

1 Minnesota Racing Commission

2

3 Adopted Permanent Rules Relating to Class D Licenses

4

5 Rules as Adopted

6

CLASS D LICENSE

7 7870.0600 IDENTIFICATION OF APPLICANT FOR CLASS D LICENSE.

8 An application for a Class D license must include, on a
9 form prepared by the commission, an affidavit of the chief
10 executive officer setting forth:

11 A. That application is made for a Class D license to
12 sponsor and manage horse racing on which pari-mutuel betting is
13 conducted.

14 B. That affiant is the agent of the applicant, its
15 owners, members, directors, officers, and personnel and is duly
16 authorized to make the representations in the application on
17 their behalf. Documentation of the authority must be attached.

18 C. That the applicant seeks a grant of privilege from
19 the state of Minnesota, and the burden of proving the
20 applicant's qualifications rests at all times with the applicant.

21 D. That the applicant consents to inquiries by the
22 state of Minnesota, its employees, the commission members,
23 staff, and agents into the financial, character, and other
24 qualifications of the applicant by contacting individuals and
25 organizations.

26 E. That the applicant, its owners, partners, members,
27 directors, officers, and personnel accept any risk of adverse
28 public notice, embarrassment, criticism, or other circumstance,
29 including financial loss, which may result from action with
30 respect to the application and expressly waive any claim which
31 otherwise could be made against the state of Minnesota, its
32 employees, the commission, staff, or agents.

33 F. That affiant has read the applicant's
34 identification and disclosures and knows the contents; the
35 contents are true to affiant's own knowledge, except matters

1 therein stated on information and belief; as to those matters,
2 affiant believes them to be true.

3 G. That the applicant recognizes all representations
4 in the application are binding on it, and false or misleading
5 information, or substantial deviation from representations in
6 the application may result in denial, revocation, or suspension
7 of a license or imposition of a fine.

8 H. That the applicant will comply with Minnesota
9 Statutes, chapter 240, and all rules of the commission.

10 I. Affiant's signature, name of organization,
11 position, address, and telephone number.

12 J. The date.

13 7870.0620 DISCLOSURE OF OWNERSHIP AND CONTROL.

14 An applicant for a Class D license must disclose:

15 A. The type of organizational structure of the
16 applicant, whether a county agricultural society or association,
17 or a nonprofit corporation, and:

18 (1) The applicant's full name.

19 (2) Date the applicant commenced operating its
20 fair.

21 (3) Copies of the applicant's bylaws, rules and
22 regulations, or any agreements creating or governing the
23 applicant's organization.

24 (4) Full names, in alphabetical order, dates of
25 birth, and addresses of officers of applicant. As to each, the
26 applicant must disclose the nature and extent of any voting
27 interest in the applicant.

28 (5) Full names, in alphabetical order, dates of
29 birth, and addresses of all members or shareholders, as of the
30 date of the application, and the nature and extent of the voting
31 interest of each.

32 B. Whether the applicant is directly or indirectly
33 controlled to any extent or in any manner by another individual
34 or entity. If so, the applicant must disclose the identity of
35 the controlling entity and a description of the nature and

1 extent of control.

2 C. Any agreements or understandings which the
3 applicant or any individual or entity identified pursuant to
4 this part has entered into regarding applicant's sponsorship or
5 management of horse racing, and copies of any written agreements.

6 D. Any agreements or understandings which the
7 applicant has entered into for the payment of fees, rents,
8 salaries, or other compensation by the applicant, and copies of
9 any written agreements.

10 E. Whether the applicant, any director, trustee,
11 officer, member, shareholder, or other holder of a direct or
12 indirect record or beneficial voting interest or control of five
13 percent or more, if the applicant has held or holds a license or
14 permit issued by a governmental authority to own and operate a
15 horse racing facility or conduct any aspect of horse racing or
16 gambling. If so, the applicant must disclose the identity of
17 the license or permit holder, nature of the license or permit,
18 issuing authority, and dates of issuance and termination.

19 7870.0630 DISCLOSURE OF CHARACTER INFORMATION.

