

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

**S.F. No. 796**

(SENATE AUTHORS: PRATT, Draheim and Benson)

DATE  
02/04/2019

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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 pari-mutuel horse racing; modifying provisions relating to reporting,  
 1.3 licensing, and regulation; amending Minnesota Statutes 2018, sections 240.01, by  
 1.4 adding a subdivision; 240.02, subdivision 6; 240.131, subdivision 7; 240.22.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2018, section 240.01, is amended by adding a subdivision  
 1.7 to read:

1.8 Subd. 18a. **Racing or gaming-related vendor.** "Racing or gaming-related vendor"  
 1.9 means any person or entity that manufactures, sells, provides, distributes, repairs or maintains  
 1.10 equipment or supplies used at a Class A facility, or provides services to a Class A facility  
 1.11 or Class B license holder, that are directly related to the running of a horse race, simulcasting,  
 1.12 pari-mutuel betting, or card playing.

1.13 Sec. 2. Minnesota Statutes 2018, section 240.02, subdivision 6, is amended to read:

1.14 Subd. 6. **Annual Biennial report.** The commission shall on February 15 of each  
 1.15 odd-numbered year submit a report to the governor and legislature on its activities,  
 1.16 organizational structure, receipts and disbursements, and recommendations for changes in  
 1.17 the laws relating to racing and pari-mutuel betting.

1.18 Sec. 3. Minnesota Statutes 2018, section 240.131, subdivision 7, is amended to read:

1.19 Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of one percent  
 1.20 of all amounts wagered by Minnesota residents with an authorized advance deposit wagering  
 1.21 provider. The fee shall be declared on a form prescribed by the commission. The ADW

2.1 provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of  
2.2 the month in which the wager was made. Fees collected under this paragraph must be  
2.3 deposited in the state treasury and credited to a racing and card-playing regulation account  
2.4 in the special revenue fund and are appropriated to the commission to offset the costs  
2.5 associated with regulating horse racing and pari-mutuel wagering in Minnesota.

2.6 (b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all  
2.7 amounts wagered by Minnesota residents with an authorized advance deposit wagering  
2.8 provider. The fee shall be declared on a form prescribed by the commission. The ADW  
2.9 provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of  
2.10 the month in which the wager was made. Fees collected under this paragraph must be  
2.11 deposited in the state treasury and credited to a racing and card-playing regulation account  
2.12 in the special revenue fund and are appropriated to the commission to offset the cost of  
2.13 administering the breeders fund and promote horse breeding in Minnesota.

2.14 Sec. 4. Minnesota Statutes 2018, section 240.22, is amended to read:

2.15 **240.22 FINES.**

2.16 (a) The commission shall by rule establish a schedule of civil fines for violations of laws  
2.17 related to horse racing or of the commission's rules. The schedule must be based on and  
2.18 reflect the culpability, frequency and severity of the violator's actions. The commission may  
2.19 impose a fine from this schedule on a licensee for a violation of those rules or laws relating  
2.20 to horse racing. The fine is in addition to any criminal penalty imposed for the same violation.  
2.21 Fines imposed by the commission must be paid to the commission and except as provided  
2.22 in paragraph (c), forwarded to the commissioner of management and budget for deposit in  
2.23 the state treasury and credited to a racing and card-playing regulation account in the special  
2.24 revenue fund and appropriated to the commission to distribute in the form of grants, contracts,  
2.25 or expenditures to support racehorse adoption, retirement, and repurposing.

2.26 (b) If the commission issues a fine in excess of \$5,000, the license holder has the right  
2.27 to request a contested case hearing under chapter 14, to be held as set forth in Minnesota  
2.28 Rules, chapter 1400. The appeal of a fine must be made in writing to the commission by  
2.29 certified mail or personal service. An appeal sent by certified mail must be postmarked  
2.30 within ten days after the license holder receives the fine order from the commission. An  
2.31 appeal sent by personal service must be received by the commission within ten days after  
2.32 the license holder receives the fine order from the commission.

- 3.1 (c) If the commission is the prevailing party in a contested case proceeding, the  
3.2 commission may recover, from amounts to be forwarded under paragraph (a), reasonable  
3.3 attorney fees and costs associated with the contested case.