

Minnesota Attorney General: Administrative Rules Proceedings

Copyright Notice:

This material may be protected by copyright law (U.S. Code, Title 17). Researchers are liable for any infringement. For more information, visit www.mnhs.org/copyright.

Version 3
August 20, 2018

SF-00006-05 (4/86)

DEPARTMENT : ATTORNEY GENERAL

STATE OF MINNESOTA

Office Memorandum

DATE : April 11, 1990

TO : RICHARD D. KRUEGER
Director of Pari-Mutuel Racing
Department of Gaming

FROM :
MARTHA J. CASSERLY
Special Assistant Attorney General
525 Park Street, Suite 500 (55103)

PHONE :
296-6839

SUBJECT :
In the Matter of the Adopted Permanent Rule
Relating to Trifecta and Twin Trifecta Wagering
and Class C Licenses

The above-referenced Permanent rule has been approved as to its legality by the Attorney General on April 9, 1990.

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

Also enclosed are any petitions, requests, submissions or comments along with any extra copies of documents which you submitted to the Attorney General.

Your next step is to arrange for publication of the Notice of Adoption in the State Register. In a day or two, you should receive from the Revisor's Office three copies of the notice of adoption of your rule. You should submit two copies of the Notice of Adoption to the State Register for publication. A permanent rule without a hearing does not become effective until five days after a notice of adoption is published 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:bbl
Enclosures
cc: William Brown, Chief Judge (memo only)
MaryAnn Hruby " "
Mary Magnuson (memo only)

MINNESOTA RACING COMMISSION

11000 West 78th Street, Suite 201
Eden Prairie, Minnesota 55344
Telephone: 612-341-7555
Fax: 612-341-7563

Licensing Office (April - October)
P.O. Box 315, Shakopee, Minnesota 55379
Telephone: 612-496-7739 Fax: 612-496-7756

Veterinary Office (April - October)
P.O. Box 315, Shakopee, Minnesota 55379
Telephone: 612-496-7753 Fax: 612-496-7762

MEMO TO: Attorney General's Office

FROM: Richard G. Krueger
Director of Pari-Mutuel Racing
Department of Gaming

SUBJECT: Rules for Adoption

DATE: March 27, 1990

Enclosed are the documents pertaining to adoption of rules by the Minnesota Racing Commission.

As these rules relate to the racing program scheduled to begin April 27th, your attention to processing these documents will be greatly appreciated.

Please call me at the time your work on the rules is completed and I will arrange to pick them up.

Thank you.

RGK/mc

enc.

~~Revised~~

Revisor #AR1638

MJC Wants to be called when the records are reviewed. (See memo of 3-27-90)

RULE REVIEW CHECKLIST

File No. 1689

DATE RECEIVED 3-28-90

REVIEW DATE 4-6-90

DUE DATE 4-11-90

APPROVED 4-9-90 mjc

DISAPPROVED _____

WITHDRAWN _____

Docket No. 05-0009-0733

ADOPTED W/O HEARING X

EMERGENCY RULE _____

To Revisor: 3-29-90

REVISOR APPROVED 4-8-90

REVISOR DISAPPROVED _____

FILED W/SEC. OF STATE 4-11-90

RETURNED TO AGENCY 4-11-90

✓ Rule as adopted (4 copies)

_____ Notice to Solicit Outside Information/Opinion (if applicable)
- _____ Date published in State Register
- _____ Comments

_____ Petition for Adoption of a Rule (if applicable)

✓ Board's Authorizing Resolution
- Dec 20, 1989 Date adopted

✓ Proposed Rule
- ✓ Revisor's Certificate

✓ Notice of Intent to Adopt Rule
- 240.23 Statutory Authority
- NA Small Business Statement
- NA Expenditure of public money statement
- Dec 20, 1989 Signature

✓ Statement of Need and Reasonableness (if applicable)
- NA Small Business Statement
- _____ Fees - § 16A.128

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
- Jan 9, 1990 Date 30/25 days before adoption
- ✓ Notice attached
- _____ Copy of rule or summary attached

✓ Publication in State Register
- Jan 29, 1990 Date 30/25 days before adoption

✓ 180-day deadline from:
- ✓ Effective date of law requiring rule (14.12) (both rules) not mandatory
- ✓ end of comment period (§ 14.26) (rules without hearing)
- _____ effective date of statutory authority (§ 14.29) (emergency rules)

✓ Resolution Adopting
- March 21, 1990 Date adopted

_____ Findings of Fact, Conclusions & Order Adopting
- March 21, 1990 Date

_____ Written requests, submissions or comments

✓ Declaration of attorney
- Mary Magnuson Name of SAAG representing agency

_____ Notice of Submission to Atty. Gen. (if applicable)

_____ Aff. of Mailing Notice to Atty. Gen. (if applicable)

Minnesota Racing Commission

Adopted Permanent Rules Relating to Trifecta and Twin Trifecta Wagering and Class C Licenses

Rules as Adopted

7873.0185 TRIFECTA.

Subpart 1. **Scope.** The trifecta is a form of pari-mutuel wagering combining three horses in a single race. Each bettor selects horses that will finish in exact order, first, second, and third in a designated trifecta race. Payment of the ticket shall be made only to the purchasers who have selected the exact order of finish as officially posted, except as otherwise noted. All trifecta wagers are calculated on a separate trifecta pool, with no relation to any other pool.

Subp. 2. **Price of tickets.** Trifecta tickets shall be sold singly in not less than $2 denominations. A box or wheel resulting in a minimum wager of $6, may be made and will return to the bettor one-half of the minimum payoff.

Subp. 3. **Scratches.** If a horse is scratched or declared a nonstarter, no further trifecta tickets may be issued designating the horse and all previously issued trifecta tickets that include the scratched horse shall be refunded at any time and the money deducted from the gross pool.

Subp. 4. **Failure to select winning combination.** Items A to F govern payoffs in races where the winning combination has not been selected.

A. If no ticket is sold correctly selecting in exact order the first three horses, the net pool shall be paid equally on those trifecta tickets correctly selecting the first two horses in exact order with all other horses.

B. If no ticket is sold correctly selecting the first and second horse, the net pool shall be paid equally on those trifecta tickets selecting the horses that finished first and third, with all other horses finishing second.

C. If no ticket is sold correctly selecting the first and third horse, the net pool shall be paid equally on those trifecta tickets correctly selecting the horses that finished second and third, with all other horses to win.

D. If no ticket is sold correctly selecting the first and third horse, the net pool shall be paid equally on those trifecta tickets selecting the horse that finished first, with all other horses finishing second and third.

E. If no ticket is sold that would require distribution of the net trifecta pool as described in items A to D, a full refund of the trifecta pool for that race shall be made.

F. If less than three horses finish a trifecta race, payoff shall be made on tickets selecting the actual finishing horses in order, ignoring the balance of the selection.

Subp. 5. **Cancellation of trifecta race.** If a trifecta race is canceled, a full refund of all trifecta tickets will be made.

Subp. 6. **Dead heat.** Items A to E govern payoffs in dead heats.

A. In the event of a dead heat for first, the winning combinations shall include the first two horses as finishing in either the first or second position and the horse finishing third. The payoffs will be calculated as a place pool.

B. In the event of a dead heat for second, the winning combinations shall be the horse finishing first and the two horses finishing in a dead heat for second, as finishing in either the second or third position. The payoffs will be calculated as a place pool.

C. In the event of a dead heat for third, the winning combinations shall be the horse finishing first, the horse finishing second, and the two horses finishing in a dead heat for third. The payoffs will be calculated as a place pool.

D. In the event of a dead heat for first, second, or third where there is no winning ticket on the one dead heat combination, the entire net pool will be paid to the other

winning combination.

E. In all instances of multiple dead heats, the winning combinations shall be paid proportionately from the net trifecta pool.

Subp. 7. **Restrictions on trifecta races.** The restrictions in items A to D apply to trifecta races.

A. Coupled entries and mutuel fields are prohibited in trifecta races.

B. There must be a minimum of ten horses entered in a race with trifecta wagering.

C. There shall be no trifecta wagering on handicap races.

D. If fewer than eight horses are declared starters, trifecta wagering shall be canceled and all trifecta wagers shall be refunded. If time permits, the association may schedule exacta wagering in place of trifecta wagering.