20 An applicant for a Class D license must make its best
21 effort to disclose whether the applicant or any individual or
22 other entity identified pursuant to parts 7870.0620, item B or
23 C, and 7870.0695, item B or C, has:

24 A. Been charged in a criminal proceeding with a
25 felony or fraud, misrepresentation, theft, larceny, extortion,
26 jury tampering, obstruction of justice, perjury, or antitrust
27 violation, or conspiracy to commit any of the foregoing. If so,
28 the applicant must disclose the date charged, court, whether
29 convicted, date convicted, crime convicted of, and sentence.

30 B. Been a party in a civil proceeding and alleged to
31 have engaged in an unfair or anticompetitive business practice,
32 a securities violation, or false or misleading advertising. If
33 so, the applicant must disclose the date of commencement, court,
34 circumstances, date of decision, and result.

35 C. Had a horse racing, gambling, or other business

1 license or permit revoked or suspended or renewal denied, or
2 been a party in a proceeding to do so. If so, the applicant
3 must disclose the date of commencement, circumstances, date of
4 decision, and result.

5 D. Been accused in an administrative or judicial
6 proceeding or violation of a statute or rule relating to unfair
7 labor practices, discrimination, horse racing, or gambling. If
8 so, the applicant must disclose the date of commencement, forum,
9 circumstances, date of decision, and result.

10 E. Commenced an administrative or judicial action
11 against a governmental regulator of horse racing or gambling.
12 If so, the applicant must disclose the date of commencement,
13 forum, circumstances, date of decision, and result.

14 F. Been the subject of voluntary or involuntary
15 bankruptcy proceedings. If so, the applicant must disclose the
16 date of commencement, forum, circumstances, date of decision,
17 and result.

18 G. Failed to satisfy any judgment, decree, or order
19 of an administrative or judicial tribunal. If so, the applicant
20 must disclose the date and circumstances.

21 H. Been delinquent in filing a tax report required or
22 remitting a tax imposed by any government. If so, the applicant
23 must disclose the date and circumstances.

24 7870.0640 DISCLOSURE OF IMPROVEMENTS AND EQUIPMENT.

25 An application for a Class D license must disclose with
26 respect to the facility at which it will sponsor and manage
27 pari-mutuel horse racing:

28 A. The address of the facility at which the applicant
29 will sponsor and manage horse racing, size, and geographical
30 location, including reference to county and municipal boundaries.

31 B. A site map which reflects current and proposed
32 highways and streets adjacent to the facility.

33 C. The types of racing for which the facility is
34 designed, whether thoroughbred, harness, quarter horse, or other.

35 D. Racetrack dimensions by circumference, width,

1 banking, location of chutes, length of stretch, type of surface,
2 and description of equipment which will be used to maintain the
3 track surface. If the facility has more than one racetrack, the
4 applicant must provide a description of each.

5 E. A description of horse stalls at the facility,
6 giving the dimensions of stalls, separation, location, and total
7 number of stalls.

8 F. A description of the grandstand, giving total
9 seating capacity, total reserved seating capacity, indoor and
10 outdoor seating capacity, configuration of grandstand seating,
11 and pari-mutuel and concession facilities within the grandstand;
12 the number and location of mens' and womens' restrooms, drinking
13 fountains, and medical facilities available to patrons; and a
14 description of public pedestrian traffic patterns throughout the
15 grandstand.

16 G. A description of the detention area, giving
17 distance to track and paddock, number of sampling stalls,
18 placement of viewing ports on each stall, number of wash stalls
19 with hot and cold water and drains; and a description of the
20 walking ring.

21 H. A description of the paddock, if applicable,
22 number of stalls in the paddock, height from the floor to lowest
23 point of the stall ceiling and entrance, and paddock public
24 address and telephone services.

25 I. A description of the jockeys' and drivers'
26 quarters, giving changing areas, a listing of equipment to be
27 installed in each, and the location of the jockeys' and drivers'
28 quarters in relation to the paddock.

