
AGENCY OVERVIEW**Date:** 01/13/2011**670 ND Horse Racing Commission****Time:** 10:55:44

Statutory Authority

North Dakota Century Code 53-06.2-01 to 53-06.2-16.

Agency Description

The North Dakota Racing Commission is the regulatory agency in charge of regulating live, simulcast racing, and account deposit wagering in North Dakota. The Commission administers four special funds for the benefit of the horse racing industry in North Dakota. The commission is made up of five members appointed by the Governor and has an office staff of a Director and an administrative staff officer.

Agency Mission Statement

The mission of the North Dakota Racing Commission is to make Simulcast Pari-mutuel Wagering and horse racing a viable, honest and productive industry within North Dakota.

Agency Performance Measures

A formal performance measures system is not utilized by this agency.

Major Accomplishments

1. Regulated the live, simulcast, account deposit wagering industry in North Dakota.
2. Promoted live horse racing.
3. Assisted in resolving debt problems at the North Dakota Horse Park in Fargo.
4. Responded to issues related to live horse racing and account deposit wagering.
5. Redrafted proposed rule changes to accommodate account deposit wagering issues, regulations affecting live racing, and updated totalizator regulations.
6. Executed the duties required by the North Dakota Century Code.
7. Approved and licensed live racing via licenses provided to tracks, associations, owners, trainers and jockeys.
8. Approved and licensed all simulcast racing, including tote providers, service providers, charitable sites, and simulcast employees.
9. Monitored live and simulcast racing by hiring and providing veterinarians, stewards and other personnel required to assure compliance with the Administrative Code.
10. Administered the promotion fund monies to promote live and simulcast racing and provided oversight to insure compliance with promotion awards.
11. Approved and disbursed the purse fund grants to live race tracks to promote live racing.
12. Contracted an independent contractor to administer the North Dakota Breeders' Fund Horse Registry.
13. Contracted with an independent accounting agency to provide oversight, evaluate and review over all pari-mutuel activities.

Future Critical Issues

The appropriation of adequate general fund dollars for the Racing Commission in the 2011-13 biennium to conduct statutory responsibilities and to grow the industry so it can be financially self-sufficient in the future.

The Commission is provided greater flexibility to access Promotion Fund dollars for administrative services to regulate, monitor, and audit racing activity. The current statute requires the Commission to first seek approval by the Emergency Commission before accessing 25% of the fund balance. The restriction makes it very difficult to react to immediate business concerns such as contracting an audit or conducting a fraud investigation.

The Commission receives legislative support and the necessary financial resources to protect North Dakota from criminal activity, fraud, and money laundering in the racing industry; particularly, with the growth of simulcast wagering.

The Commission has the ability to recruit and retain account deposit wagering companies to replenish the Breeders, Purse and Promotion Funds to support the racing industry in the state.

AGENCY OVERVIEW

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The ability of the administrative office to upgrade computer equipment and the telephone system.

REQUEST SUMMARY

670 ND Horse Racing Commission
Biennium: 2011-2013

Bill#: HB1024

Date: 01/13/2011

Time: 10:55:44

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
By Major Program					
Horse Racing Administration	420,455	400,000	31,041	431,041	(9,031)
Total Major Program	420,455	400,000	31,041	431,041	(9,031)
By Line Item					
Racing Commission	420,455	400,000	31,041	431,041	(9,031)
Total Line Items	420,455	400,000	31,041	431,041	(9,031)
By Funding Source					
General Fund	120,674	295,000	6,041	301,041	(9,031)
Federal Funds					
Special Funds	299,781	105,000	25,000	130,000	0
Total Funding Source	420,455	400,000	31,041	431,041	(9,031)
Total FTE	2.00	2.00	0.00	2.00	0.00

REQUEST DETAIL670 ND Horse Racing Commission
Biennium: 2011-2013

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Date: 01/13/2011

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Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Racing Commission					
Salaries - Permanent	207,363	101,698	117,470	219,168	0
Temporary Salaries	0	105,842	(86,762)	19,080	0
Overtime	2,757	819	(819)	0	0
Fringe Benefits	65,991	42,000	37,061	79,061	0
Travel	29,170	22,900	2,553	25,453	0
Supply/Material-Professional	70	52	(52)	0	0
Miscellaneous Supplies	664	0	0	0	0
Office Supplies	7,781	3,000	0	3,000	0
Postage	691	500	0	500	0
Printing	843	1,600	0	1,600	0
IT Equip Under \$5,000	956	1,200	1,000	2,200	0
Office Equip & Furn Supplies	3,904	8,645	(8,645)	0	0
Insurance	547	700	0	700	0
Rentals/Leases - Bldg/Land	16,860	17,911	(1,215)	16,696	0
Repairs	387	1,718	(240)	1,478	0
IT - Data Processing	6,273	7,000	0	7,000	0
IT - Communications	4,149	4,800	0	4,800	0
Professional Development	13,635	10,252	2,748	13,000	(9,031)
Operating Fees and Services	19,656	18,000	0	18,000	0
Fees - Professional Services	38,758	51,363	(32,058)	19,305	0
Total	420,455	400,000	31,041	431,041	(9,031)
Racing Commission					
General Fund	120,674	295,000	6,041	301,041	(9,031)
Federal Funds	0	0	0	0	0
Special Funds	299,781	105,000	25,000	130,000	0
Total	420,455	400,000	31,041	431,041	(9,031)
Funding Sources					
General Fund	120,674	295,000	6,041	301,041	(9,031)
Federal Funds	0	0	0	0	0
Special Funds	299,781	105,000	25,000	130,000	0
Total Funding Sources	420,455	400,000	31,041	431,041	(9,031)

CHANGE PACKAGE SUMMARY

670 ND Horse Racing Commission
Biennium: 2011-2013

Bill#: HB1024

Date: 01/13/2011

Time: 10:55:44

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<u>Base Budget Changes</u>						
Ongoing Budget Changes						
A-A 1 Expenditure Adjustments		0.00	(60,909)	0	25,000	(35,909)
Base Payroll Change		0.00	66,950	0	0	66,950
Total Ongoing Budget Changes		0.00	6,041	0	25,000	31,041
Total Base Budget Changes		0.00	6,041	0	25,000	31,041
<u>Optional Savings Changes</u>						
A-G 2 Governor's Reduction Mandate	1	0.00	(9,031)	0	0	(9,031)
Total Optional Savings Changes		0.00	(9,031)	0	0	(9,031)

BUDGET CHANGES NARRATIVE

670 ND Horse Racing Commission

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Change Group: A	Change Type: A	Change No: 1	Priority: 1
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Expenditure Adjustments

Base Budget Change: Redistribution of expenses to reflect activity in 2011-13 under the restrictions of maintaining a flat general fund budget. Salary changes are necessary to fund a full-time director with associated fringe benefits. The present director was paid under contract for 6 months of the current biennium and as a temporary position for the remaining months.

Change Group: A	Change Type: G	Change No: 2	Priority: 1
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Governor's Reduction Mandate

To meet budget requirements for a 3% cut in general fund dollars, the \$13,000 budgeted for national membership fees has been reduced by \$9,031. This action will have a severe negative impact in the Racing Commission's ability to properly administer racing in North Dakota..