Subp. 8. **Displaying trifecta rules.** Trifecta rules shall be prominently displayed at each track conducting trifecta wagering. Printed copies of trifecta rules shall be provided to patrons upon request.

7873.0186 TWIN TRIFECTA.

Subpart 1. **Scope.** The twin trifecta is a form of pari-mutuel wagering in which the bettor selects the three horses that will finish first, second, and third in each of two consecutive designated twin trifecta races in the exact order as officially posted. All twin trifecta wagers will be calculated in an entirely separate pool, with no relation to any other pool.

Subp. 2. **Price of tickets.** Twin trifecta tickets shall be sold in not less than $2 denominations.

Subp. 3. **Procedures.** The procedures in items A to E apply to twin trifecta races.

A. Each bettor purchasing twin trifecta tickets shall designate selections as the first three horses to finish in exact order in the first race of the two designated races.

B. After wagering closes for the first race of the

twin trifecta, the net pool will be divided with 25 percent of the net pool going to the first race of the twin trifecta and 75 percent of the net pool going to the second race of the twin trifecta.

C. After the official declaration of the first race of the twin trifecta, 25 percent of the net pool will be distributed to the holders of the twin trifecta tickets selecting the first three horses in exact order, on the first designated twin trifecta race. Further, each bettor holding a ticket correctly selecting the first three horses in the exact order of finish must, before the running of the second twin trifecta race, exchange the winning tickets for both the monetary value as calculated by the totalisator equipment and twin trifecta exchange tickets and at such time shall select three horses to finish in the second race of the twin trifecta in the exact order as officially posted. No further money shall be required of the holders of the winning tickets in order to make the exchange.

D. After the official declaration of the second race of the twin trifecta, the remaining 75 percent of the net pool will be distributed to the holders of the second half twin trifecta tickets selecting the first three horses in exact order, on the second designated twin trifecta race.

E. If a winning twin trifecta ticket from the first race is not presented for cashing and exchange within the time provided, the bettor may still collect the monetary value of the ticket, but forfeits all rights to any distribution of the second race net pool of the twin trifecta.

Subp. 4. **Failure to select the winning combination.** Items A to C govern payoffs in races where the winning combination has not been selected.

A. In the first race of the twin trifecta only, if no ticket is sold correctly selecting in order the first three horses, the net pool for the first race shall be distributed according to part 7873.0185, subpart 4, governing failure to select winning trifecta combinations. However, tickets paid in

these instances are not eligible to exchange for second race twin trifecta tickets. The second race twin trifecta net pool will automatically carry over in this case.

B. If a full refund is required under part 7873.0185, subpart 4, item E, any previous day's carryover will not be included and will carry over to the next consecutive race day.

C. In the second race of the twin trifecta only, if no ticket is exchanged correctly selecting the first three horses in exact order, the entire net pool for the second race of the twin trifecta shall be carried over to the next consecutive race day and combined with that race day's second race twin trifecta pool. Distribution of this combined second race twin trifecta pool will be made only upon the accurate selection, in exact order, of the first three officially declared finishers of the second twin trifecta race that day.

Subp. 5. **Scratches.** If a horse is scratched or declared a nonstarter in the first race of the twin trifecta races, no further twin trifecta tickets may be issued designating the horse and all previously issued twin trifecta tickets, that include the scratched horse, shall be refunded and the money deducted from the gross pool.

If a horse is scratched in the second race of the twin trifecta races, public address announcements will be made and adequate time will be allowed for the exchange of tickets on the scratched horse. For the second race of the twin trifecta only, all horses will be declared starters once the starting gate has opened. In this instance the prevention to start rule will not apply.

Subp. 6. **Dead heat.** In the event of a dead heat in either the first or second race of the twin trifecta, all twin trifecta tickets selecting the correct order of finish, counting a horse in a dead heat as finishing in any position dead heated, shall be winning tickets.

Subp. 7. **Mandatory payout.** On the final program of any official race meeting, the entire accumulated second race twin trifecta net pool must be distributed. In the event, on the

final program, no second half twin trifecta tickets correctly select the officially declared first three finishers in exact order, then all second half twin trifecta tickets on that specific race shall be declared winners and the pool shall be distributed equally among them. In the event no tickets from the first race of the twin trifecta are eligible for exchange under the rules governing twin trifecta wagering, the accumulated second race twin trifecta net pool will not be paid out and the pool shall be deposited in a trust account by the association, and the pool, as well as all accrued interest, shall be carried over and included in the second race twin trifecta pool for the next succeeding live racing date as an additional net amount to be distributed.

With the permission of the commission before the start of racing, a licensee may declare a mandatory payout on the next consecutive race day after the twin trifecta carryover pool has reached a previously approved amount. In this instance, if no bettor correctly selects in exact order the officially declared first three finishers of the second race, then all second race twin trifecta tickets on that race shall be declared winners and shall share equally in the net cumulated pool minus an amount previously approved by the commission, which will be carried over to the pool for the second race of the twin trifecta on the next consecutive race day. In the event there are no tickets from the first race of the twin trifecta that are eligible for exchange under the rules governing twin trifecta wagering, the accumulated second race net pool will not be paid and will be carried over to the second race twin trifecta on the next consecutive race day.

Subp. 8. **Cancellation of one or both twin trifecta races.** If for any reason the first race of the twin trifecta is canceled, a full refund of all twin trifecta tickets will be made. If fewer than three horses finish the first race of the twin trifecta, payoff shall be made equally on tickets selecting the actual finishing horses in order, ignoring the balance of the selection. In this event, there will be no exchange for the

second race of the twin trifecta and the second race net pool will automatically carry over to the next consecutive race day.

If for any reason, the second race of the twin trifecta is canceled, not declared official, or less than three horses finish the race, the winning ticket holders on the first race of the twin trifecta will be entitled to equal distribution of the amount of the current program's net pool for the second half of the twin trifecta. The cumulative pool from previous programs shall not be distributed in this case and will be carried over to the next consecutive race day.

Subp. 9. **Restrictions on twin trifecta races.** The restrictions in items A to D apply to twin trifecta races.

A. Coupled entries and mutuel fields are prohibited in twin trifecta races.

B. There must be a minimum of ten horses entered in a race with twin trifecta wagering.

C. There shall be no twin trifecta wagering on handicap races.

D. If fewer than eight horses are declared starters for the first race of the twin trifecta, twin trifecta wagering shall be canceled for that day and all twin trifecta wagers shall be refunded. However, any accumulated second race twin trifecta carryover will not be affected and will carry over to the next consecutive race day. In the event this occurs on the final program, the accumulated net pool of the second twin trifecta race will be deposited in a trust account by the association, and the pool, as well as all accrued interest, shall be carried over and included in the second race twin trifecta net pool for the next consecutive racing date as an additional net amount to be distributed.

If fewer than eight horses are declared starters for the second race of the twin trifecta, all holders of exchange tickets to the second race of the twin trifecta will share equally in that part of the second race net pool added in that day. The amount carried over from previous days will not be distributed and will be carried over to the next consecutive

race day. In the event this occurs on the final program, the accumulated net pool of the second twin trifecta race will be deposited in a trust account by the association, and the pool, as well as all accrued interest, shall be carried over and included in the second race twin trifecta net pool for the next consecutive racing date as an additional net amount to be distributed.

Subp. 10. **Displaying twin trifecta rules.** Twin trifecta rules shall be prominently displayed at each track conducting twin trifecta wagering. Printed copies of twin trifecta rules shall be distributed to patrons upon request.

7877.0120 FEES.

[For text of subpart 1, see M.R.]

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 established by the Association of Racing Commissioners International or the 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. This subpart does not apply to applications submitted by persons under the age of 18.

[For text of subps 3 and 4, see M.R.]

7877.0170 DUTIES AND RESPONSIBILITIES OF CLASS C LICENSEES.

[For text of subps 1 to 2a, see M.R.]

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

[For text of items A to K, see M.R.]

L. A jockey must wear the racing colors provided by the owner of the horse he or she is to ride, plus solid 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. No symbols, words, or emblems shall be worn which, in the opinion of the commission, are not in keeping with the customs of the turf or are employed for advertising or promotional purposes.

