting at which he or she serves as an official.

No racing official shall buy or sell for himself or herself, or as an agent for anyone else, any horse eligible to race at a meeting at which he or she serves as an official.

No racing official shall hold any interest in the contract of a jockey or apprentice jockey riding at a meeting at which the official serves.

No racing official shall buy or sell for another person any right to a contract of any jockey or apprentice jockey riding at a meeting at which the racing official serves.

No racing official shall wager money or anything of value on any race in Minnesota during his or her term of employment.

No racing official, detention barn employee, commission staff, assistant starter, claims clerk, outrider, association veterinarian, or track superintendent shall request or accept any remuneration or honorarium in payment or kind from any owner, trainer, or other person licensed by the commission.

Subp. 2. [Unchanged.]

7878.0130 BASIC COURSE.

Subpart 1. **Applicant shall successfully complete basic course.** No security officer may be licensed unless the officer or his or her appointing authority furnishes proof to the commission that the prospective licensee has successfully completed a basic course which includes at least 40 hours of instruction in the following subject areas:

A. to G. [Unchanged.]

H. ~~firearms~~ cardio pulmonary resuscitation (CPR);

I. to K. [Unchanged.]

Subp. 2. and 3. [Unchanged.]

7878.0140 CONTINUING EDUCATION.

Subpart 1. **Licensee shall successfully complete refresher training.** No security officer's license may be renewed unless the licensee or his or her appointing authority furnishes the commission proof that the licensee has successfully completed, on an annual basis, at least ~~20~~ 16 hours of refresher training in the areas of:

A. to D. [Unchanged.]

E. ~~firearms training~~ security plan, policy, and procedure of the racing association; and

F. [Unchanged.]

Subp. 2. [Unchanged.]

7878.0150 STANDARDS OF CONDUCT FOR SECURITY OFFICERS.

Subpart 1. [Unchanged.]

Subp. 2. **Restrictions on security officers.** No security officer may:

A. use ~~deadly force unless authorized, or use~~ unreasonable force;

B. to D. [Unchanged.]

7878.0160 SECURITY COOPERATION.

Subpart 1. **Security officers must cooperate with law enforcement agencies.** Class A, Class B, and Class D licensees and all security officers must cooperate fully with federal, state, and local law enforcement agencies with jurisdiction to enforce criminal laws at horse racing facilities, and must report promptly all crimes suspected, investigated, or prevented at a licensed racetrack to the BCA.

Subp. 2. **Notification of searches.** Within 24 hours of any searches conducted by an association or its security personnel, the racing commission director of racing security or his or her designee must be notified of the searches and any relative circumstances involved. A copy of the inventory sheet of all items confiscated during the searches must accompany the notification. All illegal contraband seized as a result of a search must be immediately delivered to the local law enforcement agency. Under no circumstances shall the association or its security personnel destroy or otherwise dispose of any illegal contraband.

7883.0100 ENTRIES AND SUBSCRIPTIONS.

Subpart 1. to 6. [Unchanged.]

Subp. 7. **Coupled entries.** Except in stakes races and races which are conditioned for horses eligible for specified stakes, not more than two horses of the same licensed ownership or interest shall be entered and started in a race.

A. No trainer shall enter more than two horses in an overnight event~~, and in no case shall two horses start to the exclusion of a single entry.~~

~~B. Not more than two horses trained by the same trainer shall be drawn into any overnight race or placed on the also eligible list to the exclusion of another horse,~~ except in split races.

~~C.~~ B. Horses trained by a public stable trainer shall not be coupled with horses trained by another public stable trainer unless the horses in question are owned by the same person or are coupled as a field for wagering purposes.

~~D.~~ C. All horses owned wholly or in part by the same person, or his or her spouse, or trained by the same trainer, shall be coupled and run as an entry.

~~E.~~ D. Notwithstanding items A to D, where two or more horses are coupled as an entry only for the reason that the horses are trained by the same trainer, the association may run those horses as separate interests.

Subp. 8. to 16. [Unchanged.]

7883.0140 CLAIMING RACES.

Subpart 1. to 8. [Unchanged.]

Subp. 9. **Prohibition on claims.** No person or racing interest shall:

A. to I. [Unchanged.]

J. enter, or allow to be entered, any horse against which any claim is held, either by mortgage or lien of any kind without, prior to entering, having filed the written consent of the holder of the mortgage or lien with the racing secretary and horsepersons' bookkeeper. Notification of the mortgage or lien must be posted in a conspicuous place in both the racing secretary's and horsepersons' bookkeeper's offices; or

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K. claim a horse if he or she only leases a horse for racing purposes, unless the claim is executed pursuant to subpart 1, item C.

Subp. 10. to 19. [Unchanged.]

Subp. 20. **Excused horse eligible to be claimed for same claiming price in next start; harness racing.** If, in a claiming race, a horse is excused by the stewards, any claim or claims for the horse will be void. However, such a horse, in its next start, must race in a claiming race for a claiming price not greater than the amount for which it could have been claimed in the race from which it was excused. Should the horse be entered in an allowance or stakes race in its next start, said horse shall be subject to claim for the claiming price from the previous race from which it was excused. The provisions of this subpart shall apply for a period of 90 days from the date of the claiming race in which the horse was excused.

Subp. 21. to 29. [Unchanged.]

7883.0150 PADDOCK TO POST.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Bandages and blankets.** Immediately ~~upon arrival~~ after saddling in the paddock, all blankets and bandages, except those bandages that will be worn during a race, must be removed. Should weather conditions so dictate, blankets may be worn after saddling with permission of the paddock judge. After saddling, all horses must be walked to allow a satisfactory examination.

Subp. 4. to 12. [Unchanged.]

7891.0100 RACING SOUNDNESS EXAMINATION.

Subpart 1. **Horses subject to examination.** Every horse entered to race at a licensed racetrack under the jurisdiction of the commission shall be subjected to a veterinary examination for racing soundness and health on race day conducted by the commission veterinarian or a veterinarian designated by the commission veterinarian in or near the stall to which the horse is assigned.

Subp. 2. [Unchanged.]

7892.0150 PURSES.

Subpart 1. **Purse may be redistributed.** Upon receipt of a positive laboratory report, the stewards shall direct that no undistributed purse money won by the horse tested may be awarded pending final determination of the matter. The stewards shall order distributed purse money returned, and it must be returned. If it is determined finally that a violation of chapter 7890 has occurred, the purse money won by the horse involved ~~shall~~ may be forfeited and redistributed among the other horses in the race according to their order of finish. No forfeiture and redistribution shall affect the distribution of pari-mutuel pools. Distribution of purse money prior to issuance of a laboratory report shall not be deemed a determination that chapter 7890 has not been violated.

Subp. 2. **Determination of purse redistribution.** In determining whether or not to redistribute a purse for a violation of chapter 7890, the commission or stewards shall consider the following factors:

A. inherent severity of the conduct as indicated by the potential harm to person, property, or the integrity of racing;

B. culpability of the violator;

C. frequency of the violator's failure to comply with law or rule;

D. actual harm caused to person, property, or the integrity of racing; and

E. any other factors related to the seriousness of violations which the commission or stewards deem crucial to the determination as long as the same factors are considered with regard to all violators. The commission or stewards, in making a determination, shall consider both the number of factors applicable to a violation and the degree to which each applies.

Rules as Proposed (all new material)

7895.0125 THOROUGHBRED REGISTRATION.

Subpart 1. **Broodmare registration.** To be eligible to receive any breeders' award payments, the following requirements must be met:

A. Prior to foaling, a broodmare must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency on or before January 31 of the year in which the broodmare will foal. The broodmare's original jockey club certificate must accompany the registration application.

B. In the event an unregistered broodmare should foal in Minnesota before January 31, the owner must submit a sworn affidavit to the racing commission or the official registering agency attesting that the foal was born in Minnesota. The affidavit will be considered evidence that the foal is a Minnesota-bred or Minnesota-foaled horse and the owner of the broodmare or his or her

agent must register the broodmare in accordance with item A. The attending veterinarian, licensed by the state of Minnesota, must certify on information and belief that the information provided from the owner or agent is true and correct.

C. Failure to submit broodmare registration forms on or before the January 31 cutoff date (excluding Saturday and Sunday) will disqualify any subsequent claims for breeders' award payments or for the foal to be registered as Minnesota-bred.

Subp. 2. **Stallion registration.** To be eligible to receive any stallion award payments, the following requirements must be met:

A. Stallions must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency by February 1 of the current breeding year. The stallion's original jockey club certificate must accompany the registration application. If the stallion is leased, a copy of the lease must accompany the registration application. The lease must include a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from February 15 to July 31.

C. Stallion reports (record of mares bred) must be received by the racing commission or official registering agency by September 30 of the immediately preceding breeding season.

D. Failure to submit stallion reports (record of mares bred) by the September 30 cutoff date will disqualify any subsequent claims for stallion award payments.

Subp. 3. **Foal registration and certification.** For a horse foaled in Minnesota to be registered and subsequently certified as a Minnesota-bred, the following requirements must be met:

A. Within 30 days of the date a horse is foaled in Minnesota, the foal must be registered with the racing commission or official registering agency. The registration form must contain the following information: the date, the name of the owner of the foaling dam, the date that the foal was born, an owner's statement that the foal was born in Minnesota, and the signature and veterinary license number of the veterinarian submitting the report. Failure to submit the veterinarian's report will disqualify any subsequent claim to register the foal as Minnesota-bred.

B. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

C. Failure to have foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn any breeders' fund payments.

Subp. 4. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0100, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, the person may protest the eligibilty of the horse in the manner prescribed in this part. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the name of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 5. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 6. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be ineligible; and

D. where appropriate, disciplinary action may be taken against the trainer of the horse found if it is determined that the trainer had prior knowledge of the owners' ineligibility.

7895.0250 STANDARDBRED BREEDERS' FUND.

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

A. "Breeder" means the owner or lessee of the dam at the time of conception in Minnesota.

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B. "Minnesota-bred" means:

(1) in the case of a horse foaled prior to 1987, either:

(a) the United States Trotting Association (USTA) foal certificate reflects the breeder to be a Minnesota resident;

(b) the horse was sired by a stallion standing in the state of Minnesota as reflected on the USTA stallion report;

(c) at the time the horse was foaled in Minnesota the owner of the foal was a Minnesota resident; or

(2) Foals born on or after January 1, 1987, must have been sired by a stallion registered with the racing commission or official registering agency that stood in the state of Minnesota for the entire breeding season.

C. "Minnesota-foaled" means:

(1) In the case of a horse foaled prior to 1987, either:

(a) the USTA foal certificate reflects the breeder to be a Minnesota resident;

(b) the horse was sired by a stallion standing in the state of Minnesota as reflected on the USTA stallion report; or

(c) at the time the horse was foaled in Minnesota the owner of the foal was a Minnesota resident.

(2) Foals born on or after January 1, 1987, must have been sired by a stallion registered with the racing commission or official registering agency that stood in the state of Minnesota for the entire breeding season.

D. "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.

E. "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, from January 1 to September 1 in Minnesota.

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

A. 25 percent shall be set aside and paid to breeders as breeders' awards; and

B. 75 percent shall be paid to supplement purses in races which are restricted to horses that are Minnesota-bred, Minnesota-foaled, or Minnesota-owned. In all such races, Minnesota-bred and Minnesota-foaled shall have first preference, and Minnesota-owned horses shall have second preference.

Subp. 3. **Distribution of money.** The money available from the standardbred breeders' fund shall be distributed as breeders' awards and paid to the breeder, as reflected on the USTA foal certificate, of a Minnesota-bred or Minnesota-foaled horse that finishes fifth or better in any pari-mutuel race in Minnesota.

Subp. 4. **Methods of payment.** The amount of money distributed for breeders' awards or purse supplements pursuant to subpart 3, shall be paid out in the same percentage as the purse money in the race.

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

breeders' award disbursements. The racing commission shall consider the following criteria in determining the applicable percentages:

A. the number of potential breeders' award recipients;

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

C. the need to distribute breeders' awards and purse supplements among the 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 standardbred horses within the state; and

D. that the set amount of the breeders' 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 shall be distributed within 30 days of the end of the race meeting.

Subp. 7. **Maximum awards permitted.** The maximum amount of a breeders' award, exclusive of any purse supplements, paid to an individual or entity under this part must not exceed 50 percent of the total available breeders' award funds during calendar year 1986.

Subp. 8. **Residual funds.** After complying with subparts 4 to 7, any remaining funds in the breeders' awards account, and all unearned purse supplements, shall be retained and carried forward to be included as net distributable funds in the succeeding standardbred race meeting.

7895.0275 STANDARDBRED REGISTRATION.

Subpart 1. **Stallion registration.** To be eligible to participate in the standardbred breeders' fund program, the following requirements must be met:

A. Stallions must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency by January 1 of the current breeding year. The stallion's original United States Trotting Association (USTA) certificate must accompany the initial registration application. If the stallion is leased, a copy of the lease must accompany the registration application or renewal. The lease agreement must contain a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from January 1 to September 1.

C. Stallion reports (record of mares bred) must be received by the racing commission or official registering agency by September 30 (excluding Saturday and Sunday) of the current breeding season.

Subp. 2. **Foal certification.** In order for a horse bred or foaled in Minnesota to be registered and subsequently certified as Minnesota-bred or Minnesota-foaled, the following requirements must be met:

A. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

B. Failure to have the foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn any breeders' fund payments.

Subp. 3. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0110, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, such person may protest the eligibility of the horse in the manner prescribed hereinafter. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the name of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 4. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 5. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

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A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be ineligible; and

D. where appropriate, disciplinary action may be taken against a trainer of the horse if it is determined that the trainer had prior knowledge of the horse's eligibility.

7895.0300 QUARTER HORSE BREEDERS' FUND.

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

A. "Breeder" means the owner or lessee of the dam at time of conception in Minnesota.

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

C. "Minnesota-bred" means:

(1) a horse sired by a registered stallion who stood his entire breeding season in Minnesota; and

(2) a horse born in Minnesota.

D. "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.

E. "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, from February 15 through July 31, in Minnesota.

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

A. 35 percent shall be set aside and paid as breeders' awards to:

(1) until December 31, 1988, breeders of Minnesota-bred or Minnesota-foaled horses; and

(2) January 1, 1989, and thereafter breeders of a Minnesota-bred horse or a horse born in Minnesota prior to 1987;

B. 35 percent shall be set aside and paid as owners' awards to:

(1) until December 31, 1988, owners of Minnesota-bred or Minnesota-foaled horses; and

(2) January 1, 1989, and thereafter owners of a Minnesota-bred horse or a horse born in Minnesota prior to 1987;

C. 20 percent shall be paid to supplement purses in races which are restricted to Minnesota-bred, Minnesota-foaled, or Minnesota-owned horses. In all such races Minnesota-bred or Minnesota-foaled 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. 10 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 quarter horse breeders' fund, other than purse supplements, shall be distributed as follows:

A. "Breeders' awards" shall be paid to the breeder of a Minnesota-bred or Minnesota-foaled horse, as reflected on the American Quarter Horse Association (AQHA) certificate that finishes fifth or better in any race.

B. "Owners' awards" shall be paid to the owners of a Minnesota-bred or Minnesota-foaled horse that finishes fifth or better in any race.

C. "Stallion awards" shall be paid to the stallion owner of a Minnesota-bred or Minnesota-foaled 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 award 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 quarter 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 by December 31 of the year in which they are earned.

7895.0350 QUARTER HORSE REGISTRATION.

Subpart 1. **Broodmare registration.** To be eligible to receive any breeders' award payments, the following requirements must be met:

A. Prior to foaling, a broodmare must in Minnesota and registered or the registration renewed with the racing commission or official registering agency on or before January 31 of the year in which the broodmare will foal. The broodmare's original American Quarter Horse Association (AQHA) certificate must accompany the initial registration application.

B. In the event an unregistered broodmare should foal in Minnesota before January 31, the owner or lessee must submit a sworn affidavit to the racing commission or the official registering agency attesting that the foal was born in Minnesota. The affidavit will be considered evidence that the foal is a Minnesota-bred or Minnesota-foaled horse and the owner of the broodmare or his or her agent must register the broodmare in accordance with item A. The attending veterinarian, licensed by the state of Minnesota, must certify on information and belief that the information provided by the owner, lesseee, or agent is true and correct.

C. Failure to submit broodmare registration forms on or before the January 31 cutoff date (excluding Saturday and Sunday) will disqualify any subsequent claims for breeders' award payments or for the foal to be registered as a Minnesota-bred or Minnesota-foaled horse.

Subp. 2. **Stallion registration.** To be eligible to receive any stallion award payments, the following requirements must be met:

A. Stallions must in Minnesota and registered or the initial registration renewed with the racing commission or official registering agency by February 1 of the current breeding year. The stallion's original American Quarter Horse Association (AQHA) certificate must accompany the initial registration application. If the stallion is leased, a copy of the lease must accompany the registration application. The lease must include a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from February 15 through July 31.

