

sion; and (4) nonsteroidal anti-inflammatory drugs, provided that the test sample does not contain more than three micrograms of the substance or metabolites thereof per milliliter of blood plasma. For purposes of this clause, "test sample" means any bodily substance including blood, urine, saliva, or other substance as directed by the commission, taken from a horse under the supervision of the commission veterinarian and in such manner as prescribed by the commission for the purpose of analysis.

The commission shall adopt emergency rules to implement the provisions of this subdivision.

Sec. 3. Minnesota Statutes 1984, section 240.26, is amended by adding a subdivision to read:

Subd. 4. PROSECUTION BY ATTORNEY GENERAL. Notwithstanding section 388.051, subdivision 1, paragraph (c), the attorney general has primary jurisdiction to prosecute felony violations of section 240.25, subdivisions 2, 3, 4, and 7, and felony violations of section 240.25, subdivision 1, when the bet was allegedly accepted on the premises of a licensed racetrack.

Sec. 4. **RULES.**

Notwithstanding chapter 14, the emergency rules adopted under section 2 shall expire on November 15, 1985, and the commission must publish proposed permanent rules under Minnesota Statutes, sections 14.14 to 14.28, by October 1, 1985.

Sec. 5. **EFFECTIVE DATE.**

Sections 1 to 4 are effective the day following final enactment. Section 2, subdivision 2, is repealed effective December 31, 1987.

Approved May 23, 1985

CHAPTER 212 — S.F.No. 1249

An act relating to horse racing; making certain technical and clarifying amendments; providing for certain name changes; modifying certain license revocation and suspension procedures; modifying the amounts deducted by the licensee for purses; appropriating money; amending Minnesota Statutes 1984, sections 240.01, subdivision 10; 240.02, subdivision 5; 240.03; 240.04; 240.05, subdivision 2; 240.06, subdivision 2; 240.08, subdivisions 1 and 5; 240.09, subdivisions 2, 3, and 6; 240.13, subdivisions 5 and 6; 240.14, subdivision 1; 240.15, subdivisions 5 and 6; 240.16, subdivisions 1 and 6; 240.18; 240.22; 240.24; 240.25, subdivisions 1 and 4; 240.29; 541.20; and 541.21; repealing Minnesota Statutes 1984, section 624.02.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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

Section 1. Minnesota Statutes 1984, section 240.01, subdivision 10, is amended to read:

Subd. 10. **RACING DAY.** "Racing day" is a day assigned by the commission as a racing day, and on which racing is conducted.

Sec. 2. Minnesota Statutes 1984, section 240.02, subdivision 5, is amended to read:

Subd. 5. **ACTIONS.** The commission may sue and be sued in its own name but no action may be brought against the commission or any of its members for actions taken in good faith in the performance of their duties. Suits and actions may be commenced against the commission or any of its members in any court of competent jurisdiction in this state by ~~the service on the secretary of state, in the manner provided in Minnesota rules of court,~~ of any summons, process, or pleadings authorized by the laws of this state. ~~If any summons, process, or pleadings is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the chairman of the commission at the current address of the commission. The executive secretary of the commission shall inform the secretary of state of the mailing address of the commission and any changes in it.~~ The attorney general is the legal counsel for the commission.

Sec. 3. Minnesota Statutes 1984, section 240.03, is amended to read:

240.03 COMMISSION POWERS AND DUTIES.

The commission has the following powers and duties:

(1) to regulate horse racing in Minnesota to ensure that it is conducted in the public interest;

(2) to issue licenses as provided in Laws 1983, chapter 214;

(3) to enforce all laws and rules governing horse racing;

(4) to collect and distribute all taxes provided for in Laws 1983, chapter 214;

(5) to conduct necessary investigations and inquiries and compel the submission of information, documents, and records it deems necessary to carry out its duties;

(6) to supervise the conduct of pari-mutuel betting on horse racing;

(7) to employ and supervise personnel under Laws 1983, chapter 214;

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(8) to determine the number of racing ~~dates~~ days to be held in the state and at each ~~track~~ licensed racetrack;

(9) to take all necessary steps to ensure the integrity of racing in Minnesota.