[For text of items M to W, see M.R.]

[For text of subps 4 to 7, see M.R.]

Subp. 8. **Horsepersons' bookkeeper.** It shall be the responsibility of the association to administer the horsepersons' accounts by providing the services of a horsepersons' bookkeeper who shall be bonded in the amount of $100,000.

The association must establish an interest-bearing trust account for the horsepersons' accounts. The horsepersons' trust account shall be separate and distinct from any other account. Deposits made into the horsepersons' trust account by the association are the property of the horsepersons' trust account and not of the association.

The horsepersons' bookkeeper shall be the custodian of the horsepersons' trust account and shall keep accurate records of all receipts, deposits, and disbursements and make those records available at all times for inspection by the commission. The horsepersons' bookkeeper shall not distribute any purse money to a person with an emergency license.

The association must deposit into the horsepersons' account:

A. by the end of the business day following the date of the race in which purses are earned, an amount to cover all of its obligations including breeders fund purse supplements, other supplements, guarantees, stated purses of official races, and, when due, any other payments that the association has agreed to make including agreements entered into under Minnesota Statutes, section 240.13, subdivision 5, paragraph (b); and

B. by the end of the business day following the date of receipt by the association, all stakes, entrance money, starting fees, purchase money in claiming races, and deposits made by other parties.

[For text of subp 9, see M.R.]

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

APR 11 1990

Joan Anderson Growe

Secretary of State

10:10 AM

APPROVED AS TO FORM AND LEGALITY

April 9 19 90

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BY MJ Cassely

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
MINNESOTA RACING COMMISSION

In the Matter of the Adoption
of the Rule of the Minnesota
Racing Commission Governing
Amendments to the Existing Rule.

DECLARATION OF COUNSEL

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

MARY B. MAGNUSON
Special Assistant
Attorney General

Dated: March 23, 1990.

STATE OF MINNESOTA

MINNESOTA RACING COMMISSION

In the matter of the
Proposed Adoption of
Rules of the Minnesota
Racing Commission concerning
Amendments and Additions to
the Existing Rules Governing
Horse Racing and
Pari-Mutuel Wagering

STATEMENT OF NEED AND
REASONABLENESS

I. GENERAL

In an effort to improve the quality of horse racing in this state, the Minnesota Racing Commission ("Commission") proposed additions and amendments to the rules of racing. The proposed additions and amendments are consistent with rules in other racing jurisdictions and are necessary to make Minnesota competitive in the horse racing industry. The proposed additions and amendments are reasonable because they are customary in other racing jurisdictions and respond to racing industry participant inquiry. The burdens imposed on the participants are not undue, and compliance with similar rules has been obtained in other jurisdictions.

II. STATUTORY AUTHORITY

The Commission is empowered by Minn. Stat. §240.03 to:

1. Regulate horse racing in Minnesota to ensure that it is conducted in the public interest,

2. Enforce all laws and rules governing horse racing,

3. Supervise the conduct of pari-mutuel betting on horse races, and,

4. Take all necessary steps to insure the integrity of racing in Minnesota.

The Minnesota Racing Commission is also specifically authorized by Minn. Stat. §240.03 to promulgate rules governing the "conduct of horse racing held at licensed racetracks, including but not limited to the rules of racing, and any other aspect of horse racing or pari-mutuel betting, which in its opinion, effects the integrity of racing or the public health, welfare and safety".

III. RULE-BY-RULE ANALYSIS

7873.0185 TRIFECTA

7873.0185, subp. 1

This subpart adds the definition of trifecta wagering. The proposed addition is necessary to provide a definition as to the wagering selections required to wager in the trifecta betting pool. This proposed addition is necessary in that it distinguishes for the wagering patrons the trifecta wagering pool from the other wagering pools.

7873.0185, subp. 2

This proposed addition is necessary in that it stipulates the minimum denominations for trifecta wagering. This proposed addition is reasonable to provide the wagering patrons with the minimums for a trifecta and trifecta box wagering.

7873.0185, subp. 3

This proposed addition is necessary to prescribe what action must be taken in the event a horse (wagering entry) is scratched prior to running a trifecta race. This proposed addition is reasonable in that it provides to wagering patrons and racing officials the actions that must be followed in the event a horse is scratched from a race on which trifecta wagering is offered.

7873.0185, subp. 4

This proposed addition is necessary to prescribe trifecta payoff criteria in the event no patron correctly selects the official order of finish in a trifecta race. This proposed addition is reasonable in that it provides to patrons and racing and pari-mutuel officials specific eliminating criteria to make payoffs on wagering tickets in the event no patron correctly selects the official order of finish in a trifecta race.

7873.1085, subp. 5

This proposed addition is necessary and reasonable in that it provides precise action that must be taken in the event a trifecta race is cancelled.

7873.0185, subp. 6

This proposed addition is necessary to stipulate payoffs in the event of a dead heat for each of the places of finish in a trifecta race. This proposed addition is reasonable in that it provides to patrons and racing and wagering officials the winning combinations and payoff calculations in the event of a dead heat for each of the places of finish in a trifecta race.

7873.0185, subp. 7

This proposed addition is necessary in that it sets restrictions and criteria that must be complied with prior to the running of a trifecta race. The proposed addition is reasonable in that it provides wagering patrons and racing officials with the criteria that must be complied with prior to the running of a trifecta race.

7873.0185, subp. 8

This proposed addition is necessary and reasonable in that it provides access by wagering patrons to the rules governing trifecta wagering.

7873.0186 TWIN TRIFECTA

7873.0186, subp. 1

This subpart adds the definition of twin trifecta wagering. This proposed addition is necessary to provide a definition as to the wagering selections required to wager in the twin trifecta betting pool. This proposed addition is necessary in that it distinguishes for the wagering patrons the twin trifecta wagering pool from the other wagering pools.

7873.0186, subp. 2

This proposed addition is necessary in that it stipulates the minimum denomination for twin trifecta wagering. This proposed addition is reasonable in that it provides the wagering patrons with the minimum denominations necessary to participate in the twin trifecta wagering pool.

7873.0186, subp. 3

As the twin trifecta wager involves wagering in two consecutive races requiring the selection of the exact order of finish for the first three starters in each race, this wagering selection is complicated and sophisticated. The addition of these procedures is necessary to establish specific criteria for wagering in the twin trifecta pool, the thrust of which is determining which betting tickets are eligible to participate in the second race of the twin trifecta or to determine the occurrence of a carry-over. This proposed addition is reasonable in that it provides wagering patrons and racing and pari-mutuel officials the stipulations that must be met in order to calculate a winning payoff in the twin trifecta.

7873.0186, subp. 4

This proposed addition is necessary to prescribe twin trifecta payoff criteria in the event no patron correctly selects the official order of finish in either of the twin trifecta races. This proposed addition is reasonable in that it provides to patrons and racing and pari-mutuel officials specific eliminating criteria to make payoffs

on wagering tickets on the first race of the twin trifecta in the event no patron correctly selects the official order of finish in the first twin trifecta race as well as this proposed addition further prescribes the carry-over for the second race of the twin trifecta race in the event no patron correctly selects the official order of finish in the second trifecta race.

7873.0186, subp. 5

This proposed addition is necessary to prescribe what action must be taken in the event a horse (wagering entry) is scratched prior to running either of the twin trifecta races. This proposed addition is reasonable in that it provides to wagering patrons and racing and pari-mutuel officials the actions that must be followed in the event a horse is scratched from either race of the twin trifecta races.

7873.0186, subp. 6

This proposed addition is necessary to stipulate payoffs in the event of a dead heat for each of the places of finish in each of the twin trifecta races. This proposed addition is reasonable in that it provides to patrons and racing and pari-mutuel officials the winning combinations and payoff calculations in the event of a dead heat for each of the places of finish for each of the twin trifecta races.

7873.0186, subp. 7

In the event no patron, eligible to participate in the twin trifecta pool for the second race of the twin trifecta races, correctly selects the official order of finish, the net pool carries over to the second race twin trifecta on the next succeeding race day. This proposed addition is necessary to stipulate disposition of the carry-over for both the last day of a race meeting and after the carry-over exceeds a previously approved maximum payoff amount. This addition is reasonable in that it makes clear to patrons and racing and pari-mutuel officials when a carry-over must be paid out or carried over to the next race meeting.