C. Stallion reports (roster of mares bred) must be received by the racing commission or official registering agency by September 30 (excluding Saturday and Sunday) of the immediately preceding breeding season.

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D. Failure to submit stallion reports (roster of mares bred) by the September 30 cutoff date will disqualify any subsequent claims for the stallion award payments.

Subp. 3. **Foal registration and certification.** For a horse foaled in Minnesota to be registered and subsequently certified as a Minnesota-bred or Minnesota-foaled horse, the following requirements must be met:

A. Within 30 days of the date a horse is foaled in Minnesota, the foal must be registered with the racing commission or official registering agency. The registration must include the following information: the date, the name of the owner or lessee of the dam at time of conception, the date that the foal was born, an owner's or lessee's statement that the foal was born in Minnesota, and the signature and veterinary license number of the attending veterinarian. Failure to submit the veterinarian's report will disqualify any subsequent claim to register the foal as a Minnesota-bred or Minnesota-foaled horse.

B. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

C. Failure to have foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn breeders' fund payments.

Subp. 4. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0110, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, such person may protest the eligibility of the horse in the manner prescribed hereinafter. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the named of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 5. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 6. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be inelegible; and

D. where appropriate, disciplinary action may be taken against the trainer of the horse found if it is determined that the trainer had prior knowledge of the owners' ineligibility.

In the Matter of the Proposed
Adoption of Rules of the **Minnesota Racing Commission** Governing Amendments to Existing Rules, Standardbred and Quarter Horse Breeders' Funds, and Registration Requirements for the Thoroughbred 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. (No. 33, February 10, 1986) on pages 1672-1686 on February 10, 1986.

3. On February 10, 1986, 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
Executive Director

Subscribed and sworn to before me
this 12th day of March, 1986

Sharon A. Beighley
SHARON A. BEIGHLEY
Notary Public

SHARON A. BEIGHLEY
NOTARY PUBLIC – MINNESOTA
HENNEPIN COUNTY
My Commission Expires Oct. 23, 1990

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Racing Commission

Proposed Rules Governing Horse Racing

Notice of Intent to Adopt Rules without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Racing Commission proposes to adopt the above captioned rules without a public hearing unless 25 or more persons submit written requests for a public hearing. The Racing Commission has determined that the proposed rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minn. Stat. §§ 14.22 to 14.28 (1984), as amended.

Interested persons shall have 30 days from the date this notice is published in the *State Register* to submit comments in support of or in opposition to the proposed rules. The 30 days will expire on March 12, 1986. Comment is encouraged. Each comment should identify the portion of the proposed rules being addressed, the reason for the comment, and any suggested changes to the rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Racing Commission and do not result in a substantial change in the proposed language.

In addition to submitting comments, interested persons may request in writing during the 30-day comment period that a hearing be held on the proposed rules. Any person requesting a hearing should state his or her name, address, and telephone number, and is encouraged to identify the portion of the proposed rules addressed, the reason for the request, and any changes they want made to the proposed rules.

If a person desires that a hearing be held on only a portion of the proposed rules, it is requested that the Racing Commission be informed of the specific proposed rule on which a hearing is being requested at the time that the hearing request is made. This will enable the Racing Commission to limit the hearing, if one is held, to the specific issues of concern. A public hearing will be held only if 25 or more persons submit in writing requests for a hearing on the proposed rules or a portion thereof by March 12, 1986. If a hearing is required, it will be held in accordance with the provisions of Minn. Stat. §§ 14.131 to 14.20 (1984), as amended, and the hearing notice provided below.

Comments or written requests for a public hearing should be submitted to:

Dave Freeman
Executive Director
Minnesota Racing Commission
11000 West 78th Street, Suite 201
Eden Prairie, Minnesota 55344
Telephone: (612) 341-7555

The statutory authority of the Racing Commission to promulgate the proposed rules is contained in Minn. Stat. § 240.24 (1984), as amended by Minn. Laws 1985, ch. 211, §§ 2 and 4.

If adopted, the proposed rules would amend certain sections of the rules of racing adopted in April of 1985, and would provide for the administration of the Standardbred and Quarter Horse Breeders' Funds.

The proposed rules will be published in the *State Register* issue of February 10, 1986 and a free copy of them may be obtained from the Racing Commission by writing or telephoning Dave Freeman at the address or telephone number listed above.

A Statement of Need and Reasonableness that describes the need for and the 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 may be obtained from the Racing Commission by writing or telephoning Dave Freeman at the address or telephone number listed above.

Promulgation of the proposed rules will not result in the expenditure of public monies by local public bodies nor have an impact on agricultural land; therefore no further information need be provided under Minn. Stat. § 14.11 (1984).

The proposed rules may affect small businesses. The actual effect, if any, is discussed in the Statement of Need and Reasonableness.

Upon adoption of the proposed rules without a public hearing, the rules as proposed, this notice, the Statement of Need and Reasonableness, all written comments received, the rules as adopted, and statement explaining any differences between the rules as proposed and as adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. 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 rules as adopted, should submit a written request to Dave Freeman at the address listed above.

Rules as Proposed

7869.0100 DEFINITIONS.

Subpart 1. to 15. [Unchanged.]

Subp. 16. **Condition book.** "Condition book" means the publication issued by the association ~~and approved by the commission~~ advertising races for upcoming racing days.

Subp. 17. to 23. [Unchanged.]

Subp. 24. **Entry.** "Entry" means, according to its context, either:

A. the act of entering a horse to race;

B. a horse eligible and entered in a race; or

C. two or more horses that are entered in a race ~~and are owned in whole or in part by the same owner, or are trained by a trainer who owns any interest in any of the other horses in the race,~~ and which are coupled for wagering purposes.

Subp. 25. to 40. [Unchanged.]

Subp. 41. **Official.** "Official" means the act of the stewards declaring the results of the race final and authorizing pari-mutuel winnings to be paid out.

Subp. 42. to 50. [Unchanged.]

Subp. 51. **Race.** "Race" means a contest among horses for purse, stakes, premium, or wager for money, run in the presence of racing officials of the association and the commission. The following are categories of races:

A. to I. [Unchanged.]

J. "Qualifying race" means a non pari-mutuel wagering race in which a standardbred horse must compete to establish or reestablish its eligibility to enter a race on which pari-mutuel wagering will be conducted.

K. "Quarter horse race" means a race on the flat at 870 yards or less.

~~K.~~ L. "Race on the flat" means a race over a course in which no jumps or other obstacles are placed.

~~L.~~ M. "Restricted race" means a race required pursuant to Minnesota Statutes, section 240.29.

~~M.~~ N. "Stakes race" or "sweepstakes race" means a race to which nominators of the engaged entries contribute to a purse, and to which money or any other award may be added. No overnight race, regardless of its conditions, may be deemed a stakes race.

O. "Time trial" means a race against time for the purpose of establishing a performance record.

Subp. 52. [Unchanged.]

Subp. 53. **Recognized racetrack.** "Recognized racetrack" means a racetrack where pari-mutuel wagering is authorized by law, or which is recognized by the American Quarter Horse Association or the United States Trotting Association.

Subp. 54. to 69. [Unchanged.]

7873.0127 PARI-MUTUEL POOLS DEPENDENT ON ENTRIES.

Unless the commission approves a prior written request from an association to alter wagering opportunities for a specific race, each association must offer:

A. win, place, and show wagering on all scheduled races involving six or more betting interests;

B. if horses representing five betting interests are scheduled to start in a race, then the association may prohibit show wagering on that race; and

C. if horses representing four or fewer betting interests are scheduled to start in a race, then the association may prohibit place wagering, show wagering, or both on that race.

Where possible, the official program must contain a notice indicating races on which place wagering, show wagering, or both are not offered.

7873.0130 PREVENTION TO START.

In a thoroughbred or quarter horse race, if the doors in front of a stall in a mechanically or electronically operated starting gate should fail to open simultaneously with the other stall doors, thereby preventing a horse from obtaining a fair start when the starter dispatches the field, the following shall apply:

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A. and B. [Unchanged.]

C. If any horse or horses are so prevented from starting so that it would reduce the total number of starters below six, the following shall apply:

(1) if five starters of different betting interests leave the stalls, the association may refund the entire amount wagered in the show pool;

(2) if four or fewer horses of different betting interests leave the stalls, the association may refund the entire amount wagered in the show pool, the place pool, or both; and

(3) if fewer than two horses of different betting interests leave the stalls, the race must be canceled and the entire amount wagered in the win, place, and show pools must be promptly refunded.

7873.0140 FAILURE TO START.

~~In the event of horses failing to start~~ After wagering has commenced on a race and prior to the race being run, should a horse or horses be scratched resulting in a field of less than six different betting interests, the following shall apply:

A. if ~~fewer than~~ five horses ~~in~~ of different betting interests will leave the stalls, the association may refund the entire amount wagered in the show pool ~~shall be promptly refunded.~~;

B. if ~~fewer than~~ four or fewer horses ~~in~~ of different betting interests will leave the stalls, the association may refund the entire amount wagered in the show pool, the place ~~and show pools shall be promptly refunded.~~ pool, or both; and

C. if fewer than two horses leave the stalls, the race must be canceled and the entire amount wagered in the win, place, and show pools ~~shall~~ must be promptly refunded.

In all cases, the association must, prior to the race being run, announce to the public its decision to cancel any pools.

7875.0200 EQUIPMENT.

Subpart 1. to 8. [Unchanged.]

Subp. 9. **External communications.** An association may have telephone or telegraph systems on the premises during a race meeting for the benefit of the public press or for transacting ordinary business, but no information regarding the results of any race shall be transmitted out of the racetrack until 15 minutes after the results are official, nor shall any message be sent over said wires transmitting money, or other things of value, or directing the placing of any wager on the result of a race except as permitted by part 7873.0400.

No telephone calls, telegrams, or messages of any kind for any person attending or participating in the conduct of a race meeting shall be accepted, nor shall any notice be given pertaining to such message or telephone call during the hours indicated unless permission is first given by the stewards or the authorized representative of the commission.

A telephone on a private line shall be provided in the offices of the commission. All costs of the telephone service shall be borne by the association and the service shall not be interrupted at any time.

All telephones or other instruments of communication, other than those designated for the sole use of the commission or those approved by the commission for use during racing, must be rendered inoperable between the hours starting 30 minutes before post time for the first race and the flashing of the "official" sign following the last race.

All portable telephones, transmitters, or any other instrument of communication that can be used for transmitting messages off the grounds of an association is subject to confiscation by security personnel or by the racing commission and its employees.

7876.0110 OFF-TRACK STABLING.

Subpart 1. [Unchanged.]

Subp. 2. **Requirements of commission must be met at racetrack.** All workout, tattooing, approval from the starting gate, and eligibility requirements of the commission or stewards must be secured at a licensed racetrack at which racing is being conducted. However, workouts may be obtained at sites approved by the commission and which are staffed by a clocker or clockers licensed by the commission.

Subp. 3. [Unchanged.]

7877.0110 PROCEDURE FOR OBTAINING CLASS C LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Application content.** An application for a Class C license shall include the following information with respect to the applicant:

A. to F. [Unchanged.]

G. ~~two~~ a completed FBI fingerprint ~~cards~~ card.

Subp. 3. [Unchanged.]

Subp. 4. **Racing officials.** Each association shall submit to the commission for its approval or disapproval the names of all persons whom the association has selected as racing officials, and other employees whose duties relate to the actual running of races. The list shall include, where applicable, the following racing officials:

A. to V. [Unchanged.]

The list of racing officials' names shall be submitted to the commission in writing at least 30 days prior to the opening of each race meeting.

The association shall be responsible for filing a complete application for a Class C license with respect to each nominee who has not been previously licensed by the commission as a racing official.

The commission may request any person whose name is proposed as a racing official to submit to a physical examination and to forward the results of said examination to the commission. The request shall be made only where there is a reasonable basis for suggesting that the applicant's physical condition would hinder or prevent him or her from performing the duties of a racing official.

The commission shall act on the association's list of officials at a meeting of the commission. If commission staff recommends disapproval of an official, the association shall be notified of that recommendation in advance of the commission's meeting.

Under no circumstances shall an identifier, placing judge, or patrol judge be approved by the commission unless he or she has satisfactorily passed an optical examination within 90 days prior to approval evidencing 20-20 vision (corrected) and the ability to distinguish colors.

7877.0120 FEES.

Subpart 1. **License fees.** Each application for a Class C license, or its renewal, shall be accompanied by the payment of an annual fee according to the following schedule:

~~A. authorized agent, $25;~~

B. to Z. [Reletter as A. to Y.]

Subp. 2. **Fingerprint charge.** In addition to the license fee in subpart 1, each initial application for a Class C license, and each renewal application every third year thereafter, shall be accompanied by ~~two~~ a completed FBI fingerprint ~~cards~~ card taken by the commission and a ~~properly executed certified check,~~ cashier's check~~,~~ or money order in the amount of ~~$12~~ $14 payable to "Federal Bureau of Investigation." Any horse owner who does not make application in person must meet all requirements of this subpart, except that the owner may file ~~two~~ a completed fingerprint ~~cards~~ card taken by a law enforcement agency.

Subp. 3. and 4. [Unchanged.]

7877.0130 STANDARDS REQUIRED OF APPLICANTS FOR SPECIFIC LICENSES.

Subpart 1. **Individual owners.** An applicant for an individual owner's license must own or lease a horse eligible to race in Minnesota which is registered with the racing secretary and under the care of a trainer licensed by the commission.

If younger than 18 years of age, an applicant for an individual owner's license must submit a notarized affidavit from his or her parent or legal guardian stating that the parent or legal guardian assumes responsibility for the applicant's financial, contractual, and other obligations relating to the applicant's participation in racing. A parent or legal guardian submitting such an affidavit also shall submit information required in part 7877.0110, subpart 2. If the commission has reason to doubt the financial responsibility of an applicant for an individual owner's license, the applicant shall complete a verified financial statement.

Subp. 2. **Multiple owners.** Applicants for a multiple owner's license must comply with the following requirements.

A. A corporation, general partnership, limited partnership, trust, or any combination of two or more individuals, except spouses, which owns or leases a horse eligible to race in Minnesota (hereinafter referred to as "multiple owner") must obtain a Class C license issued by the commission.

B. to G. [Unchanged.]

Subp. 3. to 13. [Unchanged.]

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Subp. 14. **Authorized agents.** ~~An applicant for~~ To be appointed an authorized ~~agent's license must submit with his or her license application~~ agent, the appointee must be licensed as either an individual owner or as a trainer. A written agency appointment authorizing him or her to act on behalf of a licensed owner or licensed trainer in racing matters not directly related to the care and training of horses must accompany the appointment. The authorization shall be on a form provided by the commission and shall define the powers, limits, and terms of the agency agreement. The authorization must be signed by the principals and notarized.

A separate notarized agency appointment is required for each principal an authorized agent intends to represent. All such agencies shall remain in effect for the duration of the ~~licensing year~~ current race meeting unless written notice of revocation is submitted to the stewards at the meeting where the principal is racing.

Subp. 15. [Unchanged.]

7877.0140 TEMPORARY LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Termination.** A temporary license shall carry no presumption of qualifications or fitness and may be terminated summarily by the commission for cause.

A temporary license shall terminate upon a decision of the commission to issue or deny a Class C license, or ~~60~~ 120 days after the grant of the temporary license, whichever occurs first.

7877.0145 EMERGENCY LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Owners.** If an owner is unable to complete an application for an owner's license because of absence or illness, the licensed trainer desiring to enter a horse in a race shall be permitted to apply for an emergency owner's license on behalf of the absent owner.

The trainer applying for an emergency owner's license on behalf of an absent owner must submit a notarized affidavit with the license application specifying the reasons the owner is unable to complete the application.

The trainer must, at the time of submission for an emergency owner's license, provide at least the following information: the owner's full name, home or business address, telephone number, and social security number. At the time of application, the appropriate licensing fee must be paid to the commission. Failure to provide all of the foregoing information is grounds for denial of an emergency owner's license.

Any emergency owner's license shall be valid for a maximum of 21 days from the date issued.

7877.0170 DUTIES AND RESPONSIBILITIES OF CLASS C LICENSEES.

Subpart 1. **Owners.** Horse owners shall have the following responsibilities:

A. to C. [Unchanged.]

D. ~~Racing colors must be registered with the commission when filing an application for an owner's license. A $10 annual fee must accompany the registration. Authority for the use of racing colors must be sanctioned by the commission. Racing colors may not bear any advertising. Any difference between owners to the rights of particular colors shall be decided by the stewards. The registered colors of an owner may not be registered by another, except after five years of nonuse or abandonment by the original owner. Any temporary change from the registered colors of the owner must receive the prior approval of the stewards.~~

~~(1) The~~ An owner of a thoroughbred or quarter horse is responsible for the registration of colors and for their availability to, and use by, the ~~jockey/driver~~ jockey engaged to ride the owner's horse.

