

1 Racing Commission

2

3 Adopted Rules Governing Horse Racing Regulations; Minnesota

4 Racing Commission

5

6 Rules as Adopted

7 7897.0100 PROHIBITED ACTS.

8 Subpart 1. to 17. [Unchanged.]

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

15 7897.0120 DISCIPLINARY SANCTIONS.

16 Subpart 1. and 2. [Unchanged.]

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

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22 license has been revoked for any reason by a legally constituted  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

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

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

34 7873.0550 DISTRIBUTION OF PURSE MONEY.

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

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

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

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

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

35           Subp. 6. **Escrow accounts.** All money received by an  
36 association for races that charge nominating, sustaining, entry,

1 or starting fees must be placed in interest bearing escrow  
2 accounts, and all accrued interest must be added to such races  
3 if:

4           A. the total fees received for such a race exceed  
5 \$15,000; or

6           B. fees are due and payable for such a race more than  
7 180 days in advance of the advertised date of the running of the  
8 race.

9   CHAPTER 7874

10    MINNESOTA RACING COMMISSION

11    DIRECT DEPOSIT REQUIREMENTS AND REPORTING OF PAYMENTS

12   7874.0100 GENERAL PROVISIONS.

13           Subpart 1. Scope. For the purpose of administering the  
14 direct deposit of taxes, breakage, and unredeemed tickets  
15 pursuant to Minnesota Statutes, section 240.15, subdivisions 1,  
16 2, and 5, and subparts 2 to 4 shall apply.

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

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

32           Subp. 3. Payment of unredeemed tickets. After reporting  
33 to the commission, pursuant to Minnesota Statutes, section  
34 240.13, and not later than 100 days after the end of a race  
35 meeting, an association must remit to the commission an amount

1 equal to the total value of unredeemed tickets from the race  
2 meeting in the same manner as in subpart 2.

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

6 A. total take-out;

7 B. pari-mutuel tax;

8 C. state and local admissions taxes;

9 D. total breakage;

10 E. commission's share of breakage; and

11 F. breeders' fund tax.

12 CHAPTER 7879

13 MINNESOTA RACING COMMISSION

14 STEWARDS

15 7879.0100 QUALIFICATIONS AND APPOINTMENT OF STEWARDS.

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

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

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

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

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

4 A. There shall be three stewards for each race  
5 meeting, two of whom shall be appointed by the commissioner and  
6 one of whom shall be nominated by the association for approval  
7 by the commission. The name of the association nominee for  
8 steward must be submitted no later than 30 days before  
9 commencement of a race meeting and be accompanied by  
10 biographical data setting forth the experience and  
11 qualifications of the nominee. The association may submit  
12 successive nominees until one person is approved by the  
13 commission as qualified to serve as steward. No steward may  
14 serve until approved by the commission.

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

20 7879.0200 AUTHORITY AND DUTIES OF STEWARDS.

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

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

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

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

35 D. the authority to eject or exclude according to

1 applicable law, from association grounds or any part thereof,  
2 licensed or unlicensed persons for violations of law;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36           I. To cause the "inquiry" sign to be posted on the

1 infield totalizator board immediately after the horses have  
2 crossed the finish line in a race if any doubt is held by any  
3 steward as to the fairness of the running of the race.

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

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

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

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

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

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

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



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

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

5 (1) their prior experience in horse racing;

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

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

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

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

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

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

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

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

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

31 7879.0300 COMPENSATION OF STEWARDS.

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

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

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

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

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

10 CHAPTER 7895

11 MINNESOTA RACING COMMISSION

12 BREEDERS' FUND

13 7895.0100 GENERAL PROVISIONS.

14 Subpart 1. **Scope.** The purpose of this chapter is to  
15 administer the breeders' fund under Minnesota Statutes, section  
16 240.18, and the required race provision of Minnesota Statutes,  
17 section 240.29.

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

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

1 may be required to support any claim for Minnesota-bred  
2 registration.

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

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

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

14 7895.0110 THOROUGHBRED BREEDERS' FUND.

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

18 A. "Minnesota-owned" means:

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

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

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

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

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

35 (3) In the case of a horse owned by a limited

1 partnership, the general partners and at least 51 percent of the  
2 limited partners must be residents of Minnesota for purposes of  
3 Minnesota Statutes, chapter 290, and declare that they are not  
4 residents of any other state.

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

9 Every owner of a Minnesota-owned horse must hold a Class C  
10 owner's license issued by the commission as required in part  
11 7877.0130, subparts 1 and 2.

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

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

15 D. "Minnesota-sire" means a stallion owned at least  
16 50 percent by residents of Minnesota or leased entirely by  
17 Minnesota residents, and which has stood the entire breeding  
18 season, between February 15 and July 31, in Minnesota.

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

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

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

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

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

35 Subp. 3. Distribution of money. The money available from  
36 the thoroughbred breeders' fund, other than purse supplements,

1 shall be distributed as follows:

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

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

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

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

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

26           A. the number of potential award recipients;

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

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

35           D. that the set amount of the awards and purse  
36 supplements or any adjustments made thereto are in the best

1 interest of horse racing within the state.

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

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

10 A. For calendar year 1985:

11 (1) \$75,000 per breeder;

12 (2) \$75,000 per owner; or

13 (3) \$75,000 in total combined awards if a breeder

14 is also an owner.

15 B. For calendar year 1986:

16 (1) \$150,000 per breeder;

17 (2) \$150,000 per owner; or

18 (3) \$150,000 in total combined awards if a

19 breeder is also an owner.

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

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

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

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