Sec. 4. Minnesota Statutes 1984, section 240.04, is amended to read:
240.04 **EMPLOYEES.**

Subdivision 1. **EXECUTIVE SECRETARY DIRECTOR.** The commission shall appoint an executive ~~secretary~~ director, who is its chief administrative officer and who serves at its pleasure in the unclassified service. He shall ~~devote full time to his~~ perform the following duties, ~~which are:~~

(a) ~~to~~ take and preserve records of all proceedings before the commission, maintain its books, documents, and records, and make them available for public inspection as the commission directs;

(b) if so designated by the commission, ~~to~~ act as a hearing officer in hearings which need not be conducted under the Administrative Procedure Act to conduct hearings, receive testimony and exhibits, and certify the record of proceedings to the commission;

(c) ~~to~~ act as the commission's chief personnel officer and supervise the employment, conduct, duties, and discipline of commission employees; and

(d) ~~to~~ perform other duties as directed by the commission.

Subd. 1a. DEPUTY DIRECTOR. The commission may appoint a deputy director who serves in the unclassified service at the commission's pleasure.

Subd. 2. **INSPECTOR DIRECTOR OF PARI-MUTUELS.** The commission may employ an ~~inspector~~ a director of pari-mutuels who serves in the unclassified service at the commission's pleasure. He shall, ~~while employed by the commission,~~ devote full time to his ~~perform the following~~ duties, ~~which are:~~

(a) ~~to~~ supervise all forms of pari-mutuel betting on horse racing in the state;

(b) ~~to~~ inspect all machinery;

(c) ~~to~~ make reports on pari-mutuel betting as the commission directs;

(d) subject to commission approval, ~~to~~ appoint ~~deputy inspectors~~ assistants to perform duties the commission designates; and

(e) ~~to~~ perform other duties as directed by the commission.

If no ~~inspector~~ director of pari-mutuels is appointed his duties are assigned to the executive ~~secretary~~ director. The commission may contract with outside

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services or personnel to assist the executive ~~secretary~~ director in the performance of these duties.

Subd. 3. **CHIEF DIRECTOR OF RACING SECURITY.** The commission may appoint a chief director of racing security to serve in the unclassified service at the commission's pleasure. ~~He shall devote full time to his duties while employed by the commission.~~ The chief director of racing security shall enforce all laws and commission rules relating to the security and integrity of racing. He and all other persons designated by the commission as security officers have free and open access to all areas of all facilities the commission licenses and may search without a search warrant any part of a licensed racetrack and the person of any licensee of the commission on the premises. The chief director of racing security may order a licensee to take, at the licensee's expense, security measures he determines necessary to protect the integrity of racing, but the order may be appealed to the commission. Nothing in chapter 240 prohibits law enforcement authorities and agents from entering, in the performance of their duties, a premises licensed under Laws 1983, chapter 214.

If no chief director of racing security is appointed his duties are assigned to the executive ~~secretary~~ director. The commission may contract with outside services or personnel to assist the executive ~~secretary~~ director in the performance of these duties.

Subd. 4. **MEDICAL SERVICES VETERINARIAN.** The commission may appoint a medical officer veterinarian who must be a doctor of veterinary medicine and who serves at its pleasure in the unclassified service. He shall, while employed by the commission, ~~devote full time to his~~ perform the following duties, which are:

(a) ~~to~~ supervise the formulation, administration, and evaluation of all medical tests the commission's rules require or authorize;

(b) ~~to~~ advise the commission on all aspects of veterinary medicine relating to its powers and duties; and

(c) ~~to~~ supervise all personnel involved in medical testing, subject to the supervision of the executive ~~secretary~~ director.

The commission may obtain medical services as required by contract with an institution which teaches animal health sciences within the state. If no medical officer veterinarian is appointed, his duties may be assigned to the executive ~~secretary~~ director. The commission may contract with outside personnel to assist the executive director in the performance of these duties.

Subd. 5. **OTHER EMPLOYEES.** Subject to applicable laws, the commission shall employ and assign duties to other officers, employees, and agents as it deems necessary to discharge its functions.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 6. **COMPENSATION.** The compensation of all commission employees shall be as provided in chapter 43A.

Subd. 7. **ASSISTANCE.** The commission may request assistance from any department or agency of the state in fulfilling its duties, and shall make appropriate reimbursement for all such assistance.

Sec. 5. Minnesota Statutes 1984, section 240.05, subdivision 2, is amended to read:

Subd. 2. **FORMS.** All application forms for licenses must contain a statement to the effect that by accepting a license from the commission a licensee consents to having his property or person subject to inspection at any time by the chief director of racing security or by security officers designated by the commission.

Sec. 6. Minnesota Statutes 1984, section 240.06, subdivision 2, is amended to read:

Subd. 2. **HEARINGS.** Before granting a class A license ~~application~~ the commission shall conduct one or more public hearings in the area where the racetrack is or will be located. The commission shall also request comments on the application from the city council or town board of the city or town where the track is or will be located, or from the county board if it is to be located outside a city or town and from the appropriate regional development commission or the metropolitan council, as the case may be.