7873.0186, subp. 8

This proposed addition is necessary and reasonable in that it stipulates the disposition of the twin trifecta pool in the event either the first or second race of the twin trifecta races is cancelled.

7873.0186, subp. 9

This proposed addition is necessary in that it sets restrictions and criteria that must be complied with prior to the running of either race of the twin trifecta races. This proposed addition is reasonable in that it provides wagering patrons and racing and pari-mutuel officials with the criteria that must be complied with prior to running either race of the twin trifecta . This proposed addition is further reasonable in that it stipulates disposition of the twin trifecta pool in the event these restrictions are not met on the final day of racing of a race meeting.

7873.0186, subp. 10

This proposed addition is necessary and reasonable in that it requires each association to provide twin trifecta rules to patrons upon request. Further this enables patrons access to all information to aid them in gaining sufficient knowledge about this wagering pool.

7877.0120 FEES

7877.0120, subp. 2

This proposed change is necessary in that Minnesota will be participating in a national uniform licensing procedure which will allow licensees to be fingerprinted only once each three years rather than being fingerprinted each time they apply for a license in each state. As the program will be coordinated under the auspices of the Association of Racing Commissioners International with the Federal Bureau of Investigation, it is reasonable to have flexibility in charging a fee that will be determined by either of those organizations.

7877.00170 DUTIES AND RESPONSIBILITIES OF CLASS C LICENSEES

7877.0170, subp. 3

This proposed change is necessary and reasonable in that it will prevent horse owners and jockeys from advertising on jockey apparel which would have a deleterious effect on horse racing from the perspective of image, class, and customs of the turf.

7877.0170, subp. 8

This proposed change is necessary in that it provides for more comprehensive control of the horseperson's purse account. This proposed change is reasonable in that it will prevent the seizure or mismanagement, for whatever reason, of purse monies earned by horsepersons competing at racetracks in the state as well as providing more timely recording and reporting of monies in horsepersons' bookkeepers' chart of accounts.

IV. OTHER STATUTORY REQUIREMENTS

Minn. Stat. §14.115 requires agencies, when proposing a new rule or amending existing rules which may affect small businesses, to consider certain methods for reducing the impact of the rule on small business.

The proposed additional amendments to the racing rules indirectly impact small businesses in that these rules will enhance economic activity and reduce potential inconveniences to small business operators. The rule does not affect small businesses disproportionately nor does the rule prevent small businesses from participating in horse racing. The commission considered the impacts of the amendments on small business and determined that because of the nature of the industry, the commission cannot be less rigorous in its regulation of one type of business than another.

Minn. Stat. §14.11, subd. 2 is inapplicable because the proposed amendments will not have any direct and substantial adverse impact on agricultural land. Sections §115.43, subd. 1, §116.07, subd. 6 and §16A.127, subd. 1 are not applicable. A fiscal note is not required pursuant to section 3.892 as the rule will not force any local agency or school district to incur costs.

CONCLUSION

Based on the foregoing, the Minnesota Racing Commission's proposed additions and amendments to the existing rules governing horse racing are both necessary and reasonable.

_____
RICHARD G. KRUEGER
Minnesota Racing Commission

_____
DATE

Stat. Authority

240.23

The commission has the authority in addition to all other rulemaking authority granted elsewhere in Laws, Chapter 214 to promulgate rules governing:

(i) any other aspect of horse racing or pari-mutuel betting which in its opinion affects the integrity of racing or the public health, welfare or safety.

RULES DOCUMENTS

1. PROPOSED RULES 4 COPIES
2. ADOPTED RULES 4 COPIES
3. NOTICE OF INTENT TO ADOPT
4. COMMISSION RESOLUTION AUTHORIZING RULE
5. COPY OF RULE AND NOTICE AS PUBLISHED IN STATE REGISTER
6. AFFIDAVIT OF MAILING AND CERTIFICATE OF MAILING LIST
7. COMMISSION CERTIFICATE OF RESOLUTION ADOPTING RULE
8. FINDINGS OF FACE AND CONCLUSIONS OF LAW AND ORDER
9. STATEMENT OF NEED AND REASONABLENESS
10. DECLARATION OF COUNSEL

MINNESOTA RACING COMMISSION

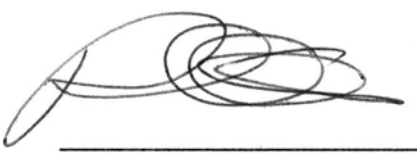
CERTIFICATE OF COMMISSION'S
AUTHORIZING RESOLUTION

I, Ralph Strangis, hereby certify that I am the 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 a resolution adopted at a meeting of the Minnesota Racing Commission duly and properly called and held on the 20th day of December, 1989, that a quorum was present, and that a majority of those present voted for the resolution which has not been rescinded or modified.

RESOLVED, that Richard Krueger, Acting Director of Parimutuel Racing, is hereby granted the authority and directed to sign and to give the Notice of the Commission's Proposed Adoption of a rule without a public hearing governing amendments to the existing rules to all persons who have registered their names with the Commission for that purpose and publish the Notice and rule in the State Register, and to perform any and all acts incidental thereto.

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

IN WITNESS WHEREOF, I have hereunto subscribed my name this 20th day of December, 1989.



Ralph Strangis
Minnesota Racing Commission

Rules as Proposed

9500.2700 APPLICANT AND RECIPIENT RESPONSIBILITIES.

[For text of subps 1 to 4, see M.R.]

Subp. 5. **Household reports.** Each ~~assistant~~ assistance unit with a member who has earned income or a recent work history, and each ~~assistant~~ assistance unit that has income allocated to it from a financially responsible person living with that unit who has earned income or a recent work history, shall complete a monthly household report form. "Recent work history" means the individual received earned income in any one of the three calendar months preceding the current payment month. Monthly reports must also be completed by each assistance unit in a category that has a greater proportion of the state's total program errors than that category's proportion of the state's total program caseload, as identified through the quality control review process, and when monthly reporting is expected to reduce the error rate for that category. ~~All other assistance units shall complete a quarterly household report form.~~ To be complete, a household report form must be signed and dated by a caretaker no earlier than the last day of the reporting period; all questions required to determine assistance payment eligibility must be answered, and documentation of earned income must be included. A recipient shall submit the household report form in time for the local agency to receive it by the eighth calendar day of the month following the reporting period covered by the form. When the eighth calendar day of the month falls on a weekend or holiday, a recipient must submit the household report form in time for the local agency to receive it by the first working day that follows the eighth calendar day. Delays in submitting the completed household report form may delay an assistance payment in the month following the month in which the form is due. When the household report form is late without good cause, except as qualified in subpart 6, item C, the recipient is subject to the ~~penalties in items A and B~~ following penalty:

~~A.~~ When a completed household report form is received by a local agency after the last day of the month following the month in which the form is due, and when the delayed household report form reports earned income, an assistance unit shall lose the earned income disregards under part 9500.2580 for the payment month corresponding to the last month covered by the household report form.

~~B. When a household report form is received by a local agency on or after the first day of the month following the month in which the form is due, assistance must end. When a person requests further assistance, the local agency shall require the assistance unit to reapply. The assistance unit is eligible for assistance payment on the date of reapplication or the date all other eligibility factors are met, whichever is later.~~

[For text of subps 6 to 12, see M.R.]

Minnesota Racing Commission

Proposed Permanent Rules Relating to Trifecta and Twin Trifecta Wagering and Class C Licenses

Notice of Proposed Adoption of a Rule without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Racing Commission proposes to adopt the above entitled rule without a public hearing following the procedures set forth in *Minnesota Statutes*, sections 14.22 to 14.28. The statutory authority to adopt the rule in *Minnesota Statutes*, section 240.23 (1988).

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

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

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

Richard Krueger
Minnesota Racing Commission
11000 West 78th Street, Suite 201
Eden Prairie, MN 55344
Telephone: (612) 341-7555

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

A copy of the proposed rule is attached to this notice.

A STATEMENT OF NEED AND REASONABLENESS that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from the Minnesota Racing Commission upon request.

