

PROGRAM NARRATIVE**670 ND Horse Racing Commission****Date:** 12/23/2014**Time:** 13:21:51**Program:** Horse Racing Administration**Reporting level:** 00-670-100-00-00-00-00000000**Program Performance Measures**

Performance measures and results reporting are not currently used by this agency.

Program Statistical Data

While horse racing was brought back to the Fargo track in 2011-2013, debt issues have continued to cause concerns about the future of racing there. The Commission has spent considerable time and effort during the 2013-2015 biennium to determine how to resolve these issues. These efforts will likely continue into the 2015-2017 biennium until such time as live racing has stabilized.

The amount wagered through North Dakota Racing Commission licenses for account deposit wagering and simulcast wagering continues to increase. In FY 2011 the total handle was \$81,742,618, FY 2012: \$150,564,723, FY 2013: \$195,787,720. Handle is projected to be approximately \$250,000,000 for the 2014 FY. With these increases the Racing Commission is now very close to achieving its goal of making itself a self-sustaining agency that is funded through tax dollars from account deposit wagering.

The Racing Commission is currently putting forth a number of administrative rule changes including the new model medication rules for horse racing, revisions to its ADW and flat racing rules to conform with the model rules, and the new tote-x wager which could further increase tax revenues.

Explanation of Program Costs

The Racing Commission is the sole agency responsible for regulating live racing and wagering through companies and associations licensed by the Racing Commission. To enhance the monitoring and accounting of wagered funds, the Racing Commission entered into a contract with an accredited accounting and auditing firm on July 1, 2011. The Commission has continued to work with this firm to enhance the effectiveness of its regulatory and auditing functions.

The Racing Commission adopted the Uniform Classification Guidelines for Foreign Substances and Recommended Penalties and Model Rule developed by the Association of Racing Commissioners International. These rules require the use of a credentialed testing laboratory. These rules are now moving through the Administrative Rules process to make them a permanent part of our regulatory structure.

The Racing Commission continues to use a private investigator to conduct compliance checks throughout the racing complex at Belcourt and Fargo and to monitor wagering activities. These efforts have resulted in an enhanced level of regulation and compliance in live racing.

The Racing Commission has also begun the process of re-writing the administrative rules that govern live racing, account deposit wagering, breeders' fund awards and licensing. These rules will upgrade live racing and provide animal protection, human participant safety, and compliance with national standards.

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Program Goals and Objectives

The North Dakota Racing Commission's primary objective is to regulate and promote the pari-mutuel wagering and live horse racing industry in North Dakota.

REQUEST DETAIL BY PROGRAM670 ND Horse Racing Commission
Biennium: 2015-2017

Bill#: HB1023

Date: 12/23/2014

Time: 13:21:51

Program: Horse Racing Administration		Reporting Level: 00-670-100-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Accrued Leave					
Salaries - Permanent	0	3,789	(3,789)	0	0
Total	0	3,789	(3,789)	0	0
Accrued Leave					
General Fund	0	3,789	(3,789)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	3,789	(3,789)	0	0
Racing Commission					
Salaries - Permanent	113,732	256,292	(4,796)	251,496	0
Temporary Salaries	125,285	23,584	416	24,000	0
Overtime	5,491	500	(500)	0	0
Fringe Benefits	52,514	95,000	4,742	99,742	0
Travel	26,026	39,910	0	39,910	0
Bldg, Ground, Maintenance	392	0	0	0	0
Office Supplies	4,017	3,500	0	3,500	0
Postage	1,399	1,662	0	1,662	0
Printing	1,292	1,850	0	1,850	0
IT Equip Under \$5,000	1,129	2,500	0	2,500	0
Office Equip & Furn Supplies	0	2,500	0	2,500	0
Insurance	5,105	4,706	0	4,706	0
Rentals/Leases-Equip & Other	0	5,106	0	5,106	0
Rentals/Leases - Bldg/Land	16,716	17,696	0	17,696	0
Repairs	1,066	1,871	0	1,871	0
IT - Data Processing	8,855	9,940	0	9,940	0
IT - Communications	4,697	6,137	0	6,137	0
Professional Development	16,495	31,700	0	31,700	0
Operating Fees and Services	14,778	17,000	1,500	18,500	0
Fees - Professional Services	22,278	30,409	0	30,409	0
Total	421,267	551,863	1,362	553,225	0
Racing Commission					
General Fund	317,501	385,455	9,040	394,495	0
Federal Funds	0	0	0	0	0
Special Funds	103,766	166,408	(7,678)	158,730	0
Total	421,267	551,863	1,362	553,225	0

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Total Expenditures	421,267	555,652	(2,427)	553,225	0
Funding Sources					
General Fund					
Total	317,501	389,244	5,251	394,495	0
Special Funds					
334 Horse Racing Operating Funds 334	103,766	166,408	(7,678)	158,730	0
Total	103,766	166,408	(7,678)	158,730	0
Total Funding Sources	421,267	555,652	(2,427)	553,225	0
FTE Employees	2.00	2.00	0.00	2.00	0.00

CHANGE PACKAGE DETAIL

670 ND Horse Racing Commission
 Biennium: 2015-2017

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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
Ongoing Budget Changes						
A-A 1 Operating expense changes		0.00	0	0	1,500	1,500
Base Payroll Change		0.00	5,251	0	(9,178)	(3,927)
Total Ongoing Budget Changes		0.00	5,251	0	(7,678)	(2,427)
Total Base Budget Changes		0.00	5,251	0	(7,678)	(2,427)