~~(2) The colors to be worn by each jockey/driver in a race shall be described in the official racing program, and any change in colors from those described in the program shall be announced to the public prior to commencement of the race.~~

E. [Unchanged.]

Subp. 2. **Trainers.** Trainers shall have the following responsibilities.

A. to G. [Unchanged.]

H. A trainer may use only veterinarians licensed by the commission to tend horses in his or her care that are entered to race or at any time that the horses are on the grounds of an association.

I. to N. [Unchanged.]

O. A trainer is responsible for having each horse in his or her charge that is racing in Minnesota or stabled on the grounds of an association tested for equine infectious anemia (EIA) once every 12 months. The tests shall be performed by a laboratory approved by the United States Department of Agriculture. ~~Trainers must maintain in their possession a written certificate of the~~

~~EIA test~~ A copy of each horse's negative EIA test results (Coggins Certificate) must be attached to the horse's foal registration certificate on or before the time of entry into a race or the entry must not be accepted. The Coggins Certificates must be dated within a 12-month period prior to the date of entry, and must be renewed or replaced on foal registration certificate no later than ten days following the date of expiration.

P. A trainer must ensure that at the time of arrival at a licensed racetrack, each horse in his or her care that will be entered and remain in the stable area for more than 24 hours is accompanied by a health certificate issued not more than ten days prior to the arrival. The health certificate must be completed by an accredited veterinarian and must contain complete Equine Infectious Anemia (EIA) test results, including the date of the most recent negative EIA test. The health certificates must be surrendered to stable gate personnel for immediate transmittal to the commission veterinarian.

Q. A trainer must promptly report the death of any horse in his or her care on the grounds of an association to the commission veterinarian and must comply with part 7891.0110 governing post-mortem examinations.

~~Q.~~ R. If a trainer must be absent because of illness or any other cause, the trainer shall appoint another licensed trainer to fulfill his or her duties, and promptly report the appointment to the stewards. The absent trainer and substitute trainer will have joint responsibility for the condition of the horses normally trained by the absent trainer.

~~R.~~ S. Trainers licensed as owners must train all horses owned wholly or in part by them.

Subp. 2a. **Assistant trainers.** An assistant trainer shall be charged with the same responsibilities as a trainer. The assistant trainer shall be held equally culpable with the trainer by whom he or she is employed for any acts to which the assistant trainer has prior knowledge or involvement.

Subp. 3. **Jockeys and apprentice jockeys.** Jockeys and apprentice jockeys shall have the following responsibilities.

A. An apprentice jockey must ride with a five-pound weight allowance except stakes races and handicap races beginning with his or her first mount and for one full year thereafter. If after one full year from the date of his or her fifth winning mount the apprentice jockey has failed to ride 40 winners, he or she shall continue to ride with a five-pound weight allowance for up to two more years from the date of his or her fifth winning mount or until he or she has ridden a total of 40 winners, whichever comes first. In no event shall an apprenticeship extend more than four years from date of initial licensure as an apprentice jockey.

B. to K. [Unchanged.]

L. A jockey must wear the racing colors ~~registered~~ provided by the owner of the horse he or she is to ride, plus white riding pants, top boots, and a number on the right shoulder corresponding to the mount's number as shown on the saddle cloth and in the daily program.

M. to W. [Unchanged.]

Subp. 4. to 10. [Unchanged.]

7877.0175 DUTIES AND RESPONSIBILITIES OF RACING OFFICIALS.

Subpart 1. **Racing secretary.** The racing secretary shall have the following responsibilities.

A. to G. [Unchanged.]

H. The racing secretary must post, in a location accessible to all trainers, a list of all horses registered as "nerved," pursuant to part 7877.0100, subpart 11.

I. The racing secretary shall establish a preference system for horses which have been excluded from races due to overfilling and shall maintain the system for the duration of a meeting. The racing secretary shall be allowed broad discretion with regard to the preference system but shall act in the best interest of racing and the meeting.

J. In the event that a race is declared off due to an insufficient number of entries, the racing secretary must post in a conspicuous place the names of all trainers that entered horses in each race that was declared off.

Subp. 2. and 3. [Unchanged.]

Subp. 4. **Paddock judge.** The paddock judge shall have the following responsibilities.

A. to F. [Unchanged.]

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G. The paddock judge shall inspect the bandages worn by all horses arriving in the paddock and may order the bandages removed or replaced if he or she has reason to believe that a violation of statute or rule has occurred, is occurring, or will occur.

(1) The paddock judge shall not allow a horse in the paddock if it is wearing bandages at knee level or higher.

(2) Paddock boots and all bandages, except those bandages that will be worn during a race, must be removed immediately ~~upon arrival~~ after saddling in the paddock so that a satisfactory examination may be assured.

H. to L. [Unchanged.]

Subp. 5. to 7. [Unchanged.]

Subp. 8. **Commission veterinarian.** The commission veterinarian shall maintain a list of the following:

A. and B. [Unchanged.]

The commission veterinarian's list shall be posted in the racing secretary's office, and any horse whose name is on the list shall be ineligible to enter a race for five calendar days, or until the commission veterinarian removes it from the list, whichever is later.

The commission veterinarian or his or her designee shall conduct racing-soundness examinations pursuant to part 7891.0100. If the veterinarian finds that any horse is unfit to race he or she shall notify the stewards immediately.

The commission veterinarian shall supervise the operation of a barn for the detention and testing of horses after each race pursuant to chapter 7890.

The commission veterinarian shall have the authority to draw blood from any horse or pony on the grounds of an association for the purpose of conducting an Agar-Gel immunodiffusion (Coggins) test, and shall supervise the removal from the racetrack of any horse or pony having positive Coggins test results.

Subp. 9. to 15. [Unchanged.]

7877.0180 CONFLICTS.

Subpart 1. **Racing officials.** No racing official, other than a general manager, shall own any interest in a Minnesota racetrack at which he or she is serving as an official, and no racing official shall own any interest in a horse eligible to race at a meeting at which he or she serves as an official.

No racing official shall buy or sell for himself or herself, or as an agent for anyone else, any horse eligible to race at a meeting at which he or she serves as an official.

No racing official shall hold any interest in the contract of a jockey or apprentice jockey riding at a meeting at which the official serves.

No racing official shall buy or sell for another person any right to a contract of any jockey or apprentice jockey riding at a meeting at which the racing official serves.

No racing official shall wager money or anything of value on any race in Minnesota during his or her term of employment.

No racing official, detention barn employee, commission staff, assistant starter, claims clerk, outrider, association veterinarian, or track superintendent shall request or accept any remuneration or honorarium in payment or kind from any owner, trainer, or other person licensed by the commission.

Subp. 2. [Unchanged.]

7878.0130 BASIC COURSE.

Subpart 1. **Applicant shall successfully complete basic course.** No security officer may be licensed unless the officer or his or her appointing authority furnishes proof to the commission that the prospective licensee has successfully completed a basic course which includes at least 40 hours of instruction in the following subject areas:

A. to G. [Unchanged.]

H. ~~firearms~~ cardio pulmonary resuscitation (CPR);

I. to K. [Unchanged.]

Subp. 2. and 3. [Unchanged.]

7878.0140 CONTINUING EDUCATION.

Subpart 1. **Licensee shall successfully complete refresher training.** No security officer's license may be renewed unless the licensee or his or her appointing authority furnishes the commission proof that the licensee has successfully completed, on an annual basis, at least ~~20~~ 16 hours of refresher training in the areas of:

A. to D. [Unchanged.]

E. ~~firearms training~~ security plan, policy, and procedure of the racing association; and

F. [Unchanged.]

Subp. 2. [Unchanged.]

7878.0150 STANDARDS OF CONDUCT FOR SECURITY OFFICERS.

Subpart 1. [Unchanged.]

Subp. 2. **Restrictions on security officers.** No security officer may:

A. use ~~deadly force unless authorized, or use~~ unreasonable force;

B. to D. [Unchanged.]

7878.0160 SECURITY COOPERATION.

Subpart 1. **Security officers must cooperate with law enforcement agencies.** Class A, Class B, and Class D licensees and all security officers must cooperate fully with federal, state, and local law enforcement agencies with jurisdiction to enforce criminal laws at horse racing facilities, and must report promptly all crimes suspected, investigated, or prevented at a licensed racetrack to the BCA.

Subp. 2. **Notification of searches.** Within 24 hours of any searches conducted by an association or its security personnel, the racing commission director of racing security or his or her designee must be notified of the searches and any relative circumstances involved. A copy of the inventory sheet of all items confiscated during the searches must accompany the notification. All illegal contraband seized as a result of a search must be immediately delivered to the local law enforcement agency. Under no circumstances shall the association or its security personnel destroy or otherwise dispose of any illegal contraband.

7883.0100 ENTRIES AND SUBSCRIPTIONS.

Subpart 1. to 6. [Unchanged.]

Subp. 7. **Coupled entries.** Except in stakes races and races which are conditioned for horses eligible for specified stakes, not more than two horses of the same licensed ownership or interest shall be entered and started in a race.

A. No trainer shall enter more than two horses in an overnight event~~, and in no case shall two horses start to the exclusion of a single entry.~~

~~B. Not more than two horses trained by the same trainer shall be drawn into any overnight race or placed on the also eligible list to the exclusion of another horse,~~ except in split races.

~~C.~~ B. Horses trained by a public stable trainer shall not be coupled with horses trained by another public stable trainer unless the horses in question are owned by the same person or are coupled as a field for wagering purposes.

~~D.~~ C. All horses owned wholly or in part by the same person, or his or her spouse, or trained by the same trainer, shall be coupled and run as an entry.

~~E.~~ D. Notwithstanding items A to D, where two or more horses are coupled as an entry only for the reason that the horses are trained by the same trainer, the association may run those horses as separate interests.

Subp. 8. to 16. [Unchanged.]

7883.0140 CLAIMING RACES.

Subpart 1. to 8. [Unchanged.]

Subp. 9. **Prohibition on claims.** No person or racing interest shall:

A. to I. [Unchanged.]

J. enter, or allow to be entered, any horse against which any claim is held, either by mortgage or lien of any kind without, prior to entering, having filed the written consent of the holder of the mortgage or lien with the racing secretary and horsepersons' bookkeeper. Notification of the mortgage or lien must be posted in a conspicuous place in both the racing secretary's and horsepersons' bookkeeper's offices; or

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K. claim a horse if he or she only leases a horse for racing purposes, unless the claim is executed pursuant to subpart 1, item C.

Subp. 10. to 19. [Unchanged.]

Subp. 20. **Excused horse eligible to be claimed for same claiming price in next start; harness racing.** If, in a claiming race, a horse is excused by the stewards, any claim or claims for the horse will be void. However, such a horse, in its next start, must race in a claiming race for a claiming price not greater than the amount for which it could have been claimed in the race from which it was excused. Should the horse be entered in an allowance or stakes race in its next start, said horse shall be subject to claim for the claiming price from the previous race from which it was excused. The provisions of this subpart shall apply for a period of 90 days from the date of the claiming race in which the horse was excused.

Subp. 21. to 29. [Unchanged.]

7883.0150 PADDOCK TO POST.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Bandages and blankets.** Immediately ~~upon arrival~~ after saddling in the paddock, all blankets and bandages, except those bandages that will be worn during a race, must be removed. Should weather conditions so dictate, blankets may be worn after saddling with permission of the paddock judge. After saddling, all horses must be walked to allow a satisfactory examination.

Subp. 4. to 12. [Unchanged.]

7891.0100 RACING SOUNDNESS EXAMINATION.

Subpart 1. **Horses subject to examination.** Every horse entered to race at a licensed racetrack under the jurisdiction of the commission shall be subjected to a veterinary examination for racing soundness and health on race day conducted by the commission veterinarian or a veterinarian designated by the commission veterinarian in or near the stall to which the horse is assigned.

Subp. 2. [Unchanged.]

7892.0150 PURSES.

Subpart 1. **Purse may be redistributed.** Upon receipt of a positive laboratory report, the stewards shall direct that no undistributed purse money won by the horse tested may be awarded pending final determination of the matter. The stewards shall order distributed purse money returned, and it must be returned. If it is determined finally that a violation of chapter 7890 has occurred, the purse money won by the horse involved ~~shall~~ may be forfeited and redistributed among the other horses in the race according to their order of finish. No forfeiture and redistribution shall affect the distribution of pari-mutuel pools. Distribution of purse money prior to issuance of a laboratory report shall not be deemed a determination that chapter 7890 has not been violated.

Subp. 2. **Determination of purse redistribution.** In determining whether or not to redistribute a purse for a violation of chapter 7890, the commission or stewards shall consider the following factors:

A. inherent severity of the conduct as indicated by the potential harm to person, property, or the integrity of racing;

B. culpability of the violator;

C. frequency of the violator's failure to comply with law or rule;

D. actual harm caused to person, property, or the integrity of racing; and

E. any other factors related to the seriousness of violations which the commission or stewards deem crucial to the determination as long as the same factors are considered with regard to all violators. The commission or stewards, in making a determination, shall consider both the number of factors applicable to a violation and the degree to which each applies.

Rules as Proposed (all new material)

7895.0125 THOROUGHBRED REGISTRATION.

Subpart 1. **Broodmare registration.** To be eligible to receive any breeders' award payments, the following requirements must be met:

A. Prior to foaling, a broodmare must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency on or before January 31 of the year in which the broodmare will foal. The broodmare's original jockey club certificate must accompany the registration application.

B. In the event an unregistered broodmare should foal in Minnesota before January 31, the owner must submit a sworn affidavit to the racing commission or the official registering agency attesting that the foal was born in Minnesota. The affidavit will be considered evidence that the foal is a Minnesota-bred or Minnesota-foaled horse and the owner of the broodmare or his or her

agent must register the broodmare in accordance with item A. The attending veterinarian, licensed by the state of Minnesota, must certify on information and belief that the information provided from the owner or agent is true and correct.

C. Failure to submit broodmare registration forms on or before the January 31 cutoff date (excluding Saturday and Sunday) will disqualify any subsequent claims for breeders' award payments or for the foal to be registered as Minnesota-bred.

Subp. 2. **Stallion registration.** To be eligible to receive any stallion award payments, the following requirements must be met:

A. Stallions must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency by February 1 of the current breeding year. The stallion's original jockey club certificate must accompany the registration application. If the stallion is leased, a copy of the lease must accompany the registration application. The lease must include a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from February 15 to July 31.

C. Stallion reports (record of mares bred) must be received by the racing commission or official registering agency by September 30 of the immediately preceding breeding season.

D. Failure to submit stallion reports (record of mares bred) by the September 30 cutoff date will disqualify any subsequent claims for stallion award payments.

Subp. 3. **Foal registration and certification.** For a horse foaled in Minnesota to be registered and subsequently certified as a Minnesota-bred, the following requirements must be met:

A. Within 30 days of the date a horse is foaled in Minnesota, the foal must be registered with the racing commission or official registering agency. The registration form must contain the following information: the date, the name of the owner of the foaling dam, the date that the foal was born, an owner's statement that the foal was born in Minnesota, and the signature and veterinary license number of the veterinarian submitting the report. Failure to submit the veterinarian's report will disqualify any subsequent claim to register the foal as Minnesota-bred.

B. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

C. Failure to have foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn any breeders' fund payments.

Subp. 4. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0100, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, the person may protest the eligibilty of the horse in the manner prescribed in this part. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the name of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 5. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 6. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be ineligible; and

D. where appropriate, disciplinary action may be taken against the trainer of the horse found if it is determined that the trainer had prior knowledge of the owners' ineligibility.

7895.0250 STANDARDBRED BREEDERS' FUND.

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

A. "Breeder" means the owner or lessee of the dam at the time of conception in Minnesota.

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B. "Minnesota-bred" means:

(1) in the case of a horse foaled prior to 1987, either:

(a) the United States Trotting Association (USTA) foal certificate reflects the breeder to be a Minnesota resident;

(b) the horse was sired by a stallion standing in the state of Minnesota as reflected on the USTA stallion report;

(c) at the time the horse was foaled in Minnesota the owner of the foal was a Minnesota resident; or

(2) Foals born on or after January 1, 1987, must have been sired by a stallion registered with the racing commission or official registering agency that stood in the state of Minnesota for the entire breeding season.

C. "Minnesota-foaled" means:

(1) In the case of a horse foaled prior to 1987, either:

(a) the USTA foal certificate reflects the breeder to be a Minnesota resident;

(b) the horse was sired by a stallion standing in the state of Minnesota as reflected on the USTA stallion report; or

(c) at the time the horse was foaled in Minnesota the owner of the foal was a Minnesota resident.