29 J. A description of the pari-mutuel totalizator
30 system, giving approximate location of bettors' windows and cash
31 security areas; and a description of equipment, including the
32 provider, if known.

33 K. A description of the parking, giving detailed
34 attention to access to parking from surrounding streets and
35 highways, number of parking spaces available, distinguishing
36 between public and other; a description of the road surface on

1 parking areas and the distance between parking and the
2 grandstand; and a road map of the area showing the relationship
3 of parking to surrounding streets and highways.

4 L. A description of improvements and equipment at the
5 racetrack for security purposes including the provider of
6 equipment, if known.

7 M. A description of starting, timing and photo finish
8 equipment, and personnel, including the provider, if known.

9 N. A description of work areas for the commission
10 members, officers, employees, and agents.

11 7870.0650 DISCLOSURE OF AUTHORIZATION TO USE HORSE RACING
12 FACILITY.

13 An applicant for a Class D license must disclose the terms
14 and conditions of the lease or other agreement authorizing the
15 applicant to sponsor and manage pari-mutuel horse racing at a
16 licensed facility and provide a copy of the agreement.

17 7870.0660 DISCLOSURE OF FINANCIAL RESOURCES.

18 An applicant for a Class D license must disclose the
19 following with regard to financial resources:

20 A. The past five annual reports of the secretary of
21 the applicant to the commissioner of agriculture.

22 B. A financial statement reflecting the applicant's
23 current assets, including investments, loans and advances
24 receivable, and fixed assets and current liabilities, including
25 loans and advances payable, long-term debt, and equity.

26 C. Equity and debt sources of funds to sponsor and
27 manage horse racing:

28 (1) with respect to each source of equity
29 contribution, identification of the source, amount, form, method
30 of payment, nature and amount of present commitment,
31 documentation, and actions which the applicant will take to
32 obtain more certain commitments and commitments for additional
33 amounts;

34 (2) with respect to each source of debt
35 contribution, identification of the source, amount, form, method

1 of payment, nature and amount of present commitment,
 2 documentation, and actions which the applicant will take to
 3 obtain more certain commitments and commitments for additional
 4 amounts.

5 D. Identification and description of sources of
 6 additional funds if needed due to cost overruns, nonreceipt of
 7 expected equity or debt funds, failure to achieve projected
 8 revenues, or other cause.

9 7870.0670 DISCLOSURE OF DEVELOPMENT PROCESS.

10 If an applicant for a Class D license proposes to conduct
 11 pari-mutuel horse racing at a facility to be constructed, the
 12 applicant must disclose with regard to development of its horse
 13 racing facility:

14 A. the total costs of construction of the facility,
 15 distinguishing between fixed costs and projections;

16 B. separate identification of the following costs,
 17 distinguishing between fixed costs and projections:

18 (1) facility design;

19 (2) land acquisition;

20 (3) site preparation;

21 (4) improvements and equipment, separately

22 identifying the costs of part 7870.0640, items D to N, and other
 23 categories of improvements and equipment;

24 (5) interim financing;

25 (6) permanent financing; and

26 (7) organization, administrative, accounting, and
 27 legal;

28 C. documentation of fixed costs;

29 D. the schedule for construction of the facility
 30 including estimated completion date;

31 E. schematic drawings;

32 F. copies of any contracts with and performance bonds
 33 from the:

34 (1) architect or other design professional;

35 (2) project engineer;

- 1 (3) construction engineer;
- 2 (4) contractors and subcontractors; and
- 3 (5) equipment procurement personnel;
- 4 G. whether the site has been acquired or
- 5 leased. If so, the applicant must provide the documentation.
- 6 If not, the applicant must disclose what actions must occur in
- 7 order to use the site.

8 7870.0680 DISCLOSURE OF FINANCIAL PLAN.