Promulgation of the proposed rule will not result in the expenditure of public monies by local public bodies, fix or adjust any fees, or have an impact on agricultural land. The effect, if any, that the proposed rule may have on small businesses is discussed in the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the rule, the rule and required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to the Minnesota Racing Commission at the address listed above.

Dated: 8 January 1990

Richard Krueger
Acting Director
Minnesota Racing Commission

Rules as Proposed (all new material)

7873.0185 TRIFECTA.

Subpart 1. **Scope.** The trifecta is a form of pari-mutuel wagering combining three horses in a single race. Each bettor selects horses that will finish in exact order, first, second, and third in a designated trifecta race. Payment of the ticket shall be made only to the purchasers who have selected the exact order of finish as officially posted, except as otherwise noted. All trifecta wagers are calculated on a separate trifecta pool, with no relation to any other pool.

Subp. 2. **Price of tickets.** Trifecta tickets shall be sold singly in not less than $2 denominations. A box or wheel resulting in a minimum wager of $6, may be made and will return to the bettor one-half of the minimum payoff.

Subp. 3. **Scratches.** If a horse is scratched or declared a nonstarter, no further trifecta tickets may be issued designating the horse and all previously issued trifecta tickets that include the scratched horse shall be refunded at any time and the money deducted from the gross pool.

Subp. 4. **Failure to select winning combination.** Items A to F govern payoffs in races where the winning combination has not been selected.

A. If no ticket is sold correctly selecting in exact order the first three horses, the net pool shall be paid equally on those trifecta tickets correctly selecting the first two horses in exact order with all other horses.

B. If no ticket is sold correctly selecting the first and second horse, the net pool shall be paid equally on those trifecta tickets selecting the horses that finished first and third, with all other horses finishing second.

C. If no ticket is sold correctly selecting the first and third horse, the net pool shall be paid equally on those trifecta tickets correctly selecting the horses that finished second and third, with all other horses to win.

D. If no ticket is sold correctly selecting the first and third horse, the net pool shall be paid equally on those trifecta tickets selecting the horse that finished first, with all other horses finishing second and third.

E. If no ticket is sold that would require distribution of the net trifecta pool as described in items A to D, a full refund of the trifecta pool for that race shall be made.

F. If less than three horses finish a trifecta race, payoff shall be made on tickets selecting the actual finishing horses in order, ignoring the balance of the selection.

Subp. 5. **Cancellation of trifecta race.** If a trifecta race is canceled, a full refund of all trifecta tickets will be made.

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

Subp. 6. **Dead heat.** Items A to E govern payoffs in dead heats.

A. In the event of a dead heat for first, the winning combinations shall include the first two horses as finishing in either the first or second position and the horse finishing third. The payoffs will be calculated as a place pool.

B. In the event of a dead heat for second, the winning combinations shall be the horse finishing first and the two horses finishing in a dead heat for second, as finishing in either the second or third position. The payoffs will be calculated as a place pool.

C. In the event of a dead heat for third, the winning combinations shall be the horse finishing first, the horse finishing second, and the two horses finishing in a dead heat for third. The payoffs will be calculated as a place pool.

D. In the event of a dead heat for first, second, or third where there is no winning ticket on the one dead heat combination, the entire net pool will be paid to the other winning combination.

E. In all instances of multiple dead heats, the winning combinations shall be paid proportionately from the net trifecta pool.

Subp. 7. **Restrictions on trifecta races.** The restrictions in items A to D apply to trifecta races.

A. Coupled entries and mutuel fields are prohibited in trifecta races.

B. There must be a minimum of ten horses entered in a race with trifecta wagering.

C. There shall be no trifecta wagering on handicap races.

D. If fewer than eight horses are declared starters, trifecta wagering shall be canceled and all trifecta wagers shall be refunded. If time permits, the association may schedule exacta wagering in place of trifecta wagering.

Subp. 8. **Displaying trifecta rules.** Trifecta rules shall be prominently displayed at each track conducting trifecta wagering. Printed copies of trifecta rules shall be provided to patrons upon request.

7873.0186 TWIN TRIFECTA.

Subpart 1. **Scope.** The twin trifecta is a form of pari-mutuel wagering in which the bettor selects the three horses that will finish first, second, and third in each of two consecutive designated twin trifecta races in the exact order as officially posted. All twin trifecta wagers will be calculated in an entirely separate pool, with no relation to any other pool.

Subp. 2. **Price of tickets.** Twin trifecta tickets shall be sold in not less than $2 denominations.

Subp. 3. **Procedures.** The procedures in items A to E apply to twin trifecta races.

A. Each bettor purchasing twin trifecta tickets shall designate selections as the first three horses to finish in exact order in the first race of the two designated races.

B. After wagering closes for the first race of the twin trifecta, the net pool will be divided with 25 percent of the net pool going to the first race of the twin trifecta and 75 percent of the net pool going to the second race of the twin trifecta.

C. After the official declaration of the first race of the twin trifecta, 25 percent of the net pool will be distributed to the holders of the twin trifecta tickets selecting the first three horses in exact order, on the first designated twin trifecta race. Further, each bettor holding a ticket correctly selecting the first three horses in the exact order of finish must, before the running of the second twin trifecta race, exchange the winning tickets for both the monetary value as calculated by the totalisator equipment and twin trifecta exchange tickets and at such time shall select three horses to finish in the second race of the twin trifecta in the exact order as officially posted. No further money shall be required of the holders of the winning tickets in order to make the exchange.

D. After the official declaration of the second race of the twin trifecta, the remaining 75 percent of the net pool will be distributed to the holders of the second half twin trifecta tickets selecting the first three horses in exact order, on the second designated twin trifecta race.

E. If a winning twin trifecta ticket from the first race is not presented for cashing and exchange within the time provided, the bettor may still collect the monetary value of the ticket, but forfeits all rights to any distribution of the second race net pool of the twin trifecta.

Subp. 4. **Failure to select the winning combination.** Items A to C govern payoffs in races where the winning combination has not been selected.

A. In the first race of the twin trifecta only, if no ticket is sold correctly selecting in order the first three horses, the net pool for the first race shall be distributed according to part 7873.0185, subpart 4, governing failure to select winning trifecta combinations. However, tickets paid in these instances are not eligible to exchange for second race twin trifecta tickets. The second race twin trifecta net pool will automatically carry over in this case.

B. If a full refund is required under part 7873.0185, subpart 4, item E, any previous day's carryover will not be included and will carry over to the next consecutive race day.

C. In the second race of the twin trifecta only, if no ticket is exchanged correctly selecting the first three horses in exact order, the entire net pool for the second race of the twin trifecta shall be carried over to the next consecutive race day and combined with that race day's second race twin trifecta pool. Distribution of this combined second race twin trifecta pool will be made only upon the accurate selection, in exact order, of the first three officially declared finishers of the second twin trifecta race that day.

Subp. 5. **Scratches.** If a horse is scratched or declared a nonstarter in the first race of the twin trifecta races, no further twin trifecta tickets may be issued designating the horse and all previously issued twin trifecta tickets, that include the scratched horse, shall be refunded and the money deducted from the gross pool.

If a horse is scratched in the second race of the twin trifecta races, public address announcements will be made and adequate time will be allowed for the exchange of tickets on the scratched horse. For the second race of the twin trifecta only, all horses will be declared starters once the starting gate has opened. In this instance the prevention to start rule will not apply.

Subp. 6. **Dead heat.** In the event of a dead heat in either the first or second race of the twin trifecta, all twin trifecta tickets selecting the correct order of finish, counting a horse in a dead heat as finishing in any position dead heated, shall be winning tickets.

Subp. 7. **Mandatory payout.** On the final program of any official race meeting, the entire accumulated second race twin trifecta net pool must be distributed. In the event, on the final program, no second half twin trifecta tickets correctly select the officially declared first three finishers in exact order, then all second half twin trifecta tickets on that specific race shall be declared winners and the pool shall be distributed equally among them. In the event no tickets from the first race of the twin trifecta are eligible for exchange under the rules governing twin trifecta wagering, the accumulated second race twin trifecta net pool will not be paid out and the pool shall be deposited in a trust account by the association, and the pool, as well as all accrued interest, shall be carried over and included in the second race twin trifecta pool for the next succeeding live racing date as an additional net amount to be distributed.