(2) Foals born on or after January 1, 1987, must have been sired by a stallion registered with the racing commission or official registering agency that stood in the state of Minnesota for the entire breeding season.

D. "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.

E. "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, from January 1 to September 1 in Minnesota.

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

A. 25 percent shall be set aside and paid to breeders as breeders' awards; and

B. 75 percent shall be paid to supplement purses in races which are restricted to horses that are Minnesota-bred, Minnesota-foaled, or Minnesota-owned. In all such races, Minnesota-bred and Minnesota-foaled shall have first preference, and Minnesota-owned horses shall have second preference.

Subp. 3. **Distribution of money.** The money available from the standardbred breeders' fund shall be distributed as breeders' awards and paid to the breeder, as reflected on the USTA foal certificate, of a Minnesota-bred or Minnesota-foaled horse that finishes fifth or better in any pari-mutuel race in Minnesota.

Subp. 4. **Methods of payment.** The amount of money distributed for breeders' awards or purse supplements pursuant to subpart 3, shall be paid out in the same percentage as the purse money in the race.

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

breeders' award disbursements. The racing commission shall consider the following criteria in determining the applicable percentages:

A. the number of potential breeders' award recipients;

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

C. the need to distribute breeders' awards and purse supplements among the 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 standardbred horses within the state; and

D. that the set amount of the breeders' 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 shall be distributed within 30 days of the end of the race meeting.

Subp. 7. **Maximum awards permitted.** The maximum amount of a breeders' award, exclusive of any purse supplements, paid to an individual or entity under this part must not exceed 50 percent of the total available breeders' award funds during calendar year 1986.

Subp. 8. **Residual funds.** After complying with subparts 4 to 7, any remaining funds in the breeders' awards account, and all unearned purse supplements, shall be retained and carried forward to be included as net distributable funds in the succeeding standardbred race meeting.

7895.0275 STANDARDBRED REGISTRATION.

Subpart 1. **Stallion registration.** To be eligible to participate in the standardbred breeders' fund program, the following requirements must be met:

A. Stallions must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency by January 1 of the current breeding year. The stallion's original United States Trotting Association (USTA) certificate must accompany the initial registration application. If the stallion is leased, a copy of the lease must accompany the registration application or renewal. The lease agreement must contain a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from January 1 to September 1.

C. Stallion reports (record of mares bred) must be received by the racing commission or official registering agency by September 30 (excluding Saturday and Sunday) of the current breeding season.

Subp. 2. **Foal certification.** In order for a horse bred or foaled in Minnesota to be registered and subsequently certified as Minnesota-bred or Minnesota-foaled, the following requirements must be met:

A. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

B. Failure to have the foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn any breeders' fund payments.

Subp. 3. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0110, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, such person may protest the eligibility of the horse in the manner prescribed hereinafter. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the name of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 4. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 5. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

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A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be ineligible; and

D. where appropriate, disciplinary action may be taken against a trainer of the horse if it is determined that the trainer had prior knowledge of the horse's eligibility.

7895.0300 QUARTER HORSE BREEDERS' FUND.

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

A. "Breeder" means the owner or lessee of the dam at time of conception in Minnesota.

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

C. "Minnesota-bred" means:

(1) a horse sired by a registered stallion who stood his entire breeding season in Minnesota; and

(2) a horse born in Minnesota.

D. "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.

E. "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, from February 15 through July 31, in Minnesota.

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

A. 35 percent shall be set aside and paid as breeders' awards to:

(1) until December 31, 1988, breeders of Minnesota-bred or Minnesota-foaled horses; and

(2) January 1, 1989, and thereafter breeders of a Minnesota-bred horse or a horse born in Minnesota prior to 1987;

B. 35 percent shall be set aside and paid as owners' awards to:

(1) until December 31, 1988, owners of Minnesota-bred or Minnesota-foaled horses; and

(2) January 1, 1989, and thereafter owners of a Minnesota-bred horse or a horse born in Minnesota prior to 1987;

C. 20 percent shall be paid to supplement purses in races which are restricted to Minnesota-bred, Minnesota-foaled, or Minnesota-owned horses. In all such races Minnesota-bred or Minnesota-foaled 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. 10 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 quarter horse breeders' fund, other than purse supplements, shall be distributed as follows:

A. "Breeders' awards" shall be paid to the breeder of a Minnesota-bred or Minnesota-foaled horse, as reflected on the American Quarter Horse Association (AQHA) certificate that finishes fifth or better in any race.

B. "Owners' awards" shall be paid to the owners of a Minnesota-bred or Minnesota-foaled horse that finishes fifth or better in any race.

C. "Stallion awards" shall be paid to the stallion owner of a Minnesota-bred or Minnesota-foaled 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 award 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 quarter 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 by December 31 of the year in which they are earned.

7895.0350 QUARTER HORSE REGISTRATION.

Subpart 1. **Broodmare registration.** To be eligible to receive any breeders' award payments, the following requirements must be met:

A. Prior to foaling, a broodmare must in Minnesota and registered or the registration renewed with the racing commission or official registering agency on or before January 31 of the year in which the broodmare will foal. The broodmare's original American Quarter Horse Association (AQHA) certificate must accompany the initial registration application.

B. In the event an unregistered broodmare should foal in Minnesota before January 31, the owner or lessee must submit a sworn affidavit to the racing commission or the official registering agency attesting that the foal was born in Minnesota. The affidavit will be considered evidence that the foal is a Minnesota-bred or Minnesota-foaled horse and the owner of the broodmare or his or her agent must register the broodmare in accordance with item A. The attending veterinarian, licensed by the state of Minnesota, must certify on information and belief that the information provided by the owner, lesseee, or agent is true and correct.

C. Failure to submit broodmare registration forms on or before the January 31 cutoff date (excluding Saturday and Sunday) will disqualify any subsequent claims for breeders' award payments or for the foal to be registered as a Minnesota-bred or Minnesota-foaled horse.

Subp. 2. **Stallion registration.** To be eligible to receive any stallion award payments, the following requirements must be met:

A. Stallions must in Minnesota and registered or the initial registration renewed with the racing commission or official registering agency by February 1 of the current breeding year. The stallion's original American Quarter Horse Association (AQHA) certificate must accompany the initial registration application. If the stallion is leased, a copy of the lease must accompany the registration application. The lease must include a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from February 15 through July 31.

C. Stallion reports (roster of mares bred) must be received by the racing commission or official registering agency by September 30 (excluding Saturday and Sunday) of the immediately preceding breeding season.

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D. Failure to submit stallion reports (roster of mares bred) by the September 30 cutoff date will disqualify any subsequent claims for the stallion award payments.

Subp. 3. **Foal registration and certification.** For a horse foaled in Minnesota to be registered and subsequently certified as a Minnesota-bred or Minnesota-foaled horse, the following requirements must be met:

A. Within 30 days of the date a horse is foaled in Minnesota, the foal must be registered with the racing commission or official registering agency. The registration must include the following information: the date, the name of the owner or lessee of the dam at time of conception, the date that the foal was born, an owner's or lessee's statement that the foal was born in Minnesota, and the signature and veterinary license number of the attending veterinarian. Failure to submit the veterinarian's report will disqualify any subsequent claim to register the foal as a Minnesota-bred or Minnesota-foaled horse.

B. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

C. Failure to have foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn breeders' fund payments.

Subp. 4. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0110, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, such person may protest the eligibility of the horse in the manner prescribed hereinafter. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the named of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 5. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 6. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be inelegible; and

D. where appropriate, disciplinary action may be taken against the trainer of the horse found if it is determined that the trainer had prior knowledge of the owners' ineligibility.

In the Matter of the Proposed Adoption of Rules of the **Minnesota Racing Commission** Governing Amendments to Existing Rules, Standardbred and Quarter Horse Breeders' Funds, and Registertration Requirements for the Thoroughbred 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 Commision (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., Vol. 33, pages 1672-1686, on February 10, 1986.

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 February 7, 1986.

FURTHER AFFIANT SAYETH NOT.

David J. Freeman

DAVID J. FREEMAN
Executive Director

Subscribed and sworn to before me this 12th day of March, 1986.

Sharon A. Beighley

SHARON A. BEIGHLEY
Notary Public

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

Racing Commission

Proposed Rules Governing Horse Racing

Notice of Intent to Adopt Rules without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Racing Commission proposes to adopt the above captioned rules without a public hearing unless 25 or more persons submit written requests for a public hearing. The Racing Commission has determined that the proposed rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minn. Stat. §§ 14.22 to 14.28 (1984), as amended.

Interested persons shall have 30 days from the date this notice is published in the *State Register* to submit comments in support of or in opposition to the proposed rules. The 30 days will expire on March 12, 1986. Comment is encouraged. Each comment should identify the portion of the proposed rules being addressed, the reason for the comment, and any suggested changes to the rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Racing Commission and do not result in a substantial change in the proposed language.

In addition to submitting comments, interested persons may request in writing during the 30-day comment period that a hearing be held on the proposed rules. Any person requesting a hearing should state his or her name, address, and telephone number, and is encouraged to identify the portion of the proposed rules addressed, the reason for the request, and any changes they want made to the proposed rules.

If a person desires that a hearing be held on only a portion of the proposed rules, it is requested that the Racing Commission be informed of the specific proposed rule on which a hearing is being requested at the time that the hearing request is made. This will enable the Racing Commission to limit the hearing, if one is held, to the specific issues of concern. A public hearing will be held only if 25 or more persons submit in writing requests for a hearing on the proposed rules or a portion thereof by March 12, 1986. If a hearing is required, it will be held in accordance with the provisions of Minn. Stat. §§ 14.131 to 14.20 (1984), as amended, and the hearing notice provided below.

Comments or written requests for a public hearing should be submitted to:

Dave Freeman
Executive Director
Minnesota Racing Commission
11000 West 78th Street, Suite 201
Eden Prairie, Minnesota 55344
Telephone: (612) 341-7555

The statutory authority of the Racing Commission to promulgate the proposed rules is contained in Minn. Stat. § 240.24 (1984), as amended by Minn. Laws 1985, ch. 211, §§ 2 and 4.

If adopted, the proposed rules would amend certain sections of the rules of racing adopted in April of 1985, and would provide for the administration of the Standardbred and Quarter Horse Breeders' Funds.

The proposed rules will be published in the *State Register* issue of February 10, 1986 and a free copy of them may be obtained from the Racing Commission by writing or telephoning Dave Freeman at the address or telephone number listed above.

A Statement of Need and Reasonableness that describes the need for and the 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 may be obtained from the Racing Commission by writing or telephoning Dave Freeman at the address or telephone number listed above.

Promulgation of the proposed rules will not result in the expenditure of public monies by local public bodies nor have an impact on agricultural land; therefore no further information need be provided under Minn. Stat. § 14.11 (1984).

The proposed rules may affect small businesses. The actual effect, if any, is discussed in the Statement of Need and Reasonableness.

Upon adoption of the proposed rules without a public hearing, the rules as proposed, this notice, the Statement of Need and Reasonableness, all written comments received, the rules as adopted, and statement explaining any differences between the rules as proposed and as adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. 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 rules as adopted, should submit a written request to Dave Freeman at the address listed above.

Rules as Proposed

7869.0100 DEFINITIONS.

Subpart 1. to 15. [Unchanged.]

Subp. 16. **Condition book.** "Condition book" means the publication issued by the association ~~and approved by the commission~~ advertising races for upcoming racing days.

Subp. 17. to 23. [Unchanged.]

Subp. 24. **Entry.** "Entry" means, according to its context, either:

A. the act of entering a horse to race;

B. a horse eligible and entered in a race; or

C. two or more horses that are entered in a race ~~and are owned in whole or in part by the same owner, or are trained by a trainer who owns any interest in any of the other horses in the race,~~ and which are coupled for wagering purposes.

Subp. 25. to 40. [Unchanged.]

Subp. 41. **Official.** "Official" means the act of the stewards declaring the results of the race final and authorizing pari-mutuel winnings to be paid out.

Subp. 42. to 50. [Unchanged.]

Subp. 51. **Race.** "Race" means a contest among horses for purse, stakes, premium, or wager for money, run in the presence of racing officials of the association and the commission. The following are categories of races:

A. to I. [Unchanged.]

J. "Qualifying race" means a non pari-mutuel wagering race in which a standardbred horse must compete to establish or reestablish its eligibility to enter a race on which pari-mutuel wagering will be conducted.

K. "Quarter horse race" means a race on the flat at 870 yards or less.

~~K.~~ L. "Race on the flat" means a race over a course in which no jumps or other obstacles are placed.

~~L.~~ M. "Restricted race" means a race required pursuant to Minnesota Statutes, section 240.29.

~~M.~~ N. "Stakes race" or "sweepstakes race" means a race to which nominators of the engaged entries contribute to a purse, and to which money or any other award may be added. No overnight race, regardless of its conditions, may be deemed a stakes race.

O. "Time trial" means a race against time for the purpose of establishing a performance record.

Subp. 52. [Unchanged.]

Subp. 53. **Recognized racetrack.** "Recognized racetrack" means a racetrack where pari-mutuel wagering is authorized by law, or which is recognized by the American Quarter Horse Association or the United States Trotting Association.

Subp. 54. to 69. [Unchanged.]

7873.0127 PARI-MUTUEL POOLS DEPENDENT ON ENTRIES.

Unless the commission approves a prior written request from an association to alter wagering opportunities for a specific race, each association must offer:

A. win, place, and show wagering on all scheduled races involving six or more betting interests;

B. if horses representing five betting interests are scheduled to start in a race, then the association may prohibit show wagering on that race; and

C. if horses representing four or fewer betting interests are scheduled to start in a race, then the association may prohibit place wagering, show wagering, or both on that race.

Where possible, the official program must contain a notice indicating races on which place wagering, show wagering, or both are not offered.

7873.0130 PREVENTION TO START.

In a thoroughbred or quarter horse race, if the doors in front of a stall in a mechanically or electronically operated starting gate should fail to open simultaneously with the other stall doors, thereby preventing a horse from obtaining a fair start when the starter dispatches the field, the following shall apply:

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A. and B. [Unchanged.]

C. If any horse or horses are so prevented from starting so that it would reduce the total number of starters below six, the following shall apply:

(1) if five starters of different betting interests leave the stalls, the association may refund the entire amount wagered in the show pool;

(2) if four or fewer horses of different betting interests leave the stalls, the association may refund the entire amount wagered in the show pool, the place pool, or both; and

(3) if fewer than two horses of different betting interests leave the stalls, the race must be canceled and the entire amount wagered in the win, place, and show pools must be promptly refunded.

7873.0140 FAILURE TO START.

~~In the event of horses failing to start~~ After wagering has commenced on a race and prior to the race being run, should a horse or horses be scratched resulting in a field of less than six different betting interests, the following shall apply:

A. if ~~fewer than~~ five horses ~~in~~ of different betting interests will leave the stalls, the association may refund the entire amount wagered in the show pool ~~shall be promptly refunded.~~;

B. if ~~fewer than~~ four or fewer horses ~~in~~ of different betting interests will leave the stalls, the association may refund the entire amount wagered in the show pool, the place ~~and show pools shall be promptly refunded.~~ pool, or both; and

C. if fewer than two horses leave the stalls, the race must be canceled and the entire amount wagered in the win, place, and show pools ~~shall~~ must be promptly refunded.

In all cases, the association must, prior to the race being run, announce to the public its decision to cancel any pools.

7875.0200 EQUIPMENT.

Subpart 1. to 8. [Unchanged.]

Subp. 9. **External communications.** An association may have telephone or telegraph systems on the premises during a race meeting for the benefit of the public press or for transacting ordinary business, but no information regarding the results of any race shall be transmitted out of the racetrack until 15 minutes after the results are official, nor shall any message be sent over said wires transmitting money, or other things of value, or directing the placing of any wager on the result of a race except as permitted by part 7873.0400.

No telephone calls, telegrams, or messages of any kind for any person attending or participating in the conduct of a race meeting shall be accepted, nor shall any notice be given pertaining to such message or telephone call during the hours indicated unless permission is first given by the stewards or the authorized representative of the commission.

A telephone on a private line shall be provided in the offices of the commission. All costs of the telephone service shall be borne by the association and the service shall not be interrupted at any time.

All telephones or other instruments of communication, other than those designated for the sole use of the commission or those approved by the commission for use during racing, must be rendered inoperable between the hours starting 30 minutes before post time for the first race and the flashing of the "official" sign following the last race.

All portable telephones, transmitters, or any other instrument of communication that can be used for transmitting messages off the grounds of an association is subject to confiscation by security personnel or by the racing commission and its employees.

7876.0110 OFF-TRACK STABLING.

Subpart 1. [Unchanged.]

Subp. 2. **Requirements of commission must be met at racetrack.** All workout, tattooing, approval from the starting gate, and eligibility requirements of the commission or stewards must be secured at a licensed racetrack at which racing is being conducted. However, workouts may be obtained at sites approved by the commission and which are staffed by a clocker or clockers licensed by the commission.