9 An applicant for a Class D license must disclose with
 10 regard to its financial plan, financial projections for any
 11 development period of each of the first or next three racing
 12 years, with separate schedules based upon the number of racing
 13 days and types of pari-mutuel betting the applicant requires to
 14 break even and the optimum number of racing days and types of
 15 betting applicant seeks each year. The commission will use
 16 financial projections in deciding whether to issue Class D
 17 licenses. Neither acceptance of a license application nor
 18 issuance of a license shall bind the commission as to matters
 19 within its discretion, including, but not limited to, assignment
 20 of racing days and designation of types of permissible
 21 pari-mutuel betting pools. The disclosure must include:

- 22 A. the following assumptions and support for them:
- 23 (1) average daily attendance;
- 24 (2) average daily per capita handle and average
- 25 bet;
- 26 (3) retainage;
- 27 (4) admissions to track, including ticket prices
- 28 and free admission;
- 29 (5) parking volume, fees, and revenues;
- 30 (6) concessions and program sales;
- 31 (7) cost of purses;
- 32 (8) pari-mutuel expense;
- 33 (9) breeders' fund;
- 34 (10) payroll;
- 35 (11) operating supplies and services;

- 1 (12) utilities;
- 2 (13) repairs and maintenance;
- 3 (14) insurance;
- 4 (15) membership expense;
- 5 (16) security expense;
- 6 (17) legal and audit expense; and
- 7 (18) debt service;

8 B. the following profit and loss elements:

9 (1) total revenue, including projected revenues
10 from retainage and breakage, admissions, parking, and
11 concessions and program operations;

12 (2) total operating expenses, including
13 anticipated expenses for:

- 14 (a) purses;
- 15 (b) pari-mutuel;
- 16 (c) state and local taxes;
- 17 (d) breakage to state;
- 18 (e) breeders' fund;
- 19 (f) cost of concession goods and programs;
- 20 (g) advertising and promotion;
- 21 (h) payroll;
- 22 (i) operating supplies and service;
- 23 (j) maintenance and repairs;
- 24 (k) security; and
- 25 (l) legal and audit;

26 (3) nonoperating expenses, including anticipated
27 expenses for debt service, facility depreciation and
28 identification of the method used, and equipment depreciation
29 and identification of the method used;

30 C. projected cash flow, including assessment of:

31 (1) income, including equity contributions, debt
32 contributions, interest income, and operating revenue; and

33 (2) disbursements, including land, improvements,
34 equipment, debt service, operating expense, and organizational
35 expense; and

36 D. projected balance sheets as of the end of any

1 development period and the first or next three racing years
2 setting forth current, fixed, and other noncurrent assets;
3 current and long-term liabilities; and capital accounts.

4 7870.0690 DISCLOSURE OF GOVERNMENTAL ACTIONS.

5 An applicant for a Class D license must disclose with
6 regard to actions of government agencies:

7 A. If any required government approvals for
8 development, management, and sponsorship of horse racing have
9 been obtained:

10 (1) A description of the approval, unit of
11 government and date, and documentation.

12 (2) Whether public hearings were held. If they
13 were, the applicant must disclose when and where the hearings
14 were conducted. If they were not held, the applicant must
15 disclose why they were not held.

16 (3) Whether the unit of government attached any
17 conditions to approval. If so, the applicant must disclose
18 these conditions, including documentation.

19 B. Whether any required governmental approvals remain
20 to be obtained, as well as a description of the approval, unit
21 of government, status, likelihood of approval, and estimated
22 date.

23 C. Whether the horse racing facility complies with
24 all statutes, charter provisions, ordinances, and regulations
25 pertaining to the development, sponsorship, and management of
26 horse racing. If not in compliance, the applicant must disclose
27 the reasons why not.

28 D. An applicant for a Class D license must provide a
29 certified copy of the county's authorizing resolution to conduct
30 pari-mutuel horse racing.

31 7870.0695 DISCLOSURE OF MANAGEMENT.

32 An applicant for a Class D license must disclose with
33 regard to its management of pari-mutuel horse racing:

34 A. A description of the applicant's management plan,
35 with budget and identification of management personnel by

1 function, job descriptions and qualifications for each
2 management position, and a copy of the organizational chart.

