

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-SECOND SESSION**

**S.F. No. 2324**

(SENATE AUTHORS: PRATT)

DATE  
04/06/2021

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OFFICIAL STATUS  
Introduction and first reading  
Referred to State Government Finance and Policy and Elections

- 1.1 A bill for an act
- 1.2 relating to horse racing; modifying provisions relating to advance deposit wagering;
- 1.3 amending Minnesota Statutes 2020, sections 240.01, subdivision 18; 240.06,
- 1.4 subdivision 7; 240.11; 240.131, subdivision 7; 240.24, subdivisions 2a, 3; 240.30,
- 1.5 subdivision 5.
- 1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.7 Section 1. Minnesota Statutes 2020, section 240.01, subdivision 18, is amended to read:
- 1.8 Subd. 18. **Racing meeting.** "Racing meeting" is a series of days in which racing days
- 1.9 are not separated by more than five nonracing days unless approved in advance by the
- 1.10 commission.
- 1.11 Sec. 2. Minnesota Statutes 2020, section 240.06, subdivision 7, is amended to read:
- 1.12 Subd. 7. **License suspension and revocation.** The commission:
- 1.13 (1) may revoke a class A license for (i) a violation of law, order, or rule which in the
- 1.14 commission's opinion adversely affects the integrity of horse racing in Minnesota, or for
- 1.15 an intentional false statement made in a license application, or (ii) a willful failure to pay
- 1.16 any money required to be paid by Laws 1983, chapter 214;
- 1.17 (2) may revoke a class A license for failure to perform material covenants or
- 1.18 representations made in a license application; and
- 1.19 (3) shall revoke a class A license if live racing has not been conducted on at least 50
- 1.20 racing days assigned by the commission during any period of 12 consecutive months, unless
- 1.21 the commission authorizes a shorter period because of circumstances beyond the licensee's
- 1.22 control pursuant to section 240.30, subdivision 5.

The commission may suspend a class A license for up to one year for a violation of law, order, or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, and may suspend a class A license indefinitely if it determines that the licensee has as an officer, director, shareholder, or other person with a direct, indirect, or beneficial interest a person who is in the commission's opinion inimical to the integrity of horse racing in Minnesota or who cannot be certified under subdivision 1, clause (4).

A license revocation or suspension under this subdivision is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act, and is in addition to criminal penalties imposed for a violation of law or rule.

Sec. 3. Minnesota Statutes 2020, section 240.11, is amended to read:

**240.11 LICENSES NONTRANSFERABLE.**

(a) Except as provided in paragraph (b), a license issued under this chapter may not be transferred.

(b) A class A, class B, class C, or class D license to provide advance deposit wagering may be transferred with prior approval by the commission.

Sec. 4. Minnesota Statutes 2020, section 240.131, subdivision 7, is amended to read:

Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of two percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs incurred by the commission as described in section 240.30, subdivision 9, or the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

(b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special

3.1 revenue fund and are appropriated to the commission to offset the cost of administering the  
3.2 breeders fund and promote horse breeding in Minnesota.

3.3 Sec. 5. Minnesota Statutes 2020, section 240.24, subdivision 2a, is amended to read:

3.4 Subd. 2a. **Reimbursement.** Increased expenses related to the use of upgraded drug  
3.5 testing technologies and procedures are deemed to be necessary costs within the meaning  
3.6 of section 240.155 and the commission ~~shall~~ may be reimbursed for these expenses from  
3.7 receipts from card playing activities regulated by the commission.

3.8 Sec. 6. Minnesota Statutes 2020, section 240.24, subdivision 3, is amended to read:

3.9 Subd. 3. **Fees.** The commission shall establish by rule a fee or schedule of fees that may  
3.10 be used to recover the costs of medical testing of horses running at racetracks licensed by  
3.11 the commission. Fees charged for the testing of horses shall cover the cost of the medical  
3.12 testing laboratory. Fee receipts shall be deposited in the state treasury and credited to the  
3.13 racing reimbursement account.

3.14 Sec. 7. Minnesota Statutes 2020, section 240.30, subdivision 5, is amended to read:

3.15 Subd. 5. **Limitation.** (a) The commission shall not authorize a licensee to operate a card  
3.16 club if the licensee has not conducted at least 50 days of live racing at a class A facility  
3.17 within the past 12 months or during the preceding calendar year unless the commission  
3.18 authorizes a shorter period ~~because of~~ as a result of an epidemic, natural disaster, flood,  
3.19 war, or other circumstances beyond the licensee's control that made conducting 50 days of  
3.20 live racing untenable for either public or equine health, welfare, or safety.

3.21 (b) Any authorization by the commission for a shorter period under paragraph (a), must  
3.22 be approved in writing by the horsepersons' organization representing the majority of  
3.23 horsepersons racing the breed racing the majority of races at the licensee's class A facility  
3.24 during the preceding 12 months.