Subp. 3. [Unchanged.]

7877.0110 PROCEDURE FOR OBTAINING CLASS C LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Application content.** An application for a Class C license shall include the following information with respect to the applicant:

A. to F. [Unchanged.]

G. ~~two~~ a completed FBI fingerprint ~~cards~~ card.

Subp. 3. [Unchanged.]

Subp. 4. **Racing officials.** Each association shall submit to the commission for its approval or disapproval the names of all persons whom the association has selected as racing officials, and other employees whose duties relate to the actual running of races. The list shall include, where applicable, the following racing officials:

A. to V. [Unchanged.]

The list of racing officials' names shall be submitted to the commission in writing at least 30 days prior to the opening of each race meeting.

The association shall be responsible for filing a complete application for a Class C license with respect to each nominee who has not been previously licensed by the commission as a racing official.

The commission may request any person whose name is proposed as a racing official to submit to a physical examination and to forward the results of said examination to the commission. The request shall be made only where there is a reasonable basis for suggesting that the applicant's physical condition would hinder or prevent him or her from performing the duties of a racing official.

The commission shall act on the association's list of officials at a meeting of the commission. If commission staff recommends disapproval of an official, the association shall be notified of that recommendation in advance of the commission's meeting.

Under no circumstances shall an identifier, placing judge, or patrol judge be approved by the commission unless he or she has satisfactorily passed an optical examination within 90 days prior to approval evidencing 20-20 vision (corrected) and the ability to distinguish colors.

7877.0120 FEES.

Subpart 1. **License fees.** Each application for a Class C license, or its renewal, shall be accompanied by the payment of an annual fee according to the following schedule:

~~A. authorized agent, $25;~~

B. to Z. [Reletter as A. to Y.]

Subp. 2. **Fingerprint charge.** In addition to the license fee in subpart 1, each initial application for a Class C license, and each renewal application every third year thereafter, shall be accompanied by ~~two~~ a completed FBI fingerprint ~~cards~~ card taken by the commission and a ~~properly executed certified check,~~ cashier's check, or money order in the amount of ~~$12~~ $14 payable to "Federal Bureau of Investigation." Any horse owner who does not make application in person must meet all requirements of this subpart, except that the owner may file ~~two~~ a completed fingerprint ~~cards~~ card taken by a law enforcement agency.

Subp. 3. and 4. [Unchanged.]

7877.0130 STANDARDS REQUIRED OF APPLICANTS FOR SPECIFIC LICENSES.

Subpart 1. **Individual owners.** An applicant for an individual owner's license must own or lease a horse eligible to race in Minnesota which is registered with the racing secretary and under the care of a trainer licensed by the commission.

If younger than 18 years of age, an applicant for an individual owner's license must submit a notarized affidavit from his or her parent or legal guardian stating that the parent or legal guardian assumes responsibility for the applicant's financial, contractual, and other obligations relating to the applicant's participation in racing. A parent or legal guardian submitting such an affidavit also shall submit information required in part 7877.0110, subpart 2. If the commission has reason to doubt the financial responsibility of an applicant for an individual owner's license, the applicant shall complete a verified financial statement.

Subp. 2. **Multiple owners.** Applicants for a multiple owner's license must comply with the following requirements.

A. A corporation, general partnership, limited partnership, trust, or any combination of two or more individuals, except spouses, which owns or leases a horse eligible to race in Minnesota (hereinafter referred to as "multiple owner") must obtain a Class C license issued by the commission.

B. to G. [Unchanged.]

Subp. 3. to 13. [Unchanged.]

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Subp. 14. **Authorized agents.** ~~An applicant for~~ To be appointed an authorized ~~agent's license must submit with his or her license application~~ agent, the appointee must be licensed as either an individual owner or as a trainer. A written agency appointment authorizing him or her to act on behalf of a licensed owner or licensed trainer in racing matters not directly related to the care and training of horses must accompany the appointment. The authorization shall be on a form provided by the commission and shall define the powers, limits, and terms of the agency agreement. The authorization must be signed by the principals and notarized.

A separate notarized agency appointment is required for each principal an authorized agent intends to represent. All such agencies shall remain in effect for the duration of the ~~licensing year~~ current race meeting unless written notice of revocation is submitted to the stewards at the meeting where the principal is racing.

Subp. 15. [Unchanged.]

7877.0140 TEMPORARY LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Termination.** A temporary license shall carry no presumption of qualifications or fitness and may be terminated summarily by the commission for cause.

A temporary license shall terminate upon a decision of the commission to issue or deny a Class C license, or ~~60~~ 120 days after the grant of the temporary license, whichever occurs first.

7877.0145 EMERGENCY LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Owners.** If an owner is unable to complete an application for an owner's license because of absence or illness, the licensed trainer desiring to enter a horse in a race shall be permitted to apply for an emergency owner's license on behalf of the absent owner.

The trainer applying for an emergency owner's license on behalf of an absent owner must submit a notarized affidavit with the license application specifying the reasons the owner is unable to complete the application.

The trainer must, at the time of submission for an emergency owner's license, provide at least the following information: the owner's full name, home or business address, telephone number, and social security number. At the time of application, the appropriate licensing fee must be paid to the commission. Failure to provide all of the foregoing information is grounds for denial of an emergency owner's license.

Any emergency owner's license shall be valid for a maximum of 21 days from the date issued.

7877.0170 DUTIES AND RESPONSIBILITIES OF CLASS C LICENSEES.

Subpart 1. **Owners.** Horse owners shall have the following responsibilities:

A. to C. [Unchanged.]

D. ~~Racing colors must be registered with the commission when filing an application for an owner's license. A $10 annual fee must accompany the registration. Authority for the use of racing colors must be sanctioned by the commission. Racing colors may not bear any advertising. Any difference between owners to the rights of particular colors shall be decided by the stewards. The registered colors of an owner may not be registered by another, except after five years of nonuse or abandonment by the original owner. Any temporary change from the registered colors of the owner must receive the prior approval of the stewards.~~

~~(1) The~~ An owner of a thoroughbred or quarter horse is responsible for the registration of colors and for their availability to, and use by, the ~~jockey/driver~~ jockey engaged to ride the owner's horse.

~~(2) The colors to be worn by each jockey/driver in a race shall be described in the official racing program, and any change in colors from those described in the program shall be announced to the public prior to commencement of the race.~~

E. [Unchanged.]

Subp. 2. **Trainers.** Trainers shall have the following responsibilities.

A. to G. [Unchanged.]

H. A trainer may use only veterinarians licensed by the commission to tend horses in his or her care that are entered to race or at any time that the horses are on the grounds of an association.

I. to N. [Unchanged.]

O. A trainer is responsible for having each horse in his or her charge that is racing in Minnesota or stabled on the grounds of an association tested for equine infectious anemia (EIA) once every 12 months. The tests shall be performed by a laboratory approved by the United States Department of Agriculture. ~~Trainers must maintain in their possession a written certificate of the~~

~~EIA test~~ A copy of each horse's negative EIA test results (Coggins Certificate) must be attached to the horse's foal registration certificate on or before the time of entry into a race or the entry must not be accepted. The Coggins Certificates must be dated within a 12-month period prior to the date of entry, and must be renewed or replaced on foal registration certificate no later than ten days following the date of expiration.

P. A trainer must ensure that at the time of arrival at a licensed racetrack, each horse in his or her care that will be entered and remain in the stable area for more than 24 hours is accompanied by a health certificate issued not more than ten days prior to the arrival. The health certificate must be completed by an accredited veterinarian and must contain complete Equine Infectious Anemia (EIA) test results, including the date of the most recent negative EIA test. The health certificates must be surrendered to stable gate personnel for immediate transmittal to the commission veterinarian.

Q. A trainer must promptly report the death of any horse in his or her care on the grounds of an association to the commission veterinarian and must comply with part 7891.0110 governing post-mortem examinations.

~~Q.~~ R. If a trainer must be absent because of illness or any other cause, the trainer shall appoint another licensed trainer to fulfill his or her duties, and promptly report the appointment to the stewards. The absent trainer and substitute trainer will have joint responsibility for the condition of the horses normally trained by the absent trainer.

~~R.~~ S. Trainers licensed as owners must train all horses owned wholly or in part by them.

Subp. 2a. **Assistant trainers.** An assistant trainer shall be charged with the same responsibilities as a trainer. The assistant trainer shall be held equally culpable with the trainer by whom he or she is employed for any acts to which the assistant trainer has prior knowledge or involvement.

Subp. 3. **Jockeys and apprentice jockeys.** Jockeys and apprentice jockeys shall have the following responsibilities.

A. An apprentice jockey must ride with a five-pound weight allowance except stakes races and handicap races beginning with his or her first mount and for one full year thereafter. If after one full year from the date of his or her fifth winning mount the apprentice jockey has failed to ride 40 winners, he or she shall continue to ride with a five-pound weight allowance for up to two more years from the date of his or her fifth winning mount or until he or she has ridden a total of 40 winners, whichever comes first. In no event shall an apprenticeship extend more than four years from date of initial licensure as an apprentice jockey.

B. to K. [Unchanged.]

L. A jockey must wear the racing colors ~~registered~~ provided by the owner of the horse he or she is to ride, plus white riding pants, top boots, and a number on the right shoulder corresponding to the mount's number as shown on the saddle cloth and in the daily program.

M. to W. [Unchanged.]

Subp. 4. to 10. [Unchanged.]

7877.0175 DUTIES AND RESPONSIBILITIES OF RACING OFFICIALS.

Subpart 1. **Racing secretary.** The racing secretary shall have the following responsibilities.

A. to G. [Unchanged.]

H. The racing secretary must post, in a location accessible to all trainers, a list of all horses registered as "nerved," pursuant to part 7877.0100, subpart 11.

I. The racing secretary shall establish a preference system for horses which have been excluded from races due to overfilling and shall maintain the system for the duration of a meeting. The racing secretary shall be allowed broad discretion with regard to the preference system but shall act in the best interest of racing and the meeting.

J. In the event that a race is declared off due to an insufficient number of entries, the racing secretary must post in a conspicuous place the names of all trainers that entered horses in each race that was declared off.

Subp. 2. and 3. [Unchanged.]

Subp. 4. **Paddock judge.** The paddock judge shall have the following responsibilities.

A. to F. [Unchanged.]

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G. The paddock judge shall inspect the bandages worn by all horses arriving in the paddock and may order the bandages removed or replaced if he or she has reason to believe that a violation of statute or rule has occurred, is occurring, or will occur.

(1) The paddock judge shall not allow a horse in the paddock if it is wearing bandages at knee level or higher.

(2) Paddock boots and all bandages, except those bandages that will be worn during a race, must be removed immediately ~~upon arrival~~ after saddling in the paddock so that a satisfactory examination may be assured.

H. to L. [Unchanged.]

Subp. 5. to 7. [Unchanged.]

Subp. 8. **Commission veterinarian.** The commission veterinarian shall maintain a list of the following:

A. and B. [Unchanged.]

The commission veterinarian's list shall be posted in the racing secretary's office, and any horse whose name is on the list shall be ineligible to enter a race for five calendar days, or until the commission veterinarian removes it from the list, whichever is later.

The commission veterinarian or his or her designee shall conduct racing-soundness examinations pursuant to part 7891.0100. If the veterinarian finds that any horse is unfit to race he or she shall notify the stewards immediately.

The commission veterinarian shall supervise the operation of a barn for the detention and testing of horses after each race pursuant to chapter 7890.

The commission veterinarian shall have the authority to draw blood from any horse or pony on the grounds of an association for the purpose of conducting an Agar-Gel immunodiffusion (Coggins) test, and shall supervise the removal from the racetrack of any horse or pony having positive Coggins test results.

Subp. 9. to 15. [Unchanged.]

7877.0180 CONFLICTS.

Subpart 1. **Racing officials.** No racing official, other than a general manager, shall own any interest in a Minnesota racetrack at which he or she is serving as an official, and no racing official shall own any interest in a horse eligible to race at a meeting at which he or she serves as an official.

No racing official shall buy or sell for himself or herself, or as an agent for anyone else, any horse eligible to race at a meeting at which he or she serves as an official.

No racing official shall hold any interest in the contract of a jockey or apprentice jockey riding at a meeting at which the official serves.

No racing official shall buy or sell for another person any right to a contract of any jockey or apprentice jockey riding at a meeting at which the racing official serves.

No racing official shall wager money or anything of value on any race in Minnesota during his or her term of employment.

No racing official, detention barn employee, commission staff, assistant starter, claims clerk, outrider, association veterinarian, or track superintendent shall request or accept any remuneration or honorarium in payment or kind from any owner, trainer, or other person licensed by the commission.

Subp. 2. [Unchanged.]

7878.0130 BASIC COURSE.

Subpart 1. **Applicant shall successfully complete basic course.** No security officer may be licensed unless the officer or his or her appointing authority furnishes proof to the commission that the prospective licensee has successfully completed a basic course which includes at least 40 hours of instruction in the following subject areas:

A. to G. [Unchanged.]

H. ~~firearms~~ cardio pulmonary resuscitation (CPR);

I. to K. [Unchanged.]

Subp. 2. and 3. [Unchanged.]

7878.0140 CONTINUING EDUCATION.

Subpart 1. **Licensee shall successfully complete refresher training.** No security officer's license may be renewed unless the licensee or his or her appointing authority furnishes the commission proof that the licensee has successfully completed, on an annual basis, at least ~~20~~ 16 hours of refresher training in the areas of:

A. to D. [Unchanged.]

E. ~~firearms training~~ security plan, policy, and procedure of the racing association; and

F. [Unchanged.]

Subp. 2. [Unchanged.]

7878.0150 STANDARDS OF CONDUCT FOR SECURITY OFFICERS.

Subpart 1. [Unchanged.]

Subp. 2. **Restrictions on security officers.** No security officer may:

A. use ~~deadly force unless authorized, or use~~ unreasonable force;

B. to D. [Unchanged.]

7878.0160 SECURITY COOPERATION.

Subpart 1. **Security officers must cooperate with law enforcement agencies.** Class A, Class B, and Class D licensees and all security officers must cooperate fully with federal, state, and local law enforcement agencies with jurisdiction to enforce criminal laws at horse racing facilities, and must report promptly all crimes suspected, investigated, or prevented at a licensed racetrack to the BCA.

Subp. 2. **Notification of searches.** Within 24 hours of any searches conducted by an association or its security personnel, the racing commission director of racing security or his or her designee must be notified of the searches and any relative circumstances involved. A copy of the inventory sheet of all items confiscated during the searches must accompany the notification. All illegal contraband seized as a result of a search must be immediately delivered to the local law enforcement agency. Under no circumstances shall the association or its security personnel destroy or otherwise dispose of any illegal contraband.

7883.0100 ENTRIES AND SUBSCRIPTIONS.

Subpart 1. to 6. [Unchanged.]

Subp. 7. **Coupled entries.** Except in stakes races and races which are conditioned for horses eligible for specified stakes, not more than two horses of the same licensed ownership or interest shall be entered and started in a race.

A. No trainer shall enter more than two horses in an overnight event~~, and in no case shall two horses start to the exclusion of a single entry.~~

~~B. Not more than two horses trained by the same trainer shall be drawn into any overnight race or placed on the also eligible list to the exclusion of another horse,~~ except in split races.

~~C.~~ B. Horses trained by a public stable trainer shall not be coupled with horses trained by another public stable trainer unless the horses in question are owned by the same person or are coupled as a field for wagering purposes.

~~D.~~ C. All horses owned wholly or in part by the same person, or his or her spouse, or trained by the same trainer, shall be coupled and run as an entry.

~~E.~~ D. Notwithstanding items A to D, where two or more horses are coupled as an entry only for the reason that the horses are trained by the same trainer, the association may run those horses as separate interests.

Subp. 8. to 16. [Unchanged.]

7883.0140 CLAIMING RACES.

Subpart 1. to 8. [Unchanged.]

Subp. 9. **Prohibition on claims.** No person or racing interest shall:

A. to I. [Unchanged.]

J. enter, or allow to be entered, any horse against which any claim is held, either by mortgage or lien of any kind without, prior to entering, having filed the written consent of the holder of the mortgage or lien with the racing secretary and horsepersons' bookkeeper. Notification of the mortgage or lien must be posted in a conspicuous place in both the racing secretary's and horsepersons' bookkeeper's offices; or

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K. claim a horse if he or she only leases a horse for racing purposes, unless the claim is executed pursuant to subpart 1, item C.

Subp. 10. to 19. [Unchanged.]