3 B. Management personnel or volunteers and to extent
4 known with respect to each:

5 (1) legal name, aliases, and previous names;

6 (2) current residence and business address and
7 telephone numbers;

8 (3) qualifications and experience in the
9 following areas:

10 (a) general business;

11 (b) marketing, promotion, and advertising;

12 (c) finance and accounting;

13 (d) horse racing;

14 (e) pari-mutuel betting;

15 (f) security; and

16 (g) human and animal health and safety; and

17 (4) a description of the terms and conditions of
18 employment, and a copy of the agreement if one exists.

19 C. Consultants and other contractors to the extent
20 known who have provided or will provide management-related
21 services to applicant and with respect to each:

22 (1) full name;

23 (2) current address and telephone number;

24 (3) nature of services;

25 (4) qualifications and experience; and

26 (5) description of terms and conditions of any
27 contractor's agreement, and a copy of the agreement.

28 D. Memberships of the applicant, management
29 personnel, and consultants in horse racing organizations.

30 E. A description of the applicant's security plan,
31 including:

32 (1) number and deployment of security personnel
33 used by applicant during a race meeting;

34 (2) specific security plans for stabling area,
35 detention area, pari-mutuel betting facilities, purses, and cash
36 room;

1 (3) specific plans to discover persons at the
2 horse racing facility who have been convicted of a felony, had a
3 license suspended, revoked, or denied by the commission or by
4 the horse racing authority of another jurisdiction, or are a
5 threat to the integrity of racing in Minnesota; and

6 (4) coordination of security with law enforcement
7 agencies.

8 F. A description of the applicant's plans for human
9 health and safety, including emergencies.

10 G. A description of the applicant's plans for animal
11 health and safety, including provisions for maintenance of the
12 racing surface and removal of injured horses from the track.

13 H. A description of the applicant's marketing,
14 promotion, and advertising plans.

15 I. A description of the applicant's plan for the
16 conduct of horse racing, including types of racing, number of
17 days, weeks, specific dates, number of races per day, time of
18 day, and special events.

19 J. A description of the applicant's plan for purses,
20 including total purses, formula, minimum, stakes races, and
21 purse-handling procedures.

22 K. A description of the applicant's plan for
23 pari-mutuel betting, including number of line divisions,
24 windows, selling machines, and clerks; uses and duties of each;
25 and accounting procedures, including its proposed system of
26 internal audit and supervisory controls.

27 L. A description of the applicant's plan for
28 concessions, including whether licensee will operate concessions
29 and, if not, who will to the extent known.

30 M. A description of training of the applicant's
31 personnel.

32 N. A description of plans for compliance with laws
33 pertaining to discrimination, equal employment, and affirmative
34 action.

35 7870.0720 EFFECTS ON COMPETITION.

1 An applicant for a Class D license must disclose the
2 effects of its sponsorship and management of horse racing on
3 competitors within the horse racing industry.

4 7870.0730 DISCLOSURE OF ASSISTANCE IN PREPARATION OF APPLICATION.

5 An applicant for a Class D license must disclose the names,
6 addresses, and telephone numbers of individuals who assisted the
7 applicant in preparation of its application.

8 7870.0740 PERSONAL INFORMATION AND AUTHORIZATION FOR RELEASE.

9 In an application for a Class D license, the applicant must
10 make its best effort to include the following with respect to
11 each individual identified pursuant to part 7870.0620 as a
12 director, trustee, officer, member, shareholder, or other holder
13 of a direct or indirect record or beneficial voting interest or
14 control of five percent or more in the applicant and each
15 individual identified pursuant to part 7870.0695:

16 A. full name, business and residence addresses and
17 telephone numbers, last five residence addresses, date of birth,
18 place of birth, social security number, if the individual is
19 willing to provide it, and two references; and

20 B. an authorization for release of personal
21 information, on a form prepared by the commission, signed by the
22 individual and providing that the applicant:

23 (1) authorizes a review by and full disclosure to
24 an agent of the Minnesota Department of Public Safety, Division
25 of Gambling Enforcement, of all records concerning the
26 individual, whether the records are public, nonpublic, private,
27 or confidential;

28 (2) recognizes the information reviewed or
29 disclosed may be used by the Minnesota Racing Commission, its
30 members and employees, and agents of the Division of Gambling
31 Enforcement to determine the signer's qualifications for a Class
32 D license; and

33 (3) releases authorized providers and users of
34 the information from any liability under state or federal data
35 privacy law.