With the permission of the commission before the start of racing, a licensee may declare a mandatory payout on the next consecutive race day after the twin trifecta carryover pool has reached a previously approved amount. In this instance, if no bettor correctly selects in exact order the officially declared first three finishers of the second race, then all second race twin trifecta tickets on that race shall be declared winners and shall share equally in the net cumulated pool minus an amount previously approved by the commission, which will be carried over to the pool for the second race of the twin trifecta on the next consecutive race day. In the event there are no tickets from the first race of the twin trifecta that are eligible for exchange under the rules governing twin trifecta wagering, the accumulated second race net pool will not be paid and will be carried over to the second race twin trifecta on the next consecutive race day.

Subp. 8. **Cancellation of one or both twin trifecta races.** If for any reason the first race of the twin trifecta is canceled, a full refund of all twin trifecta tickets will be made. If fewer than three horses finish the first race of the twin trifecta, payoff shall be made equally on tickets selecting the actual finishing horses in order, ignoring the balance of the selection. In this event, there will be no exchange for the second race of the twin trifecta and the second race net pool will automatically carry over to the next consecutive race day.

If for any reason, the second race of the twin trifecta is canceled, not declared official, or less than three horses finish the race, the winning ticket holders on the first race of the twin trifecta will be entitled to equal distribution of the amount of the current program's net pool for the second half of the twin trifecta. The cumulative pool from previous programs shall not be distributed in this case and will be carried over to the next consecutive race day.

Subp. 9. **Restrictions on twin trifecta races.** The restrictions in items A to D apply to twin trifecta races.

A. Coupled entries and mutuel fields are prohibited in twin trifecta races.

B. There must be a minimum of ten horses entered in a race with twin trifecta wagering.

C. There shall be no twin trifecta wagering on handicap races.

D. If fewer than eight horses are declared starters for the first race of the twin trifecta, twin trifecta wagering shall be canceled for that day and all twin trifecta wagers shall be refunded. However, any accumulated second race twin trifecta carryover will not be affected and will carry over to the next consecutive race day. In the event this occurs on the final program, the accumulated net pool of the second twin trifecta race will be deposited in a trust account by the association, and the pool, as well as all accrued interest, shall be carried over and included in the second race twin trifecta net pool for the next consecutive racing date as an additional net amount to be distributed.

If fewer than eight horses are declared starters for the second race of the twin trifecta, all holders of exchange tickets to the second

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.

race of the twin trifecta will share equally in that part of the second race net pool added in that day. The amount carried over from previous days will not be distributed and will be carried over to the next consecutive race day. In the event this occurs on the final program, the accumulated net pool of the second twin trifecta race will be deposited in a trust account by the association, and the pool, as well as all accrued interest, shall be carried over and included in the second race twin trifecta net pool for the next consecutive racing date as an additional net amount to be distributed.

Subp. 10. **Displaying twin trifecta rules.** Twin trifecta rules shall be prominently displayed at each track conducting twin trifecta wagering. Printed copies of twin trifecta rules shall be distributed to patrons upon request.

Rules as Proposed

7877.0120 FEES.

[For text of subpart 1, see M.R.]

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~~ established by the Association of Racing Commissioners International or the 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. This subpart does not apply to applications submitted by persons under the age of 18.

[For text of subps 3 and 4, see M.R.]

7877.0170 DUTIES AND RESPONSIBILITIES OF CLASS C LICENSEES.

[For text of subps 1 to 2a, see M.R.]

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

[For text of items A to K, see M.R.]

L. A jockey must wear the racing colors provided by the owner of the horse he or she is to ride, plus solid 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. No symbols, words, or emblems shall be worn which, in the opinion of the commission, are not in keeping with the customs of the turf or are employed for advertising or promotional purposes.

[For text of items M to W, see M.R.]

[For text of subps 4 to 7, see M.R.]

Subp. 8. **Horsepersons' bookkeeper.** ~~The horsepersons' bookkeeper shall:~~ It shall be the responsibility of the association to administer the horsepersons' accounts by providing the services of a horsepersons' bookkeeper who shall be bonded in the amount of $100,000.

The association must establish an interest-bearing trust account for the horsepersons' accounts. The horsepersons' trust account shall be separate and distinct from any other account. Deposits made into the horsepersons' trust account by the association are the property of the horsepersons' trust account and not of the association.

The horsepersons' bookkeeper shall be the custodian of the horsepersons' trust account and shall keep accurate records of all receipts, deposits, and disbursements and make those records available at all times for inspection by the commission. The horsepersons' bookkeeper shall not distribute any purse money to a person with an emergency license.

The association must deposit into the horsepersons' account:

A. ~~be bonded~~ by the end of the business day following the date of the race in which purses are earned, an amount to cover all of its obligations including breeders fund purse supplements, other supplements, guarantees, stated purses of official races, and, when due, any other payments that the association has agreed to make including agreements entered into under *Minnesota Statutes*, section 240.13, subdivision 5, paragraph (b); and

B. ~~receive all stakes, entrance money, jockeys' fees, drivers' fees, and purchase money in claiming races;~~

~~C. keep a complete and accurate record of all money received, and make those records available for inspection by the commission; and~~

~~D. not distribute any purse money to an individual with an emergency license~~ by the end of the business day following the date of receipt by the association, all stakes, entrance money, starting fees, purchase money in claiming races, and deposits made by other parties.

[For text of subp 9, see M.R.]

STATE OF MINNESOTA

MINNESOTA RACING COMMISSION

In the Matter of the
Proposed Adoption of the
Minnesota Racing Commission
Rule Governing Amendments to
Existing Rules.

NOTICE OF PROPOSED
ADOPTION OF A RULE
WITHOUT A PUBLIC HEARING

(1) NOTICE is hereby given that the Minnesota Racing Commission proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is Minnesota Statutes, section 240.23 (1988).

(2) All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. (3) Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. (4) If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. (6) Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. (7) If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

(5) Comments or written requests for a public hearing must be submitted to:

Richard Krueger
Minnesota Racing Commission
11000 West 78th Street, Suite 201
Eden Prairie, MN 55344
Telephone: (612) 341-7555

(8) The proposed rule may be modified if the modifications are supported by data and views and do not result in a substantial change in the proposed rule as noticed.

(11) A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from the Minnesota Racing Commission upon request.

Promulgation of the proposed rule will not result in the expenditure of public monies by local public bodies, fix or adjust any fees, or have an impact on agricultural land. The affect, if any, that the proposed rule may have on small businesses is discussed in the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to the Minnesota Racing Commission at the address listed above.

Dated: December 20, 1989.

RICHARD KRUEGER
ACTING DIRECTOR
MINNESOTA RACING COMMISSION

.ds4

STATE OF MINNESOTA

MINNESOTA RACING COMMISSION

In the Matter of the Proposed Adoption of the Minnesota Racing Commission Rule Governing Additions and Amendments to Existing Rules

AFFIDAVIT OF MAILING THE NOTICE OF PROPOSED ADOPTION OF RULES WITHOUT A PUBLIC HEARING AND CERTIFICATE OF MAILING LIST

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

I, Richard Krueger, being first duly sworn, deposes and says:

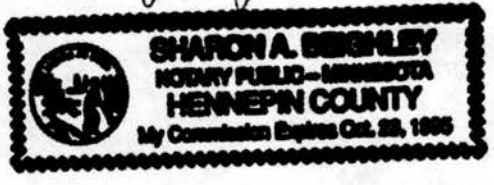
I hereby certify that the list of persons and associations who have requested, pursuant to Minnesota Statutes, sections 14.14, subdivision 1a. and 14.22 or 14.30, that their names be placed on the Minnesota Racing Commission's rulemaking list is accurate, complete, and current as of this 9th day of January, 1990.

That on the 9th day of January, 1990, at the City of Eden Prairie, County of Hennepin, State of Minnesota, I mailed the attached Notice of Proposed Adoption of a Rule Without a Public Hearing and proposed rule by depositing in the United States mail, a copy thereof with postage prepaid, to all persons and associations on the aforementioned mailing list.