Sec. 7. Minnesota Statutes 1984, section 240.08, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY.** The commission may issue class C occupational licenses to persons who wish to be employed in horse racing where pari-mutuel betting is conducted as:

- (a) horse owners or lessees;
- (b) jockeys or drivers;
- (c) exercise ~~workers~~ riders;
- (d) grooms;
- (e) trainers and their assistants;
- (f) pari-mutuel personnel;
- (g) security officers;
- (h) other occupations the commission by rule determines require licensing to ensure the integrity of horse racing in Minnesota.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 8. Minnesota Statutes 1984, section 240.08, subdivision 5, is amended to read:

Subd. 5. **REVOCAION AND SUSPENSION.** The commission may revoke a class C license for a violation of law or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, or for an intentional false statement made in a license application.

The commission may suspend a class C license for up to one year for a violation of law, order or rule.

The commission may delegate to its designated agents the authority to impose suspensions of class C licenses, and the suspension may be appealed to the commission according to its rules.

A license revocation or suspension for more than 30 days is a contested case under sections 14.57 to ~~14.70~~ 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed for a violation of law or rule. The commission may summarily suspend a license for more than 30 days prior to a contested case hearing where it is necessary to insure the integrity of racing. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge's report must be issued within 20 days from the close of the hearing record. In all cases involving summary suspension the commission must issue its final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.

Sec. 9. Minnesota Statutes 1984, section 240.09, subdivision 2, is amended to read:

Subd. 2. **OCCUPATIONAL LICENSES.** A person who participates in the management or conduct of horse racing or pari-mutuel betting for a county fair holding a class D license who is in an occupation listed in section 240.08, subdivision 1, or the rules of the commission must have a class C license from the commission except for active members, as defined in section 349.12, of nonprofit organizations who act without compensation as concession workers or pari-mutuel clerks.

Sec. 10. Minnesota Statutes 1984, section 240.09, subdivision 3, is amended to read:

Subd. 3. **HEARING.** Before granting an initial ~~application~~ for a class D license, the commission must hold at least one public hearing in the county where the license is to be issued, and if the racetrack to be licensed is within a city, it must also request comments on the application from the city council.

Sec. 11. Minnesota Statutes 1984, section 240.09, subdivision 6, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 6. **REVOCAION AND SUSPENSION.** Revocation and suspension of class D licenses, and refusals to renew class D licenses, are as provided in section 240.06, subdivision 7. A license suspension or revocation or a refusal to renew a class D license is a contested case under sections 14.57 to ~~14.70~~ 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed for a violation of law or rule.

Sec. 12. Minnesota Statutes 1984, section 240.13, subdivision 5, is amended to read:

Subd. 5. **PURSES.** From the amounts deducted from all pari-mutuel pools by a licensee, an amount equal to not less than five percent of all money in all pools must be set aside by the licensee and used for purses for races conducted by him. The commission may by rule provide for the administration and enforcement of this subdivision.

Sec. 13. Minnesota Statutes 1984, section 240.13, subdivision 6, is amended to read:

Subd. 6. **TELEVISED RACES.** The commission may by rule permit a class B or class D licensee to conduct on the premises of the licensed racetrack pari-mutuel betting on horse races run in other states and broadcast by television on the premises. All provisions of law governing pari-mutuel betting apply to pari-mutuel betting on televised races except as otherwise provided in this subdivision or in the commission's rules. Pari-mutuel pools conducted on such televised races may consist only of money bet on the premises and may not be commingled with any other pool off the premises, except that:

(a) the licensee may pay a fee to the person or entity conducting the race for the privileges of conducting pari-mutuel betting on the race, and

(b) the licensee may pay the costs of transmitting the broadcast of the race.

Pari-mutuel betting on a televised race may be conducted only on a racing day assigned by the commission. The takeout and taxes on pari-mutuel pools on televised races are as provided for other pari-mutuel pools. All televised races under this subdivision must comply with the Interstate Horse Racing Act of 1978 as found in United States Code, title 15, section 3001 and the following ~~relevant~~ relevant sections.