1 7870.0750 CLASS D LICENSE CRITERIA.

2 The commission may issue a Class D license if it determines
3 on the basis of all the facts before it that: racing will be
4 operated according to applicable laws and rules, and issuance of
5 a license will not adversely affect the public health, safety,
6 and welfare. In making the required determinations, the
7 commission must consider the following factors and indices:

8 A. the integrity of the applicant, its directors,
9 trustees, officers, managers, and holders of voting interests or
10 control, including:

11 (1) criminal records;

12 (2) involvement in litigation over business
13 practices;

14 (3) involvement in disciplinary actions over a
15 business license or permit or refusal to review a license or
16 permit;

17 (4) involvement in proceedings in which unfair
18 labor practices, discrimination, or government regulation of
19 horse racing or gambling was an issue;

20 (5) involvement in bankruptcy proceedings;

21 (6) failure to satisfy judgments, orders, or
22 decrees;

23 (7) delinquency in filing of tax reports or
24 remitting taxes;

25 (8) any other indices related to integrity which
26 the commission deems crucial to decision making as long as the
27 same indices are considered with regard to all applicants;

28 B. the types and variety of pari-mutuel racing which
29 applicant will offer;

30 C. the quality of physical improvements and equipment
31 applicant will use, including:

32 (1) racetrack or tracks;

33 (2) stabling;

34 (3) grandstand;

35 (4) detention area;

- 1 (5) paddock;
- 2 (6) jockeys' and drivers' quarters and equipment;
- 3 (7) pari-mutuel tote;
- 4 (8) parking;
- 5 (9) access by road and public transportation;
- 6 (10) backstretch security fence;
- 7 (11) other security improvements and equipment;
- 8 (12) starting, timing, and photo finish
- 9 equipment;
- 10 (13) commission work areas; and
- 11 (14) any other indices related to quality which
- 12 the commission deems crucial to decision making as long as the
- 13 same indices are considered with regard to all applicants;
- 14 D. imminence of completion of facility;
- 15 E. financial ability to develop, sponsor, and manage
- 16 pari-mutuel horse racing successfully, including:
- 17 (1) ownership and control structure;
- 18 (2) amounts and reliability of development costs;
- 19 (3) certainty of site acquisition or lease;
- 20 (4) terms and conditions of the applicant's
- 21 authorization to use facility;
- 22 (5) current financial condition;
- 23 (6) sources of equity and debt funds, amounts,
- 24 terms and conditions, and certainty of commitment;
- 25 (7) provision for cost overruns, nonreceipt of
- 26 expected equity or debt funds, failure to achieve projected
- 27 revenues, or other financial adversity;
- 28 (8) feasibility of the financial plan;
- 29 (9) any other indices related to financial
- 30 ability which the commission deems crucial to decision making as
- 31 long as the same indices are considered with regard to all
- 32 applicants;
- 33 F. status of necessary government approvals and
- 34 compliance with applicable statutes, charters, ordinances, and
- 35 regulations;
- 36 G. management ability of the applicant, including:

- 1 (1) qualifications of managers, consultants, and
- 2 other contractors to manage pari-mutuel horse racing;
- 3 (2) security plan;
- 4 (3) plans for human and animal health and safety;
- 5 (4) marketing, promotion, and advertising plans;
- 6 (5) plan for conducting horse racing;
- 7 (6) plan for purses;
- 8 (7) plan for pari-mutuel betting;
- 9 (8) concessions plans;
- 10 (9) plan for personnel training;
- 11 (10) equal employment and affirmative action
- 12 compliance; and

13 (11) any other indices related to management
 14 which the commission deems crucial to its decision making as
 15 long as the same indices are considered with regard to all
 16 applicants;

17 H. efforts to promote orderly growth of horse racing
 18 in Minnesota and educate the public with respect to horse racing
 19 and pari-mutuel betting;

20 I. extent of public support and opposition; and

21 J. effects on competition, including:

22 (1) number, nature, and relative location of
 23 other Class D licenses;

24 (2) minimum and optimum number of racing days
 25 sought by the applicant; and

26 (3) any other indices related to effects on
 27 competition which the commission deems crucial to decision
 28 making as long as the same indices are considered with regard to
 29 all applicants.