RICHARD KRUEGER
ACTING DIRECTOR
MINNESOTA RACING COMMISSION

Subscribed and sworn to before me
this 9th day of January, 1990.

SHARON BEIGHLEY
Notary Public



CERTIFICATE OF THE
MINNESOTA RACING COMMISSION
RESOLUTION ADOPTING THE RULE

I, Ralph Strangis, do hereby certify that I am a member and the 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 a resolution adopted at a meeting of the Minnesota Racing Commission, duly and properly called and held on the 21st day of March, 1990, that a quorum was present, and that a majority of those present voted for the resolution which has not been rescinded or modified.

> "RESOLVED, that the rule governing amendments to the existing rule is approved and adopted, pursuant to authority vested in the Minnesota Racing Commission by Minnesota Statutes 240.23.
>
> Richard G. Krueger, Director of the Division of Pari-mutuel Racing, is authorized to sign the findings of fact, conclusions and order adopting the rule and further is authorized to modify the rule if necessary to obtain approval of the rule by the Attorney General and to perform the necessary acts to provide that the rule shall have the force and effect of law."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 21st day of March, 1990.

RALPH STRANGIS
Chair

STATE OF MINNESOTA

MINNESOTA RACING COMMISSION

In the Matter of the Proposed Adoption of the Rules of the Minnesota Racing Commission Governing Amendments to Existing Rules

FINDINGS OF FACT, CONCLUSIONS AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

(1) Notice of the Minnesota Racing Commission's intent to adopt the above-entitled rule was published in the State Register on January 29, 1990 and was sent by United States Mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 on January 9, 1990. (2) The statement of need and reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking list and published in the State Register and was available to the public.

(4) All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. (5) No requests for a public hearing on the rule were received by the Minnesota Racing Commission.

(7) No comments on the rule were received by the Agency, and no requests for notice of submission to the Attorney General were received.

Based on the evidence in the record before the Minnesota Racing Commission, I find that the above-captioned rule as proposed is needed and reasonable and supported by the rulemaking record.

ORDER

NOW THEREFORE, IT IS ORDERED that these rules, identified as rules of the Minnesota Racing Commission governing amendments to existing rules, are adopted this 21st day of March, 1990, pursuant to the authority vested in the Minnesota Racing Commission by Minn. Stat. § 240.23 (1988).

RICHARD G. KRUEGER
Director
Division of Pari-Mutuel Racing

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Trifecta and Twin Trifecta Wagering and Class C Licenses

AGENCY: Minnesota Racing Commission

MINNESOTA RULES: Chapters 7873 and 7877

The attached rules are approved for publication
in the State Register

Paul M. Marinac
Assistant Deputy Revisor

Minnesota Racing Commission

Proposed Permanent Rules Relating to Trifecta and Twin Trifecta Wagering and Class C Licenses

Rules as Proposed (all new material)

7873.0185 TRIFECTA.

Subpart 1. **Scope.** The trifecta is a form of pari-mutuel wagering combining three horses in a single race. Each bettor selects horses that will finish in exact order, first, second, and third in a designated trifecta race. Payment of the ticket shall be made only to the purchasers who have selected the exact order of finish as officially posted, except as otherwise noted. All trifecta wagers are calculated on a separate trifecta pool, with no relation to any other pool.

Subp. 2. **Price of tickets.** Trifecta tickets shall be sold singly in not less than $2 denominations. A box or wheel resulting in a minimum wager of $6, may be made and will return to the bettor one-half of the minimum payoff.

Subp. 3. **Scratches.** If a horse is scratched or declared a nonstarter, no further trifecta tickets may be issued designating the horse and all previously issued trifecta tickets that include the scratched horse shall be refunded at any time and the money deducted from the gross pool.

Subp. 4. **Failure to select winning combination.** Items A to F govern payoffs in races where the winning combination has not been selected.

A. If no ticket is sold correctly selecting in exact order the first three horses, the net pool shall be paid equally on those trifecta tickets correctly selecting the first two horses in exact order with all other horses.

B. If no ticket is sold correctly selecting the first and second horse, the net pool shall be paid equally on those trifecta tickets selecting the horses that finished first and third, with all other horses finishing second.

Approved by Revisor

C. If no ticket is sold correctly selecting the first and third horse, the net pool shall be paid equally on those trifecta tickets correctly selecting the horses that finished second and third, with all other horses to win.

D. If no ticket is sold correctly selecting the first and third horse, the net pool shall be paid equally on those trifecta tickets selecting the horse that finished first, with all other horses finishing second and third.

E. If no ticket is sold that would require distribution of the net trifecta pool as described in items A to D, a full refund of the trifecta pool for that race shall be made.

F. If less than three horses finish a trifecta race, payoff shall be made on tickets selecting the actual finishing horses in order, ignoring the balance of the selection.

Subp. 5. **Cancellation of trifecta race.** If a trifecta race is canceled, a full refund of all trifecta tickets will be made.

Subp. 6. **Dead heat.** Items A to E govern payoffs in dead heats.

A. In the event of a dead heat for first, the winning combinations shall include the first two horses as finishing in either the first or second position and the horse finishing third. The payoffs will be calculated as a place pool.

B. In the event of a dead heat for second, the winning combinations shall be the horse finishing first and the two horses finishing in a dead heat for second, as finishing in either the second or third position. The payoffs will be calculated as a place pool.

C. In the event of a dead heat for third, the winning combinations shall be the horse finishing first, the horse finishing second, and the two horses finishing in a dead heat for third. The payoffs will be calculated as a place pool.

D. In the event of a dead heat for first, second, or third where there is no winning ticket on the one dead heat combination, the entire net pool will be paid to the other

Approved
by Revisor _____

winning combination.

E. In all instances of multiple dead heats, the winning combinations shall be paid proportionately from the net trifecta pool.

Subp. 7. **Restrictions on trifecta races.** The restrictions in items A to D apply to trifecta races.

A. Coupled entries and mutuel fields are prohibited in trifecta races.

B. There must be a minimum of ten horses entered in a race with trifecta wagering.

C. There shall be no trifecta wagering on handicap races.

D. If fewer than eight horses are declared starters, trifecta wagering shall be canceled and all trifecta wagers shall be refunded. If time permits, the association may schedule exacta wagering in place of trifecta wagering.

Subp. 8. **Displaying trifecta rules.** Trifecta rules shall be prominently displayed at each track conducting trifecta wagering. Printed copies of trifecta rules shall be provided to patrons upon request.

7873.0186 TWIN TRIFECTA.

Subpart 1. **Scope.** The twin trifecta is a form of pari-mutuel wagering in which the bettor selects the three horses that will finish first, second, and third in each of two consecutive designated twin trifecta races in the exact order as officially posted. All twin trifecta wagers will be calculated in an entirely separate pool, with no relation to any other pool.

Subp. 2. **Price of tickets.** Twin trifecta tickets shall be sold in not less than $2 denominations.

Subp. 3. **Procedures.** The procedures in items A to E apply to twin trifecta races.

A. Each bettor purchasing twin trifecta tickets shall designate selections as the first three horses to finish in exact order in the first race of the two designated races.

B. After wagering closes for the first race of the

Approved by Revisor _____

twin trifecta, the net pool will be divided with 25 percent of the net pool going to the first race of the twin trifecta and 75 percent of the net pool going to the second race of the twin trifecta.

C. After the official declaration of the first race of the twin trifecta, 25 percent of the net pool will be distributed to the holders of the twin trifecta tickets selecting the first three horses in exact order, on the first designated twin trifecta race. Further, each bettor holding a ticket correctly selecting the first three horses in the exact order of finish must, before the running of the second twin trifecta race, exchange the winning tickets for both the monetary value as calculated by the totalisator equipment and twin trifecta exchange tickets and at such time shall select three horses to finish in the second race of the twin trifecta in the exact order as officially posted. No further money shall be required of the holders of the winning tickets in order to make the exchange.

D. After the official declaration of the second race of the twin trifecta, the remaining 75 percent of the net pool will be distributed to the holders of the second half twin trifecta tickets selecting the first three horses in exact order, on the second designated twin trifecta race.

