

7870.0340 CLASS B LICENSE CRITERIA.

The commission may issue a Class B license if it determines on the basis of all the facts before it that: the applicant is fit to sponsor and manage horse racing; issuance of a license will not create a competitive situation which will adversely affect racing and the public interest; the racetrack will be operated in accordance with all applicable laws and rules; and issuance of a license will not adversely affect the public health, safety, and welfare. In making the required determinations, the commission must consider the following factors and indices:

A. the integrity of the applicant, its partners, directors, officers, policymakers, managers, and holders of ownership or other voting interests or control, including:

- (1) criminal records;
- (2) involvement in litigation over business practices;
- (3) involvement in disciplinary actions over a business license or permit or refusal to renew a license or permit;
- (4) involvement in proceedings in which unfair labor practices, discrimination, or government regulation of horse racing or gambling was an issue;
- (5) involvement in bankruptcy proceedings;
- (6) failure to satisfy judgments, orders, or decrees;
- (7) delinquency in filing of tax reports or remitting taxes;
- (8) any other indices related to integrity which the commission deems crucial to decision making as long as the same indices are considered with regard to all applicants;

B. the types and variety of pari-mutuel horse racing which applicant will offer;

C. the quality of physical improvements and equipment applicant will use, including:

- (1) racetrack or tracks;
- (2) stabling;
- (3) grandstand;
- (4) detention barn;
- (5) paddock;
- (6) jockeys' and drivers' quarters and equipment;
- (7) pari-mutuel tote;
- (8) parking;

- (9) access by road and public transportation;
- (10) perimeter fence;
- (11) other security improvements and equipment;
- (12) starting, timing, photo finish, and photo-patrol or video equipment;
- (13) commission work areas; and
- (14) any other indices related to quality which the commission deems crucial to decision making as long as the same indices are considered with regard to all applicants;

D. financial ability to sponsor and manage pari-mutuel horse racing successfully, including:

- (1) ownership and control structure;
- (2) terms and conditions of the applicant's authorization to use facility;
- (3) current financial condition;
- (4) sources of equity and debt funds, amounts, terms and conditions, and certainty of commitment;
- (5) provision for cost overruns, nonreceipt of expected equity or debt funds, failure to achieve projected revenues, or other financial adversity;
- (6) feasibility of the financial plan;
- (7) any other indices related to financial ability which the commission deems crucial to decision making as long as the same indices are considered with regard to all applicants;

E. status of necessary government approvals and compliance with applicable statutes, charters, ordinances, and regulations;

F. management ability of the applicant, including:

- (1) qualifications of managers, consultants, and other contractors to manage pari-mutuel horse racing;
- (2) security plan;
- (3) plans for human and animal health and safety;
- (4) marketing, promotion, and advertising plans;
- (5) plan for conducting horse racing;
- (6) plan for purses;
- (7) plan for pari-mutuel betting;

- (8) concessions plan;
- (9) plan for personnel training;
- (10) equal employment and affirmative action plans; and
- (11) any other indices related to management which the commission deems crucial to its decision making as long as the same indices are considered with regard to all applicants;

G. efforts to promote orderly growth of horse racing in Minnesota and educate public with respect to horse racing and pari-mutuel betting;

H. economic impact, including employment, purchases, and taxes;

I. extent of public support and opposition; and

J. effects on competition, including:

- (1) number, nature, and relative location of other Class B licenses;

- (2) minimum and optimum number of racing days sought by the applicant;

and

- (3) any other indices related to effects on competition which the commission deems crucial to decision making as long as the same indices are considered with regard to all applicants.

The commission also must consider any other information which the applicant discloses and is relevant and helpful to a proper determination by the commission.

Statutory Authority: *MS s 240.23*

History: *8 SR 1823*

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