30 The commission also must consider any other information
 31 which the applicant discloses and is relevant and helpful to a
 32 proper determination by the commission.

33 7870.0760 CLASS D LICENSE APPLICATION DISCLOSURES.

34 An applicant for a Class D license in its disclosures must:

35 A. Provide disclosures in printed or typewritten form

1 on 8-1/2 by 11-inch paper. Immediately preceding each response,
2 an applicant must state what disclosure is sought. Any
3 attachments or exhibits must be lettered or numbered
4 separately. An applicant must provide photographs of any
5 three-dimensional exhibits.

6 B. Make its best effort, as defined in part 7870.0620
7 to provide all information required to be disclosed.

8 C. Provide only information relevant to disclosures
9 requested by the commission.

10 D. Upon request of the commission or its agents
11 provide copies of any documents used in the preparation of its
12 application.

13 7870.0770 CLASS D LICENSE APPLICATION SUBMISSION.

14 An applicant for a Class D license must submit to an
15 individual designated by the commission:

16 A. all documents which are part of its application as
17 a single assemblage; and

18 B. a letter of transmittal to the commission and, in
19 sealed envelopes, an original and 20 copies of the application.

20 7870.0780 CLARIFICATION OF CLASS D LICENSE APPLICATION 21 REQUIREMENTS.

22 The commission must designate an individual who will
23 clarify Class D license application requirements upon the oral
24 or written request of a potential applicant. The designee must
25 respond to clarification requests in writing within five days.
26 No interpretation of application requirements by any other
27 person will be binding upon the commission.

28 7870.0790 CHANGES IN CLASS D LICENSE APPLICATIONS.

29 The commission must not consider a substantive amendment to
30 a Class D license application after its submission.

31 7870.0800 DEADLINES FOR SUBMISSION OF CLASS D LICENSE 32 APPLICATIONS.

33 Applications for Class D licenses must be submitted by at
34 least 90 days before the date on which the applicant proposes to

1 commence horse racing.

2 7870.0810 ORAL PRESENTATION BY APPLICANT FOR A CLASS D LICENSE.

3 The commission must provide an applicant for a Class D
4 license an opportunity to make an oral presentation of its
5 application to the commission before the commission decides
6 whether to issue a license. This part does not require that the
7 commission afford an applicant more than one opportunity to make
8 an oral presentation before the commission makes its decision.

9 7870.0820 PAYMENT OF CLASS D LICENSE FEE.

10 A Class D license does not become effective until the
11 commission receives a certified check or bank draft made payable
12 to the order of the State of Minnesota in the amount of the
13 license fee as follows and is void if the license fee is not
14 received within ten days, as computed pursuant to Minnesota
15 Statutes, section 645.15, after issuance: A fee for a Class D
16 license equal to \$50 times the optimum number of racing days
17 sought in the license application. The commission must promptly
18 refund to the licensee any amount by which the fee paid exceeds
19 \$50 times the number of actual days of racing sponsored and
20 managed by the licensee.

21 7870.0830 CLASS D LICENSE APPLICATION INFORMATION.

22 False or misleading information in a Class D license
23 application, omission of required information, or substantial
24 deviation from representations in the application is cause for
25 denial, revocation, or suspension of a license or imposition of
26 a fine.

27 7870.0840 CONSTRUCTION, EXPANSION, EXTENSION, ALTERATION, OR
28 REMODELING OF FACILITIES.