Sec. 14. Minnesota Statutes 1984, section 240.14, subdivision 1, is amended to read:

Subdivision 1. **ASSIGNMENT OF RACING DAYS.** The commission shall assign racing days to each racetrack licensee authorized to conduct racing with pari-mutuel betting, and a licensee may conduct racing with pari-mutuel betting only on a racing day assigned by the commission. The commission may assign racing days for up to three years beyond the year in which the assignment

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is made. Assignments of racing days in any year must be made by July 4 December 31 of the previous year, except that days may be assigned after that date to a licensee whose license is issued after that date.

Sec. 15. Minnesota Statutes 1984, section 240.15, subdivision 5, is amended to read:

Subd. 5. **UNREDEEMED TICKETS.** Not later than 100 days after the end of a racing meeting a licensee who sells pari-mutuel tickets must remit to the commission or its representative an amount equal to the total value of unredeemed tickets from the racing meeting. The remittance must be accompanied by a detailed statement of the money on a form the commission prescribes.

Notwithstanding any provision to the contrary in chapter 345, unredeemed pari-mutuel tickets shall not be considered unclaimed funds and shall be handled in accordance with the provisions of this subdivision. Any person claiming to be entitled to the proceeds of any unredeemed ticket who fails to claim said proceeds prior to their being remitted to the commission, may within one year after the date of remittance to the commission file with the commission a verified claim for such proceeds on such form as the commission prescribes along with the pari-mutuel ticket. Unless the claimant satisfactorily establishes the right to the proceeds, the claim shall be rejected. If the claim is allowed, the commission shall pay the proceeds without interest to the claimant. There is hereby appropriated from the general fund to the commission an amount sufficient to make payment to persons entitled to such proceeds.

Sec. 16. Minnesota Statutes 1984, section 240.15, subdivision 6, is amended to read:

Subd. 6. **DISPOSITION OF PROCEEDS.** The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, as follows: all money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 48 240.18. Revenue from an additional admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. All other revenues received under this section by the commission, and all license fees, fines, and other revenue it receives, must be paid to the state treasurer for deposit in the general fund.

Sec. 17. Minnesota Statutes 1984, section 240.16, subdivision 1, is amended to read:

Subdivision 1. **POWERS AND DUTIES.** All horse races run at a licensed racetrack must be presided over by a board of three stewards, who must be appointees of the commission or persons approved by it. The commission shall designate one steward as chairman. At least two stewards for all races either shall be employees of the commission and they who shall serve in the

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unclassified service, or shall be under contract with the commission to serve as stewards. The commission may delegate the following duties and powers to a board of stewards:

- (a) to ensure that races are run in accordance with the commission's rules;
- (b) to supervise the conduct of racing to ensure the integrity of the sport;
- (c) to settle disputes arising from the running of horse races, and to certify official results;
- (d) to impose on licensees, for violation of law or commission rules, fines not exceeding \$500 and license suspensions not exceeding 30 days;
- (e) to recommend to the commission where warranted penalties in excess of those in clause (d);
- (f) to otherwise enforce the laws and rules of racing; and
- (g) to perform other duties and have other powers assigned by the commission.

Sec. 18. Minnesota Statutes 1984, section 240.16, subdivision 6, is amended to read:

Subd. 6. **COMPENSATION.** The total compensation of stewards who are ~~not~~ employees of the ~~division~~ commission must be commensurate with the compensation of stewards who are ~~division~~ not commission employees.

Sec. 19. Minnesota Statutes 1984, section 240.18, is amended to read:

240.18 **BREEDERS BREEDERS' FUND.**

The commission shall establish a Minnesota ~~breeders~~ breeders' fund with the money paid to it under section 240.15, subdivision 1. The commission, after paying the current costs of administering the fund, shall distribute the available net proceeds as follows:

(1) Twenty percent of the available money in the fund must be expended as grants for equine research and related education at public institutions of post-secondary learning within the state.

(2) After deducting the amount for (1), the balance of the available proceeds shall be apportioned into categories corresponding with the various breeds of horses which are racing at licensed Minnesota racetracks, in proportion to each category's contribution to the fund. The available funds in each category may be expended by the commission to:

(a) supplement purses for races held exclusively for Minnesota-bred, Minnesota-foaled, or Minnesota-owned horses until January 1, 1988, and for Minnesota-bred and Minnesota-foaled horses after that date;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(b) pay ~~breeders~~ breeders' or ~~owners~~ owners' awards to the breeders or owners of Minnesota-bred horses which win money at licensed racetracks in the state; and

(c) provide other financial incentives to encourage the horse breeding industry in Minnesota.

The commission shall adopt rules governing the distribution of the fund. The commission may establish advisory committees to advise it on the distribution of money under this section, provided that the members of an advisory committee shall serve without compensation.