Subp. 20. **Excused horse eligible to be claimed for same claiming price in next start; harness racing.** If, in a claiming race, a horse is excused by the stewards, any claim or claims for the horse will be void. However, such a horse, in its next start, must race in a claiming race for a claiming price not greater than the amount for which it could have been claimed in the race from which it was excused. Should the horse be entered in an allowance or stakes race in its next start, said horse shall be subject to claim for the claiming price from the previous race from which it was excused. The provisions of this subpart shall apply for a period of 90 days from the date of the claiming race in which the horse was excused.

Subp. 21. to 29. [Unchanged.]

7883.0150 PADDOCK TO POST.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Bandages and blankets.** Immediately ~~upon arrival~~ after saddling in the paddock, all blankets and bandages, except those bandages that will be worn during a race, must be removed. Should weather conditions so dictate, blankets may be worn after saddling with permission of the paddock judge. After saddling, all horses must be walked to allow a satisfactory examination.

Subp. 4. to 12. [Unchanged.]

7891.0100 RACING SOUNDNESS EXAMINATION.

Subpart 1. **Horses subject to examination.** Every horse entered to race at a licensed racetrack under the jurisdiction of the commission shall be subjected to a veterinary examination for racing soundness and health on race day conducted by the commission veterinarian or a veterinarian designated by the commission veterinarian in or near the stall to which the horse is assigned.

Subp. 2. [Unchanged.]

7892.0150 PURSES.

Subpart 1. **Purse may be redistributed.** Upon receipt of a positive laboratory report, the stewards shall direct that no undistributed purse money won by the horse tested may be awarded pending final determination of the matter. The stewards shall order distributed purse money returned, and it must be returned. If it is determined finally that a violation of chapter 7890 has occurred, the purse money won by the horse involved ~~shall~~ may be forfeited and redistributed among the other horses in the race according to their order of finish. No forfeiture and redistribution shall affect the distribution of pari-mutuel pools. Distribution of purse money prior to issuance of a laboratory report shall not be deemed a determination that chapter 7890 has not been violated.

Subp. 2. **Determination of purse redistribution.** In determining whether or not to redistribute a purse for a violation of chapter 7890, the commission or stewards shall consider the following factors:

A. inherent severity of the conduct as indicated by the potential harm to person, property, or the integrity of racing;

B. culpability of the violator;

C. frequency of the violator's failure to comply with law or rule;

D. actual harm caused to person, property, or the integrity of racing; and

E. any other factors related to the seriousness of violations which the commission or stewards deem crucial to the determination as long as the same factors are considered with regard to all violators. The commission or stewards, in making a determination, shall consider both the number of factors applicable to a violation and the degree to which each applies.

Rules as Proposed (all new material)

7895.0125 THOROUGHBRED REGISTRATION.

Subpart 1. **Broodmare registration.** To be eligible to receive any breeders' award payments, the following requirements must be met:

A. Prior to foaling, a broodmare must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency on or before January 31 of the year in which the broodmare will foal. The broodmare's original jockey club certificate must accompany the registration application.

B. In the event an unregistered broodmare should foal in Minnesota before January 31, the owner must submit a sworn affidavit to the racing commission or the official registering agency attesting that the foal was born in Minnesota. The affidavit will be considered evidence that the foal is a Minnesota-bred or Minnesota-foaled horse and the owner of the broodmare or his or her

agent must register the broodmare in accordance with item A. The attending veterinarian, licensed by the state of Minnesota, must certify on information and belief that the information provided from the owner or agent is true and correct.

C. Failure to submit broodmare registration forms on or before the January 31 cutoff date (excluding Saturday and Sunday) will disqualify any subsequent claims for breeders' award payments or for the foal to be registered as Minnesota-bred.

Subp. 2. **Stallion registration.** To be eligible to receive any stallion award payments, the following requirements must be met:

A. Stallions must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency by February 1 of the current breeding year. The stallion's original jockey club certificate must accompany the registration application. If the stallion is leased, a copy of the lease must accompany the registration application. The lease must include a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from February 15 to July 31.

C. Stallion reports (record of mares bred) must be received by the racing commission or official registering agency by September 30 of the immediately preceding breeding season.

D. Failure to submit stallion reports (record of mares bred) by the September 30 cutoff date will disqualify any subsequent claims for stallion award payments.

Subp. 3. **Foal registration and certification.** For a horse foaled in Minnesota to be registered and subsequently certified as a Minnesota-bred, the following requirements must be met:

A. Within 30 days of the date a horse is foaled in Minnesota, the foal must be registered with the racing commission or official registering agency. The registration form must contain the following information: the date, the name of the owner of the foaling dam, the date that the foal was born, an owner's statement that the foal was born in Minnesota, and the signature and veterinary license number of the veterinarian submitting the report. Failure to submit the veterinarian's report will disqualify any subsequent claim to register the foal as Minnesota-bred.

B. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

C. Failure to have foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn any breeders' fund payments.

Subp. 4. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0100, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, the person may protest the eligibilty of the horse in the manner prescribed in this part. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the name of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 5. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 6. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be ineligible; and

D. where appropriate, disciplinary action may be taken against the trainer of the horse found if it is determined that the trainer had prior knowledge of the owners' ineligibility.

7895.0250 STANDARDBRED BREEDERS' FUND.

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

A. "Breeder" means the owner or lessee of the dam at the time of conception in Minnesota.

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.

B. "Minnesota-bred" means:

(1) in the case of a horse foaled prior to 1987, either:

(a) the United States Trotting Association (USTA) foal certificate reflects the breeder to be a Minnesota resident;

(b) the horse was sired by a stallion standing in the state of Minnesota as reflected on the USTA stallion report;

(c) at the time the horse was foaled in Minnesota the owner of the foal was a Minnesota resident; or

(2) Foals born on or after January 1, 1987, must have been sired by a stallion registered with the racing commission or official registering agency that stood in the state of Minnesota for the entire breeding season.

C. "Minnesota-foaled" means:

(1) In the case of a horse foaled prior to 1987, either:

(a) the USTA foal certificate reflects the breeder to be a Minnesota resident;

(b) the horse was sired by a stallion standing in the state of Minnesota as reflected on the USTA stallion report; or

(c) at the time the horse was foaled in Minnesota the owner of the foal was a Minnesota resident.

(2) Foals born on or after January 1, 1987, must have been sired by a stallion registered with the racing commission or official registering agency that stood in the state of Minnesota for the entire breeding season.

D. "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.

E. "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, from January 1 to September 1 in Minnesota.

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

A. 25 percent shall be set aside and paid to breeders as breeders' awards; and

B. 75 percent shall be paid to supplement purses in races which are restricted to horses that are Minnesota-bred, Minnesota-foaled, or Minnesota-owned. In all such races, Minnesota-bred and Minnesota-foaled shall have first preference, and Minnesota-owned horses shall have second preference.

Subp. 3. **Distribution of money.** The money available from the standardbred breeders' fund shall be distributed as breeders' awards and paid to the breeder, as reflected on the USTA foal certificate, of a Minnesota-bred or Minnesota-foaled horse that finishes fifth or better in any pari-mutuel race in Minnesota.

Subp. 4. **Methods of payment.** The amount of money distributed for breeders' awards or purse supplements pursuant to subpart 3, shall be paid out in the same percentage as the purse money in the race.

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

breeders' award disbursements. The racing commission shall consider the following criteria in determining the applicable percentages:

A. the number of potential breeders' award recipients;

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

C. the need to distribute breeders' awards and purse supplements among the 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 standardbred horses within the state; and

D. that the set amount of the breeders' 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 shall be distributed within 30 days of the end of the race meeting.

Subp. 7. **Maximum awards permitted.** The maximum amount of a breeders' award, exclusive of any purse supplements, paid to an individual or entity under this part must not exceed 50 percent of the total available breeders' award funds during calendar year 1986.

Subp. 8. **Residual funds.** After complying with subparts 4 to 7, any remaining funds in the breeders' awards account, and all unearned purse supplements, shall be retained and carried forward to be included as net distributable funds in the succeeding standardbred race meeting.

7895.0275 STANDARDBRED REGISTRATION.

Subpart 1. **Stallion registration.** To be eligible to participate in the standardbred breeders' fund program, the following requirements must be met:

A. Stallions must be in Minnesota and registered or the registration renewed with the racing commission or official registering agency by January 1 of the current breeding year. The stallion's original United States Trotting Association (USTA) certificate must accompany the initial registration application. If the stallion is leased, a copy of the lease must accompany the registration application or renewal. The lease agreement must contain a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from January 1 to September 1.

C. Stallion reports (record of mares bred) must be received by the racing commission or official registering agency by September 30 (excluding Saturday and Sunday) of the current breeding season.

Subp. 2. **Foal certification.** In order for a horse bred or foaled in Minnesota to be registered and subsequently certified as Minnesota-bred or Minnesota-foaled, the following requirements must be met:

A. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

B. Failure to have the foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn any breeders' fund payments.

Subp. 3. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0110, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, such person may protest the eligibility of the horse in the manner prescribed hereinafter. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the name of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 4. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 5. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

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A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be ineligible; and

D. where appropriate, disciplinary action may be taken against a trainer of the horse if it is determined that the trainer had prior knowledge of the horse's eligibility.

7895.0300 QUARTER HORSE BREEDERS' FUND.

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

A. "Breeder" means the owner or lessee of the dam at time of conception in Minnesota.

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

C. "Minnesota-bred" means:

(1) a horse sired by a registered stallion who stood his entire breeding season in Minnesota; and

(2) a horse born in Minnesota.

D. "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.

E. "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, from February 15 through July 31, in Minnesota.

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

A. 35 percent shall be set aside and paid as breeders' awards to:

(1) until December 31, 1988, breeders of Minnesota-bred or Minnesota-foaled horses; and

(2) January 1, 1989, and thereafter breeders of a Minnesota-bred horse or a horse born in Minnesota prior to 1987;

B. 35 percent shall be set aside and paid as owners' awards to:

(1) until December 31, 1988, owners of Minnesota-bred or Minnesota-foaled horses; and

(2) January 1, 1989, and thereafter owners of a Minnesota-bred horse or a horse born in Minnesota prior to 1987;

C. 20 percent shall be paid to supplement purses in races which are restricted to Minnesota-bred, Minnesota-foaled, or Minnesota-owned horses. In all such races Minnesota-bred or Minnesota-foaled 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. 10 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 quarter horse breeders' fund, other than purse supplements, shall be distributed as follows:

A. "Breeders' awards" shall be paid to the breeder of a Minnesota-bred or Minnesota-foaled horse, as reflected on the American Quarter Horse Association (AQHA) certificate that finishes fifth or better in any race.

B. "Owners' awards" shall be paid to the owners of a Minnesota-bred or Minnesota-foaled horse that finishes fifth or better in any race.

C. "Stallion awards" shall be paid to the stallion owner of a Minnesota-bred or Minnesota-foaled 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 award 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 quarter 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 by December 31 of the year in which they are earned.

7895.0350 QUARTER HORSE REGISTRATION.

Subpart 1. **Broodmare registration.** To be eligible to receive any breeders' award payments, the following requirements must be met:

A. Prior to foaling, a broodmare must in Minnesota and registered or the registration renewed with the racing commission or official registering agency on or before January 31 of the year in which the broodmare will foal. The broodmare's original American Quarter Horse Association (AQHA) certificate must accompany the initial registration application.

B. In the event an unregistered broodmare should foal in Minnesota before January 31, the owner or lessee must submit a sworn affidavit to the racing commission or the official registering agency attesting that the foal was born in Minnesota. The affidavit will be considered evidence that the foal is a Minnesota-bred or Minnesota-foaled horse and the owner of the broodmare or his or her agent must register the broodmare in accordance with item A. The attending veterinarian, licensed by the state of Minnesota, must certify on information and belief that the information provided by the owner, lesseee, or agent is true and correct.

C. Failure to submit broodmare registration forms on or before the January 31 cutoff date (excluding Saturday and Sunday) will disqualify any subsequent claims for breeders' award payments or for the foal to be registered as a Minnesota-bred or Minnesota-foaled horse.

Subp. 2. **Stallion registration.** To be eligible to receive any stallion award payments, the following requirements must be met:

A. Stallions must in Minnesota and registered or the initial registration renewed with the racing commission or official registering agency by February 1 of the current breeding year. The stallion's original American Quarter Horse Association (AQHA) certificate must accompany the initial registration application. If the stallion is leased, a copy of the lease must accompany the registration application. The lease must include a statement that the lessee is authorized to sign the breeding certificate.

B. Stallions must remain in Minnesota for the entire breeding season from February 15 through July 31.

C. Stallion reports (roster of mares bred) must be received by the racing commission or official registering agency by September 30 (excluding Saturday and Sunday) of the immediately preceding breeding season.

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D. Failure to submit stallion reports (roster of mares bred) by the September 30 cutoff date will disqualify any subsequent claims for the stallion award payments.

Subp. 3. **Foal registration and certification.** For a horse foaled in Minnesota to be registered and subsequently certified as a Minnesota-bred or Minnesota-foaled horse, the following requirements must be met:

A. Within 30 days of the date a horse is foaled in Minnesota, the foal must be registered with the racing commission or official registering agency. The registration must include the following information: the date, the name of the owner or lessee of the dam at time of conception, the date that the foal was born, an owner's or lessee's statement that the foal was born in Minnesota, and the signature and veterinary license number of the attending veterinarian. Failure to submit the veterinarian's report will disqualify any subsequent claim to register the foal as a Minnesota-bred or Minnesota-foaled horse.

B. The original foal certificate must be embossed by the racing commission or official registering agency prior to entry into any restricted race.

C. Failure to have foal certificate embossed shall disqualify any claim to enter the horse in a restricted race or to earn breeders' fund payments.

Subp. 4. **Protests.** When a person has reason to believe that a horse not owned by a Minnesota resident, as defined in part 7895.0110, subpart 1, item A, will participate or has participated in a restricted race for Minnesota-owned horses, such person may protest the eligibility of the horse in the manner prescribed hereinafter. Within seven days of the day in which the race was run, a written protest must be submitted to the board of stewards. The protest must include the following information: the date of the protest, the date and race number of the race in question, the name of the horse, the named of the horse's owner(s), the reasons that the owner(s) is believed to be ineligible, and a statement of the relief sought by the filing party or parties.

Subp. 5. **Disposition of protest.** Within three days of receipt of a protest, the stewards shall notify in writing the owner(s) of the horse in question of the protest. The owner(s) shall have seven days to respond to the allegations.

Subp. 6. **Findings of stewards.** Should the stewards determine that an ineligible horse participated in a restricted race for Minnesota-owned horses, the following action must be taken:

A. the horse in question must be disqualified from any placing it earned;

B. the purse must be redistributed among the other horses in the race according to their order of finish;

C. disciplinary action must be taken against the owner(s) of the horse found to be inelegible; and

D. where appropriate, disciplinary action may be taken against the trainer of the horse found if it is determined that the trainer had prior knowledge of the owners' ineligibility.

STATE OF MINNESOTA

MINNESOTA RACING COMMISSION

In the Matter of the Proposed Amendments to Existing Rules, Standardbred and Quarter Horse Breeders' Funds, and Registration Requirements for the Thoroughbred Breeders' Fund.

FINDINGS OF FACT AND CONCLUSIONS

The Minnesota Racing Commission (MRC) published the attached rules in the State Register at 10 S.R., volume 33, pages 1672-1686, on February 10, 1986. Within the 30-day comment period, recommended changes were received by the MRC. Additionally, the MRC determined that minor technical changes were necessary to make the proposed rules clear and conformable. The proposed changes are purely technical in nature, and in each case reduce the burden upon the persons affected by the change. The MRC submits that the changes are neither controversial nor substantial.

1. Page 4, line 10. Part 7875.0200, subpart 9.

The language added to subpart 9 was recommended by Canterbury Downs to enable it to comply with the proposed rule and to facilitate broadcasts of certain races to the general public. Every major racetrack televises important stakes races and local media, such as television and radio, broadcast such races. The media may also televise or broadcast live the featured race each day. The rule reduces the burden upon the track and the media to legally broadcast races of interest and permits the orderly dissemination of racing information to the public. The change does not result in a substantial change, nor does it reduce the MRC's ability to deter illegal bookmaking. p. 4

2. Page 18, lines 18 and 19. Part 7895.0125, subpart 1. p. 17
   Page 19, lines 7 and 8. Part 7895.0125, subpart 2. p. 18
   Page 24, lines 25 and 26. Part 7895.0275, subpart 1, item A. p. 24
   Page 29, line 22. Part 7895.0350, subpart 1, item A. p. 28, 29
   Page 30, lines 11 and 12. Part 7895.0350, subpart 1, item A. p. 29

The language accompany the initial registration application has been deleted. New language be received by the racing commission or official registering agency has been substituted therefor for the following reasons. The rule as originally adopted required that a horse's original foal registration papers accompany a Breeders' Fund registration application. This requirement resulted in unreasonable and sometimes impossible demands. Many times horse papers may be at The Jockey Club (New York), American Quarter Horse Association, or the United States Trotting Association for correction, bloodtyping, transfer and the like. Registration papers are often delayed for weeks or even months at these organizations, thereby making it impossible for the registering party to include the papers with the registration application. Additionally, original certificates are sometimes held by banks, horse sales companies, or private individuals as security against outstanding liens or mortgages on a horse. In these circumstances, the original papers would not be available at the time of registration.