29 No Class D licensee may manage and conduct pari-mutuel
30 horse racing at a facility at which construction, expansion,
31 extension, alteration, or remodeling has occurred. No Class D
32 licensee may construct, expand, extend, alter, or remodel a
33 racetrack at a cost in excess of \$10,000 unless the commission
34 has approved the expansion, extension, alteration, or

1 remodeling. Management or conduct of racing without approval is
 2 cause for revocation or suspension of a license or imposition of
 3 a fine.

4 7870.0850 SECURITY.

5 Class D licensees must maintain security which is adequate
 6 to ensure the health, safety, and comfort of all humans and
 7 horses at the racetrack facility and protection of all property.

8 7870.0855 SECURITY MODIFICATIONS.

9 The commission may order Class D licensees to make
 10 modifications to security facilities, equipment, systems,
 11 personnel, or their deployment which are necessary to ensure the
 12 integrity of racing or public safety, health, or welfare.
 13 Failure to make modifications mandated by the commission
 14 promptly is cause for revocation or suspension of a license or
 15 imposition of a fine.

16 7870.0860 MEDICAL SERVICES.

17 It shall be the responsibility of the Class D licensee to
 18 have a ~~licensed certified~~ paramedic, ~~or~~ emergency medical
 19 technician, ~~or-the-equivalent,~~ and an ambulance ~~or-other~~
 20 ~~suitable-transportation-available~~ on the premises during the
 21 period beginning 30 minutes prior to the post time for the first
 22 race on the program, or first qualifying race, through the
 23 conclusion of the racing program. ~~For-the-purposes-of-this~~
 24 ~~part,-"ambulance"-or-"other-suitable-transportation"-shall-be~~
 25 ~~defined-as-one-capable-of-transporting-injured-parties-to-an~~
 26 ~~appropriate-medical-facility.~~

27 7870.0870 CARE OF HORSES.

28 A Class D licensee must provide the following facilities,
 29 equipment, and personnel for horses:

- 30 A. an individual stall for each horse, or other
 31 stabling facilities;
 32 B. a fence surrounding the stabling facilities;
 33 C. a licensed outrider mounted and on duty whenever
 34 pari-mutuel racing is being conducted; and

1 D. a conveyance available for the safe and expedient
2 removal of crippled animals. The appearance and operation of
3 such conveyance must be approved by the commission veterinarian
4 prior to the taking of entries for the first day of racing.
5 Whenever pari-mutuel racing is being conducted, this conveyance
6 must be available in a location such that it may be immediately
7 driven to an injured horse by a driver capable of assisting in
8 the safe and expedient removal of said horse from the racetrack
9 surface.

10 7891.0110 POSTMORTEM EXAMINATION.

11 Subpart 1. **Horses that must undergo postmortem**
12 **examination.** Every horse which suffers a breakdown at a
13 licensed racetrack under the jurisdiction of the commission, in
14 training or in competition, and which is euthanized, and every
15 horse which expires while stabled at a licensed racetrack under
16 the jurisdiction of the commission, shall undergo a postmortem
17 examination to be conducted by the commission veterinarian or
18 the veterinarian's designee to determine the injury or illness
19 which resulted in euthanasia or natural death. A Class D
20 license holder is responsible for furnishing transportation,
21 within six hours of death, to deliver a horse to a postmortem
22 site to be determined by the commission veterinarian.

23 Subp. 2. **Test samples to be taken for analysis.** Test
24 samples must be obtained from every horse which undergoes a
25 postmortem examination. The samples shall be sent for analysis
26 to a laboratory approved by the commission and the commission
27 may direct the laboratory to retain and preserve such samples
28 for future analysis.

29 When practical, both blood and urine test samples shall be
30 obtained prior to euthanasia.

31 Subp. 3. **Owner and trainer responsible.** The owner and
32 attending trainer are responsible for reporting to the
33 commission veterinarian the death of a horse within one hour of
34 its death, and for having the postmortem examination performed
35 in accordance with this part.

1 Subp. 4. **Report of exam.** A report of every postmortem
2 examination shall be filed with the commission within 72 hours
3 of the horse's death on a form prepared by the commission.