Sec. 20. Minnesota Statutes 1984, section 240.22, is amended to read:

240.22 FINES.

The commission shall by rule establish a graduated schedule of civil fines for violations of laws related to horse racing or of the commission's rules. The schedule must include minimum and maximum fines for each violation and be based on and reflect the culpability, frequency and severity of the violator's actions. The commission may impose a fine from this schedule on a licensee for a violation of those rules or laws relating to horse racing. The fine is in addition to any criminal penalty imposed for the same violation. Fines imposed by the commission must be paid to the commission and forwarded to the state treasurer for deposit in the general fund. A fine in excess of \$500 is a contested case under the Administrative Procedure Act.

Sec. 21. Minnesota Statutes 1984, section 240.24, is amended to read:

240.24 MEDICATION.

Subdivision 1. **RULES.** The commission shall make and enforce rules governing medication and medical testing for horses running at licensed racetracks. The rules must provide that no medication, as the commission defines that term by rule, may be administered to a horse within 48 hours of a race it runs at a licensed racetrack. The commission shall by rule establish the qualifications for laboratories used by it as testing laboratories to enforce its rules under this section.

Subd. 2. **FEES.** The commission shall establish by rule a fee or schedule of fees to recover the costs of medical testing of horses running at racetracks licensed by the commission. Fees charged for the testing of horses shall not exceed \$30 per horse. Fee receipts shall be deposited in the state treasury and credited to the equine drug testing account in the special revenue fund.

Sec. 22. Minnesota Statutes 1984, section 240.25, subdivision 1, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **ILLEGAL BETS.** No person may place or accept a bet as defined in section 609.75 on or off the premises of a licensed racetrack other than a bet made ~~within~~ a licensed with an approved pari-mutuel system.

Sec. 23. Minnesota Statutes 1984, section 240.25, subdivision 4, is amended to read:

Subd. 4. **TAMPERING WITH HORSES.** No person may:

(a) on the premises of a licensed racetrack use, have in his possession ~~with intent to use~~, or knowingly assist another person in using a battery or buzzer, electrical or mechanical, or other device or appliance, which can be used to affect a horse's racing condition or performance, other than an ordinary whip;

(b) affect or attempt to affect the racing condition or performance of a horse at a race or workout through the use of a drug or medication in violation of the commission's rules; or

(c) use any method, injurious or otherwise, to affect a horse's racing condition or performance at a race or workout in violation of the commission's rules.

Sec. 24. Minnesota Statutes 1984, section 240.29, is amended to read:

240.29 REQUIRED RACES.

Each holder of a class B or D license must declare and schedule, on each racing day it conducts, at least one race which:

(a) before January 1, ~~1986~~ 1988, is limited to horses which are Minnesota-bred, Minnesota-foaled, or Minnesota-owned, and

(b) on and after January 1, ~~1986~~ 1988, is limited to horses which are Minnesota-bred or Minnesota-foaled.

If there is not a sufficient number of such horses entered in the declared race to make up an adequate slate of entries, another similarly restricted race may be substituted.

The commission shall by rule define "Minnesota-bred," "Minnesota-foaled," and "Minnesota-owned."

Sec. 25. Minnesota Statutes 1984, section 541.20, is amended to read:

541.20 RECOVERY OF MONEY LOST.

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section,

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gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, or gambling authorized under chapter 349.

Sec. 26. Minnesota Statutes 1984, section 541.21, is amended to read:

541.21 COMMITMENTS FOR GAMBLING DEBT VOID.

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to pari-mutuel wagering conducted under a license issued pursuant to chapter 240.

Sec. 27. **REPEALER.**

Minnesota Statutes 1984, section 624.02, is repealed.

Sec. 28. **EFFECTIVE DATE.**

Sections 1 to 13 and 15 to 27 are effective the day following final enactment. Section 14 is effective August 1, 1985.

Approved May 23, 1985

CHAPTER 213 — S.F.No. 147

An act relating to human services; authorizing a state hospital to enter into shared service agreements with for profit organizations; amending Minnesota Statutes 1984, section 246.57, subdivision 3.

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

Section 1. Minnesota Statutes 1984, section 246.57, subdivision 3, is amended to read:

Subd. 3. **LIMITED AGREEMENTS.** Notwithstanding the provisions of subdivision 1, the commissioner of human services may authorize a state hospital or state nursing home to enter into agreements with other governmental or nonprofit organizations for participation in limited shared service agreements that would be of mutual benefit to the state, the organization involved, and the public.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.