The new language does not relieve the registering party of the requirement to submit the original papers, but rather allows for reasonable delays in doing so. The amended language alleviates impractical regulation and potential non-compliance with the rule while retaining the rule's intent. The new language does not result in substantial change and, at the same time, encourages compliance with the rule.

DATE: March 12, 1986

PREPARED BY: David J. Freeman

DAVID J. FREEMAN, Executive Director
MINNESOTA RACING COMMISSION

MINNESOTA RACING COMMISSION

CERTIFICATE OF COMMISSION'S AUTHORIZING RESOLUTION

I, Ray Eliot, do hereby certify that I am a member and 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 19th day of March, 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 Amendments to Existing Rules, Standardbred and Quarter Horse Breeders' Fund, and Registration Requirements for the Thoroughbred Breeders' Fund.
>
> **BE IT FURTHER RESOLVED**, that prior to publishing in the State Register the amended 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 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 WHEREOF, I have hereunto subscribed my name this 19th day of March, 1986.

Ray Eliot

RAY ELIOT, CHAIR
MINNESOTA RACING COMMISSION

Lawrence M. Coss

MINNESOTA RACING COMMISSION
LAWRENCE M. COSS

STATE OF MINNESOTA
MINNESOTA RACING COMMISSION

In the Matter of the Proposed Amendments to Existing Rules, Standardbred and Quarter Horse Breeders' Funds, and Registration Requirements for the Thoroughbred Breeders' Fund.

STATEMENT OF NEED AND REASONABLENESS

GENERAL

Minnesota began its inaugural year of horse racing on June 26, 1985, the first venture by the State into legalized pari-mutuel racing. By all measures the experiment was a success. In the 15 months prior to the opening of Canterbury Downs, the Minnesota Racing Commission (MRC) undertook the enormous task of promulgating rules that would regulate the industry. In many cases, the MRC drew upon states that currently allowed pari-mutuel horse racing in an effort to meld established rules with new and updated ideas that would help shape the course that Minnesota would take. For the most part, the rules served well to regulate the industry and to provide clearcut guidelines, expectations, and consequences for violating the Laws of Minnesota and the rules of the MRC. However, it became evident that there were certain areas of the rules that were in need of change or clarification. As each situation arose, MRC staff, the Stewards, racing officials, horsepersons, and Canterbury Downs employees made suggestions for amendments to the rules to make compliance more realistic and to mold the theory of the rules to practical application at the track level. It was the suggestions coupled with changing racetrack trends that prompted the MRC staff to recommend changes to the Rules Committee of the MRC.

Many of the proposed amendmeents are merely grammatical or technical changes to the rules. There are, however, some changes that serve to better enable the MRC to regulate the industry and eliminate confusion among the persons it regulates. Additionally, a few of the modifications erase the potential for conflicting interpretations that could result in potential violations or possible litigation to determine the rules' intent.

Proposed new parts to the rules include the administrative rules for the Standardbred and Quarter Horse Breeders' Funds, which were drafted in collaboration with the respective Breeders' Fund Advisory Committees appointed by the MRC. The rules are the foundation that will provide awards and incentives to the Standardbred and Quarter Horse breeding industries in the State as they begin their inaugural racing seasons in 1986.

Finally, the original rules served the State and industry well in its initial year. Of 157 disciplinary rulings issued, only one was appealed

to the MRC. The MRC strives to maintain this excellent record and feels that the proposed amendments to the rules will accomplish that end. Much of the reason that the rules were effective was the involvement by all affected parties with the MRC. The proposed amendments were accomplished in the same way. It is based on the foregoing that the MRC intends to demonstrate the need for and the reasonableness of the proposed rules contained hereinafter.

1. Definitions

Chapter 7869 is dedicated to defining the terms found throughout the rules that are unique to horse racing. It is essential that the definitions clearly and concisely explain what is meant in the nomenclature of racing to eliminate conflicting views of the intent of the rules. Part 7869.0100, subpart 16, defines the condition book as a publication issued by the association advertising races for upcoming racing days. The MRC proposes to strike the words and approved by the commission" for the following reasons. First, by stating that the condition book must be approved by the commission, it could be construed that the commission is somehow assuring the book's content. Second, it is not always possible for MRC staff to review condition books prior to their publication, approximately every other week. By leaving the definition as is, the MRC is put in a position of representing the content of the publication. Finally, the MRC has broad authority, as vested in it in Minn. Stat. §§240.03 and 240.21 to inspect all books and records of the track licensee (hereinafter "association") . Therefore, the rule is necessary to eliminate the appearance of the MRC ensuring the credibility of the condition book thereby reducing its liability for the same. The rule is reasonable inasmuch as the MRC does not lose its ability to inspect the publication and still maintain its autonomy from it.

Part 7869.0100, subpart 24, item C, defines one aspect of what is meant by the term entry. By deleting the language and are owned in whole or in part by the same owner, or are trained by a trainer who owns any interest in any of the other horses in that race, found in item C, the following is accomplished. The definition of entry is found elsewhere in the rules as it applies to the respective breeds and are more specific. This results in a conflict between the general definition and the specific circumstances found in other chapters. Therefore, the conflict is eliminated. The change is necessary to rid the rules of inconsistent definitions that could create conflicts in interpretation and application. The rule is reasonable because it does not eliminate the true generic definition of entry and allows the specific language in other parts to take precedence.

Part 7869.0100, subpart 41 defines the word official. The added language pari-mutuel makes clear that only pari-mutuel winnings and not purse winnings be paid out. Because of the impending possibility for a positive drug test report or a protest into the eligibility of a certain person or horse involved in a race, the definition should not be vague with respect to what type of winnings are being authorized to be paid. The added language is necessary to clarify the rule and reduce the potential for challenge from a person winning a purse. The language is reason-

able because it clearly does not change the intent of the rule, but merely clarifies it.

Part 7869.0100, subpart 51, items (new) J. and (new) O. adds to the definition two other types of races held in quarter horse and standardbred racing. The types of races added are unique to the respective breeds and were omitted during the initial rulemaking process. The 1986 season will include standardbred and quarter horse racing and the definitions are necessary to cover the types of racing that will be run. The rule is reasonable because it provides definitions commonly used in the industry and enables the rules to be more effective.

The addition of the language or the United States Trotting Association to subpart 53 was added to merely correct an inadvertant omission in the original definition. The rule is necessary because there are many non pari-mutuel race meetings sanctioned by the USTA, and the organization should be so recognized. The added language is reasonable because it includes more participants and alleviates any possible reference to discrimination to such race meetings.

2. Pari-Mutuel Rules

Part 7873.0127 is a new part that places certain requirements on an association to offer win, place and show wagering on all fields of six or more horses. The rule also provides that when five horses are scheduled to race, show wagering may be cancelled and if four or fewer horses are scheduled to race, the association may cancel place and show wagering on that race. The rule also requires that the association, where possible, must publish in the program their decision not to offer certain betting pools. The rule is necessary because as the rules were originally promulgated, there were no provisions by which the association could request, nor the MRC grant, permission to cancel pools when a lack of entries would so dictate. The rule is reasonable because typically there are fewer of the best horses available to race. A race of five of the best horses at the track can be more entertaining and profitable than a field of nine lesser horses. It is reasonable to allow the association the ability to schedule the better horses to run, without the danger of incurring a minus place or show pool. The practice of cancelling certain pools on small fields is common in the racing industry.

Part 7873.0130 addresses the potential for horses being prevented from starting, usually because of a mechanical failure of the starting gate. Item C (new) has been added to clarify what happens when less than six horses are dispatched from the starting gate in a fair start. As the rule was previously written, if less than five horses were dispatched, it was mandatory that pools be refunded. In one instance in 1985, because a horse was prevented from starting, the entire show pool was ordered refunded. The patrons that wagered on the race were denied the opportunity to collect winnings, the State lost pari-mutuel revenues, and the patrons were unnecessarily confused and angered. By allowing the association to pay the pools, such situations could be eliminated. The rule is necessary as it provides clearcut guidelines as to what the association may or may not do, and in what circumstances they may refund wagering pools. The rule is reasonable as it gives the association

the ability, even if it means a financial loss on their part, to pay patrons for purchased tickets if it is in the best interest to do so.

Part 7873.0140 is a continuation of the previously discussed pari-mutuel rules. The part has been completely rewritten to provide clarity and to eliminate confusion as to the intent of the rule. The part addresses what must happen if horses are withdrawn (scratched) from a race after betting has begun and before the horses are loaded into the starting gate. It provides the association the ability to cancel pools before the race is run and requires that the association announce its decision to the patrons prior to the start of the race. The rule is necessary to conform with previous parts and to give direction to the association and stewards in each particular circumstance. The rule is reasonable because it provides the best protection for the patron and requires the association to make a determination prior to race time.

3. Equipment

Part 7875.0200, subpart 9 deals with the subject of transmitting race information from a licensed race track. The addition of the language "until 15 minutes after the results are official" is necessary for the following reason. In the ongoing effort of the MRC to stifle illegal bookmaking, the 15 minute provision serves as a deterrent to bookmakers accepting wagers. If a person has the results of a race 15 minutes before the bookmakers do, he would have a great advantage. By delaying results from the racetrack, bookmakers would be hesitant or possibly refuse to accept wagers on races. The rule is necessary as another tool to eradicate illegal bookmaking of horse races run in the State. The rule is reasonable because it assists the MRC in its regulation of the industry and helps to keep the sport clean. New paragraph 5 of subpart 9 permits security personnel to confiscate portable telephones or other transmitters possessed at a licensed racetrack. The language is necessary to further protect against illegal bookmaking. The rule is reasonable because it provides the MRC another means of protecting the sport and enforcing State law..

4. Off-Track Stabling

The added language in part 7876.0110, subpart 2 permits trainers to secure required workouts for their horses at sites other than the licensed racetrack, so long as the sites are approved by the MRC and staffed by licensed clockers. Due to limited stall space at Canterbury Downs and the great demand for those stalls, many horses must be stabled off the grounds. By requiring that workouts be obtained at the licensed racetrack, a great burden is placed upon horsepersons that are not allocated stall space. The rule is necessary to remove the additional disadvantage faced by horsepersons stabled off the grounds and results in more horses being eligible to race and fuller fields racing each day. The rule is reasonable because it still enforces the workout requirements while relieving the burden of certain trainers. The public is still provided the necessary information. The clockers are licensed and must meet the licensing eligibility requirements, thereby ensuring the accuracy of workout times.

5. Fingerprint Cards

Part 7877.0110, subpart 2, item G., has been changed to require only one fingerprint card instead of two. The rule is necessary to eliminate the previous requirement of two fingerprint cards. The rule is reasonable because the BCA uses the same fingerprint card as the FBI, thereby reducing the cumbersome aspects of expense and time in unnecessary duplication of fingerprinting.

6. Racing Officials

The added language in part 7877.0112, subpart 4 requires horse identifiers, placing judges, and patrol judges to pass an optical examination evidencing 20-20 vision (corrected) before being approved by the MRC. The rule is necessary to ensure that the racing officials that determine true identity of horses, observe and identify horses running at high speeds and determine their order of finish, and observe the races for violations have unhindered eyesight. The very outcome of races hinge on these individuals being able to see what is transpiring before, during, and after a race. The integrity of racing, pari-mutuel payouts, purse winnings, and rules infractions are dependent upon the racing officials. The rule is reasonable because the protection of the public and the participants is better ensured when the officials are required to evidence the ability to determine the outcome of a race.

7. License Fees

Item A of part 7877.0120, subpart 1 has been eliminated. It is necessary to delete this item to conform with proposed amendments found in part 7877.0130, subpart 14, which terminates the need for such a license.

The proposed amendments to 7877.0120, subpart 2 are necessary for the following reason. First, the FBI will not accept certified checks, so it is necessary to delete this reference. Second, the FBI has raised their charge for processing fingerprint cards from $12 to $14. The rule is reasonable because it conforms with the requirements of the FBI.

8. Individual Owners

The added language registered with the racing secretary found in part 7877.0130, subpart 1, is necessary to ensure that owner's licenses are not issued to persons that are not participating at a licensed racetrack. The rule is reasonable for at least two reasons. First, an owner's license grants the licensee access to secure areas in the backside. If a person does not have a horse stabled there, he or she has no business in a secure area. Second, the only way the MRC can be assured that an owner has been approved to race at a licensed racetrack is to confirm the fact with the racing secretary's office. If the person is not registered with that office, the applicant is denied a license.

9. Multiple Owners (spouses)

Part 7877.0130, subpart 2 requires all combinations of two or more owners

to file for a multiple ownership license. The added language except spouses is necessary to eliminate what ended up in ridiculous and absurd results. Many spouses have owned horses together for several years and have never had to file partnership agreements or obtain multiple owner licenses. The rule is reasonable because it does not alter the intent of the rule. The rule was intended to provide disclosure of individual owners within a multiple ownership. The disclosure is obvious in the case of spouses. The rule was intended to identify the percentage of ownership. Clearly, spouses represent a straight 50-50 partnership. The rule is also reasonable because it relieves the burden of unnecessary fees, processing and paperwork.

10. Authorized Agents

It is necessary to amend part 7877.0130, subpart 14 to accomplish three things. First, to eliminate a category of license that has the potential for abuse; Second, to achieve the desired result of keeping a person appointed an authorized agent under the jurisdiction of the MRC; and third, to ensure that an authorized agent has a direct relationship to the entity that he or she is representing. The rule is reasonable for several reasons. First, in 1985 a few people were licensed to act as authorized agents that had no direct relationship to or monetary involvement with the persons that they were licensed to represent. This situation resulted in persons that were unable to be licensed in any other category being appointed by a friend to secure a license. The license granted them free admission to the races and access to secure backside areas. Second, of the 64 persons licensed as authorized agents, 59 were either owners, trainers, or both. Of the five non-owner/trainers, 1 was a stable foreman and 1 was an assistant trainer. It is reasonable, due to the overwhelming number of owner/trainers that were licensed as authorized agents, to restrict authorized agent appointments to owners and trainers. There is no need to "license" in this capacity as the MRC has authority over the licensee by virtue of the requirement to be previously licensed as an owner or trainer. The rule is reasonable because it is applicable to the vast majority of persons who have direct or financial interest in the entities and should have access to the secure backside area.

11. Temporary Licenses

Part 7877.0140, subpart 2 has been amended to provide that a temporary license terminates 120 days after issuance rather than 60 days. The rule is necessary because the FBI has taken as long as 100 days or more to return fingerprint (criminal) information on licensees. The rule is reasonable because it affords the MRC time to investigate licensees and receive the results of fingerprints from the FBI before the license status changes from temporary to permanent.

12. Emergency Owner's Licenses

During the 1985 race meeting, several absent horse owners were granted emergency owner's licenses, secured by their trainers. The rule as promulgated failed to provide for important information to be submitted. The new language in paragraph 3 of part 7877.0145, subpart 2, places

certain requirements that must be met before an emergency owner's license will be issued by the MRC. The rule became necessary when several trainers merely signed emergency affidavits for absent owners. The affidavit did not identify the owner's address, telephone number, social security number, or any other necessary information to completely identify the owner or permit the MRC to do background or follow-up on the applicant. In a few cases, trainers raced a horse on an emergency owner's affidavit and then left the State. Because no information was available, the MRC could not pursue the absent owner to finally issue a permanent license. The rule is reasonable for at least three reasons. First, it is reasonable to expect that a trainer applying for an emergency owner's license provide basic information to the MRC. Second, it is reasonable to require a trainer to pay the applicable licensing fee at the time of application submission. Third, the rule is reasonable because it requires more than just a trainer's affidavit. The information being required is necessary for the MRC to successfully prosecute a licensee for any possible rule violation.

13. Racing Colors

Part 7877.0170, subpart 1, item D required horse owners to register their racing colors with the MRC. It is necessary to remove this requirement for at least three reasons. First, other parts of the rules require the trainer of a horse to register the colors with the racing secretary, causing a conflict in the rules. Second, the MRC cannot guarantee, solely based upon registration of colors with it, any exclusivity of those colors to an owner. Third, in the practical sense, the colors are almost always registered by the trainer which, strictly speaking, places an owner in a position of non-compliance with the rules. Finally, the rule was cumbersome to the MRC and was of no real purpose in the regulation of the industry. The rule is reasonable because it results in compliance with the section by horse owners, reduces the processing of totally useless information, and reduces the burden of undue overregulation.