E. If a winning twin trifecta ticket from the first race is not presented for cashing and exchange within the time provided, the bettor may still collect the monetary value of the ticket, but forfeits all rights to any distribution of the second race net pool of the twin trifecta.

Subp. 4. **Failure to select the winning combination.** Items A to C govern payoffs in races where the winning combination has not been selected.

A. In the first race of the twin trifecta only, if no ticket is sold correctly selecting in order the first three horses, the net pool for the first race shall be distributed according to part 7873.0185, subpart 4, governing failure to select winning trifecta combinations. However, tickets paid in

Approved
by Revisor _____

these instances are not eligible to exchange for second race twin trifecta tickets. The second race twin trifecta net pool will automatically carry over in this case.

B. If a full refund is required under part 7873.0185, subpart 4, item E, any previous day's carryover will not be included and will carry over to the next consecutive race day.

C. In the second race of the twin trifecta only, if no ticket is exchanged correctly selecting the first three horses in exact order, the entire net pool for the second race of the twin trifecta shall be carried over to the next consecutive race day and combined with that race day's second race twin trifecta pool. Distribution of this combined second race twin trifecta pool will be made only upon the accurate selection, in exact order, of the first three officially declared finishers of the second twin trifecta race that day.

Subp. 5. **Scratches.** If a horse is scratched or declared a nonstarter in the first race of the twin trifecta races, no further twin trifecta tickets may be issued designating the horse and all previously issued twin trifecta tickets, that include the scratched horse, shall be refunded and the money deducted from the gross pool.

If a horse is scratched in the second race of the twin trifecta races, public address announcements will be made and adequate time will be allowed for the exchange of tickets on the scratched horse. For the second race of the twin trifecta only, all horses will be declared starters once the starting gate has opened. In this instance the prevention to start rule will not apply.

Subp. 6. **Dead heat.** In the event of a dead heat in either the first or second race of the twin trifecta, all twin trifecta tickets selecting the correct order of finish, counting a horse in a dead heat as finishing in any position dead heated, shall be winning tickets.

Subp. 7. **Mandatory payout.** On the final program of any official race meeting, the entire accumulated second race twin trifecta net pool must be distributed. In the event, on the

Approved
by Revisor _____

final program, no second half twin trifecta tickets correctly select the officially declared first three finishers in exact order, then all second half twin trifecta tickets on that specific race shall be declared winners and the pool shall be distributed equally among them. In the event no tickets from the first race of the twin trifecta are eligible for exchange under the rules governing twin trifecta wagering, the accumulated second race twin trifecta net pool will not be paid out and the pool shall be deposited in a trust account by the association, and the pool, as well as all accrued interest, shall be carried over and included in the second race twin trifecta pool for the next succeeding live racing date as an additional net amount to be distributed.

With the permission of the commission before the start of racing, a licensee may declare a mandatory payout on the next consecutive race day after the twin trifecta carryover pool has reached a previously approved amount. In this instance, if no bettor correctly selects in exact order the officially declared first three finishers of the second race, then all second race twin trifecta tickets on that race shall be declared winners and shall share equally in the net cumulated pool minus an amount previously approved by the commission, which will be carried over to the pool for the second race of the twin trifecta on the next consecutive race day. In the event there are no tickets from the first race of the twin trifecta that are eligible for exchange under the rules governing twin trifecta wagering, the accumulated second race net pool will not be paid and will be carried over to the second race twin trifecta on the next consecutive race day.

Subp. 8. **Cancellation of one or both twin trifecta races.** If for any reason the first race of the twin trifecta is canceled, a full refund of all twin trifecta tickets will be made. If fewer than three horses finish the first race of the twin trifecta, payoff shall be made equally on tickets selecting the actual finishing horses in order, ignoring the balance of the selection. In this event, there will be no exchange for the

Approved
by Revisor _____

second race of the twin trifecta and the second race net pool will automatically carry over to the next consecutive race day.

If for any reason, the second race of the twin trifecta is canceled, not declared official, or less than three horses finish the race, the winning ticket holders on the first race of the twin trifecta will be entitled to equal distribution of the amount of the current program's net pool for the second half of the twin trifecta. The cumulative pool from previous programs shall not be distributed in this case and will be carried over to the next consecutive race day.

Subp. 9. **Restrictions on twin trifecta races.** The restrictions in items A to D apply to twin trifecta races.

A. Coupled entries and mutuel fields are prohibited in twin trifecta races.

B. There must be a minimum of ten horses entered in a race with twin trifecta wagering.

C. There shall be no twin trifecta wagering on handicap races.

D. If fewer than eight horses are declared starters for the first race of the twin trifecta, twin trifecta wagering shall be canceled for that day and all twin trifecta wagers shall be refunded. However, any accumulated second race twin trifecta carryover will not be affected and will carry over to the next consecutive race day. In the event this occurs on the final program, the accumulated net pool of the second twin trifecta race will be deposited in a trust account by the association, and the pool, as well as all accrued interest, shall be carried over and included in the second race twin trifecta net pool for the next consecutive racing date as an additional net amount to be distributed.

If fewer than eight horses are declared starters for the second race of the twin trifecta, all holders of exchange tickets to the second race of the twin trifecta will share equally in that part of the second race net pool added in that day. The amount carried over from previous days will not be distributed and will be carried over to the next consecutive

Approved
by Revisor _____

race day. In the event this occurs on the final program, the accumulated net pool of the second twin trifecta race will be deposited in a trust account by the association, and the pool, as well as all accrued interest, shall be carried over and included in the second race twin trifecta net pool for the next consecutive racing date as an additional net amount to be distributed.

Subp. 10. **Displaying twin trifecta rules.** Twin trifecta rules shall be prominently displayed at each track conducting twin trifecta wagering. Printed copies of twin trifecta rules shall be distributed to patrons upon request.

Rules as Proposed

7877.0120 FEES.

[For text of subpart 1, see M.R.]

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~~ established by the Association of Racing Commissioners International or the 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. This subpart does not apply to applications submitted by persons under the age of 18.

[For text of subps 3 and 4, see M.R.]

7877.0170 DUTIES AND RESPONSIBILITIES OF CLASS C LICENSEES.

[For text of subps 1 to 2a, see M.R.]

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

[For text of items A to K, see M.R.]

L. A jockey must wear the racing colors provided by the owner of the horse he or she is to ride, plus solid white

Approved by Revisor _____

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. No symbols, words, or emblems shall be worn which, in the opinion of the commission, are not in keeping with the customs of the turf or are employed for advertising or promotional purposes.

[For text of items M to W, see M.R.]

[For text of subps 4 to 7, see M.R.]

Subp. 8. **Horsepersons' bookkeeper.** ~~**The horsepersons' bookkeeper shall:**~~ It shall be the responsibility of the association to administer the horsepersons' accounts by providing the services of a horsepersons' bookkeeper who shall be bonded in the amount of $100,000.

The association must establish an interest-bearing trust account for the horsepersons' accounts. The horsepersons' trust account shall be separate and distinct from any other account. Deposits made into the horsepersons' trust account by the association are the property of the horsepersons' trust account and not of the association.

The horsepersons' bookkeeper shall be the custodian of the horsepersons' trust account and shall keep accurate records of all receipts, deposits, and disbursements and make those records available at all times for inspection by the commission. The horsepersons' bookkeeper shall not distribute any purse money to a person with an emergency license.

The association must deposit into the horsepersons' account:

A. **be bonded** by the end of the business day following the date of the race in which purses are earned, an amount to cover all of its obligations including breeders fund purse supplements, other supplements, guarantees, stated purses of official races, and, when due, any other payments that the association has agreed to make including agreements entered into under Minnesota Statutes, section 240.13, subdivision 5, paragraph (b); and

B. ~~**receive all stakes, entrance money, jockeys' fees, drivers' fees, and purchase money in claiming races,**~~

Approved by Revisor _____

~~C.--keep-a-complete-and-accurate-record-of-all-money received,-and-make-those-records-available-for-inspection-by-the commission;-and~~

~~D.--not-distribute-any-purse-money-to-an-individual with-an-emergency-license~~ by the end of the business day following the date of receipt by the association, all stakes, entrance money, starting fees, purchase money in claiming races, and deposits made by other parties.

[For text of subp 9, see M.R.]

Approved by Revisor _____