14. Trainers may use only licensed veterinarians.

The added language in part 7877.0170, subpart 2, item H. is necessary to clarify that although a horse is not entered to race, it still may not be treated by a veterinarian not licensed by the MRC while the horse is stabled on the grounds of an association. The rule is reasonable because it clarifies the fact that regulatory control of veterinarians is guaranteed by only allowing veterinarians licensed by the MRC to practice at licensed racetracks at any time.

15. Coggins Certificate

The added language in part 7877.0170, subpart 2, item H. is necessary for at least three reasons. First, the new requirements cause trainers to comply with Minnesota Board of Animal Health regulations. Second, the rule ensures the safety of all horses stabled on the grounds with respect to equine infectious anemia (EIA). Third, the rule provides measures to guarantee that subsequent trainers receive proper documentation of a horse's freedom from EIA. The rule is reasonable because

it provides for safety measures to guard horses' health, forces compliance with Minnesota Board of Animal Health regulations, and protects trainers from receiving horses that have not been adequately tested for EIA.

16. Assistant Trainers

The addition of subpart 2a to part 7877.0170 is necessary because although the rules provided for the licensure of assistant trainers, no rules were in place to describe their duties or responsibilities. It is reasonable to inform potential applicants and subsequent licensees what their licenses permit them to do and the responsibility that goes with being licensed.

17. Apprentice Jockeys

The amendment to part 7877.0170, subpart 3, is necessary as merely a clarifying technical change to conform with industry standards. It is reasonable to prohibit apprentice weight allowances in stakes races that are standard "weight for age" races or in handicap races where the weights are assigned by handicappers and the racing secretary.

18. "Nerved" Horses

The added language in part 7877.0175, subpart H. was necessary to ensure that trainers and owners are aware of horses that have been "nerved" in the event that the horse is being considered for claim from a race. The rule as promulgated required that the information only be made known to the racing secretary, but did not require the information be made known to prospective buyers or claimants. The rule is reasonable because it provides protection for prospective purchasers of such horses and affords the purchaser the ability to determine whether or not they will or will not buy the horse despite the fact that it has been "nerved".

19. Races Declared Off

New item J. in part 7877.0175 is necessary to ensure entrants in any particular race that the race has not been declared off when in fact the race had a sufficient number of entries to use the race. Without the new requirement, trainers would have to accept that there were not enough entries in the race without any verification of the true number of horses entered. The addition is reasonable because it provides proof to trainers of how many horses were actually entered and by whom.

20. Paddock Boots and Bandages

The amended language in part 7877.0175, subpart 4, item G., subitem (2), is necessary to ensure compliance with the rule, and to provide safety to participants. Many times, horses are very excited and keyed up in the paddock prior to being saddled. When placed in the paddock stall and saddled for a race, a horse tends to settle down. By requiring the bandages be removed after saddling, the likelihood of a person being injured by an unruly horse is greatly diminished, and the participants would then be in compliance. The rule is reasonable because it provides easier compliance with the rule and affords greater safety

to participants.

21. Racing soundness examinations

Part 7877.0175, subp. 8, would, with the added language or his or her designee, permit the commission veterinarian to use either the assistant commission veterinarian or the association veterinarian to assist in pre-race racing soundness examinations. This is necessary for at least two reasons. First, on any given racing day, as many as 100 or more horses may be scheduled to race. In order to thoroughly perform the required examinations in the short three hour time period on race day, more than one veterinarian is needed. Second, if for any reason the commission veterinarian would be absent or otherwise unable to perform the examinations, a veterinarian familiar with the procedures would be available to fill in. The proposed rule is reasonable because it provides ample time to perform proper examinations and gives the commission veterinarian necessary back up support.

22. Conflicts

The new language found in part 7877.0180, subpart 1, provides that no racing official shall accept any remuneration or honorarium from a licensee. The intent of the proposed rule is twofold. First, the rule is intended to prohibit a racing official or commission employee from accepting payment, other than salary, to perform any favors or acts for certain licensees that could result in such a licensee receiving preferential treatment or gaining an advantage over another licensee. The rule also eliminates racing officials from requesting payments, either directly or by inference, that could be construed as promising a licensee that they would either receive an advantage or not be placed at a disadvantage. Second, the proposed rule would establish a basis for the stewards or the MRC to take disciplinary action against a racing official or commission employee should such an instance occur. The proposed rule is not intended to prohibit a licensed horse owner or trainer or an association employee from having lunch or dinner with a steward or commission employee. It is not intended to prohibit usual social contact, such as a round of golf or other activity from occurring between racing officials and other licensees. The rule is necessary to eliminate racing personnel from performing unethical acts and to provide a basis for punitive action should the rule be violated. The rule is reasonable because it provides another safeguard for the integrity of racing and the fairness of the outcome of all races.

23. Basic course

The proposed changes found in part 7878.0130, subp. 1, item H, acccomplishes two things. First, the requirement for firearms training has been eliminated because no security officer employed by an association is permitted to carry a gun. Second, a requirement for security officers to have training in cardiopulmonary resuscitation (CPR) has been established. The rule is necessary to provide greater protection for patrons should an emergency or life threatening situation occur. The proposed rule is reasonable because it eliminates unnecessary training in one area and establishes training in the vital area of providing

emergency service for patrons.

24. Continuing education

Subpart 1, item E of part 7878.0140 has been changed to conform with the deleted language in part 7878.0130, subp. 1, item H, and to substitute training in another area therefor. The requirements for continuing firearms training has been eliminated and instruction in the security plan, policy, and procedures of the association has been made a requirement. The rule is necessary to conform with earlier parts and to ensure that security are well versed as to policy of the association in the area of security. The rule is reasonable because it eliminates unnecessary refresher instruction and provides the licensee with knowledge that will better enable him or her to perform the required duties.

25. Security cooperation

Part 7878.0160, subp. 2, requires association security personnel to inform the MRC within 24 hours of any searches conducted, to provide the MRC with an inventory sheet of all items seized in such a search, and to immediately deliver all contraband seized during a search to local law enforcement agencies. The proposed rule is necessary for several reasons. First, the MRC must be kept informed of all searches, as the result of the search may involve MRC disciplinary action. Second, inventory sheets must be received by the MRC to guarantee that association security is not retaining evidence nor violating chain of evidence procedures. Additionally, the inventory sheet provides protection for the licensee ensuring that the items that have been seized are his or her property. The inventory sheet also will eliminate the possibility of a security officer retaining a licensee's property for personal possession. Third, the proposed rule is necessary to guarantee that all illegal contraband is immediately delivered to local law enforcement officials. No person, including private security, is legally permitted to possess illegal contraband other than law enforcement personnel. The rule also prevents private security from disposing of illegal contraband in a possible effort to avoid negative publicity. The proposed rule is reasonable because it provides strict conduct requirements for private security personnel while keeping the MRC informed of searches being conducted. The rule is also reasonable because it provides protection for licensees and causes private security to follow chain of evidence procedures.

26. Coupled entries

It was necessary to strike language in part 7883.0100, subp. 7, items A and B to eliminate requirements that proved at times to be somewhat discriminatory to horse owners that have several horses of the same calibre. The proposed changes are necessary to provide owners the opportunity to race their horses more often without the undue restrictions of rules that were of direct impact on them. The proposed rule is reasonable because it relieves the burden upon horse owners being unable to race their horses while keeping the regulatory control of coupling legitimate stable entries.

27. Prohibitions on claims

The added language in part 7883.0140, subp. 9, item J, requires that any horse that has a lien or mortgage filed against it, must be so displayed in a conspicuous place where prospective claimants or private buyers may attain the information. The rule as originally promulgated only required that the information be made known to the racing secretary. However, it is necessary to provide that information to prospective claimants so that he or she may make a determination as to whether or not to assume the lien against the horse in addition to its claiming price. Additionally, the proposed rule provides protection for a buyer or claimant against receiving a horse that, without prior knowledge, may have a lien filed against it. The rule is reasonable because it provides necessary display of information to prospective buyers of race horses without imposing undue burden upon the racing secretary to make the information public.

28. Bandages and blankets

The language deleted from part 7883.0150, subp. 3, was necessary to conform with part 7877.0175, subp. 4, item G, subitem (2).

29. Commission veterinarian

Part 7891.0100, subp. 1, has been amended to conform with part 7877.0175, subp. 8.

30. Purse may be redistributed

Part 7892.0150, subpart 1 and new subpart 2 has been amended for the follwing reasons. It was necessary to redraft the rule to provide the stewards and the MRC the ability to penalize violators of medication rules in a fair and equitable manner. As the rule was originally drafted, all violators, whether for a minimal overage of permitted medication or for a finding of an illicit or prohibited medication, were subject to the same penalty. Current state law permits a trainer to have phenylbutazone in the amount of three micrograms per milliliter of blood plasma. If the test sample shows even a trace above that level, the trainer has committed a medication violation resulting in a fine and purse redistribution. The same penalty applies to a trainer that with wrongful intent has administered a stimulant to a horse. Both trainers, in entirely different circumstances are painted with the same brush. The amendments to the rule are necessary to provide the stewards and the MRC with the ability to distinguish between a corrupt act involving illegal drugs and the retention in an animal of a small amount over the limit of permitted medication. The proposed rule does not prohibit the stewards or the MRC from taking more severe action against any trainer should the trainer exhibit a history of chronic medication violations. Criteria has been established by which penalties may be assessed based upon singular on compounding circumstances. The rule is reasonable because it provide that penalties fit the violations. Further the rule is reasonable because it does not restrict the stewards or the MRC from taking disciplinary actions in the manner that it could as originally drafted. The rule is reasonable because it does not mandate that purses

be automatically redistributed without considering facts, circumstances, and intent.

31. Thoroughbred Registration

Minnesota Statutes §240.18 (1984), as amended, establishes a Minnesota breeders' fund (hereinafter "fund") to encourage the horse breeding industry in Minnesota. The statute requires the MRC to adopt rules governing the distribution of the fund, and allows the MRC to appoint advisory committees to advise it in drafting the rules.

In collaboration with the Thoroughbred Breeders' Fund Advisory Committee, the MRC Rules Committee and MRC staff, the rules for the distribution of the fund were promulgated by the MRC in 1985. The text of the proposed rules to be discussed are the requirements the MRC feels are necessary to register thoroughbred stallions, broodmares, and foals to ensure the integrity of the program and to verify that horses are eligible to participate in the fund. The need for and the reasonableness of the registration rules are demonstrated below.

Subpart 1 of part 7895.0125 states that to be eligible for breeders' awards payments the following must be met: A.) Prior to foaling, a broodmare must be in Minnesota and registered with the MRC on or before January 31 of the year it will foal; B.) If an unregistered broodmare foals in Minnesota before January 31, the owner must submit a sworn affidavit that the broodmare did foal in Minnesota; and C.) Failure to comply with items A or B will disqualify any subsequent claim for breeders' award payments or to register the foal as Minnesota-bred.

Subpart 2 of this part sets forth the requirements that must be met in order for persons to qualify for stallion awards. Item A states that stallions must be in the State and registered with the MRC by February 1 of each current breeding year. Item B requires the stallion to remain in Minnesota for the entire breeding season from February 15 to July 31. Item C requires that stallion reports must be received by the MRC on or before September 30 of the immediately preceding breeding season, and item D states that failure to comply with any of the requirements shall disqualify the stallion owner to make claim for any stallion awards.

Subpart 3 outlines the requirements that must be met to register and subsequently certify a foal as Minnesota-bred. First, the foal must be registered with the MRC within 30 days of its birth and, second, the foal's original registration papers must be embossed by the MRC prior to entry into any restricted race.

Subparts 4 through 6 describe what procedures must be followed by persons protesting any horse's inclusion in the breeders' fund, the disposition of the protest, and the findings of the stewards.

Part 7895.0125 is necessary for a number of reasons. First, registration of the stallions, broodmares and foals is vital to identify the eligible participants. Second, registration enables the MRC to verify claims by horse owners for inclusion into the fund. Third, deadlines for regis-

tration allow the MRC time to investigate and substantiate the fact that the horses are residing in Minnesota. Finally, the registration, investigation and subsequent verification establishes the basis by which a protest regarding eligibility is determined. The rule is reasonable for at least three reasons. First, it is reasonable to expect that persons desiring to participate in the fund must meet requirements that ensure the integrity of the fund. Second, the MRC, without requiring the identification of the participants would be unable to determine who is eligible for subsequent breeders' awards. Third, the deadlines established by the rule are reasonable because they afford the MRC the time and resources necessary to verify residency, ownership, eligibility, and participation in the program. Without the deadlines, the MRC could find itself in a situation in which it could not substantiate the authenticity of breeders' fund payments. The rule establishes no undue burden upon the participants. Further, nearly every jurisdiction that provides breeders' fund incentives have similar, if not identical, requirements and deadlines.

32. Standardbred and Quarter Horse Breeders' Fund

As was demonstrated in the thoroughbred breeders' fund rules, similar requirements are necessary for the administration of the standardbred and quarter horse breeders' funds. After many meetings involving discussion with the respective Breeders' Fund Advisory Committees, parts 7895.0250, 7895.0275, 7895.0300, and 7895.0350 established how the funds would be distributed, set forth the requirements for registration, and provided the mechanisms to protect against participation of horses alleged to be ineligible. The rules in many ways are similar to the thoroughbred rules in intent, but do contain different deadlines and percentages of distribution that are both unique and best suited to the particular breeds of horses. The rules are necessary to serve as the foundation for determining breeders' award payments and to encourage the breeding industry in the State. The rules are reasonable because they have been drafted in collaboration with horse breeders within the State that serve on MRC advisory committees. The rules provide for the regulation and disbursement of the fund without imposing undue burdens on the participants. The requirements are reasonable because they are consistent with the respective breed programs currently in place throughout the United States.

SMALL BUSINESS CONSIDERATIONS

The MRC considered the impact of the proposed rules on small business. Considerations included less stringent schedules for deadlines; consolidation and simplification of reporting procedures; less stringent performance standards as an alternative to operational standards; and exemptions for small business.

The rules do impact small business. The MRC would submit that the rules do not affect small business disproportionately as a quantitative matter nor prevent participation of small business in Minnesota'a pari-mutuel horse racing industry as a qualitative matter.

After consideration, the MRC determines that a small business can cause

a scandal, attempt to fix a race, attempt to commit fraud in the breeding industry, or otherwise harm the integrity of racing. The MRC, therefore, cannot be less rigorous in its regulation of one type of business than another.

CONSEQUENCES

The proposed rules, and especially the proposed amendments to existing rules, provide the industry the means to function with greater efficiency while more clearly defining the MRC's regulatory authority. The industry will continue with integrity and the rules will impose some costs. The costs are beginning to minimalize as benefits have been realized.

Also, costs have begun to subside as compliance has become more familiar to affected persons. Affected persons now are better able to comply more easily, more quickly, more effectively and less expensively as they have become accustomed to the rules.

Compliance has become more efficient than in the beginning, because the MRC minimizes the burden and proposes rules consistent with other jurisdictions.

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

IMPACT ON AGRICULTURAL LAND

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

DATE: January 31, 1986

PREPARED BY: David J. Freeman
DAVID J. FREEMAN, Executive Director
MINNESOTA RACING COMMISSION

STATE OF MINNESOTA

MINNESOTA RACING COMMISSION

In the Matter of the Proposed Adoption
of Rules of the Minnesota Racing Commission
Governing Amendments to Existing Rules,
Standardbred and Quarter Horse Breeders' Fund,
and Registration Requirements for the
Thoroughbred Breeders' Fund.

DECLARATION
OF COUNSEL

I, Mary B. Magnuson, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rules, and the supporting rulemaking records, 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 client code is 0733.

MARY B. MAGNUSON
Special Assistant Attorney General

DATED: This 21st day of March, 1986

MINNESOTA RACING COMMISSION

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(612) 341-7555

Ray Eliot, Chair
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David J. Freeman
Executive Director

March 20, 1986

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.

(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.

(7) Affidavit of Mailing.

(8) Affidavit of Additional Notice.

(9) Rules as Proposed.

(10) Rules as Adopted (Original and 3 copies).

(11) Findings of Fact and Conclusions (duplicate copies).

(12) Statement of Need and Reasonableness (duplicate copies).

(13) 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).

(14) Declaration of Counsel.

(15) Certificate of MRC's Authorizing Resolution

(16) Findings of Fact and 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

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT REVISOR OF STATUTES

Office Memorandum

TO: David Freeman
Minnesota Racing Commission
11000 W. 78th Street Suite 201
Eden Prairie, MN 55344

DATE: March 21, 1986

FROM: Paul M. Marinac
Assistant Deputy Revisor

PHONE: 296-0948

SUBJECT: AR0899 Adopted Rules Governing Horse Racing

Enclosed are four copies of your rule with the modifications you requested.

Please submit the rules to the Attorney General or the Office of Administrative Hearings, as appropriate, for final approval.

If you have any questions or need further modifications, please call.

CRS/
Enclosure
ARO