



Minnesota Racing Commission

2011 Annual Report

**To:
Governor Mark Dayton
And
The Minnesota Legislature**



MINNESOTA RACING COMMISSION

February 15, 2012

The Honorable Mark Dayton, Governor
State of Minnesota
130 State Capitol
St. Paul, MN 55155

Dear Governor Dayton and Members of the Legislature:

As provided by Minnesota Statutes 240.02, Subd. 6, we herewith submit on behalf of the Minnesota Racing Commission its Annual Report for 2011. The information set forth will provide details on the Commission's activities, organizational structure, and disbursements.

The pari-mutuel racing industry in Minnesota represents an important segment of the state's economy, not only as reflected by the 2011 operations of Canterbury Park and Running Aces Harness Park, but also through the economic/agri-business activity represented by the breeding, training and related support activities for the racing equine throughout the state.

Canterbury Park conducted 56 days of live racing for thoroughbreds and quarter horses this past summer from May 20 through September 11. Running Aces Harness Park conducted 46 days of live racing for standardbred horses from June 6 through September 5.

During the 1999 legislative session, the legislature passed chapter 206 allowing a licensed racetrack to operate a card club in addition to live racing and simulcasting. The clearly stated intent of that legislation was to increase purses, which immediately happened. Operation of the Canterbury Park Card Club for calendar year 2011 added \$3,033,837 to their purses while Running Aces Harness Park Card Club added \$2,909,031 to their purses.

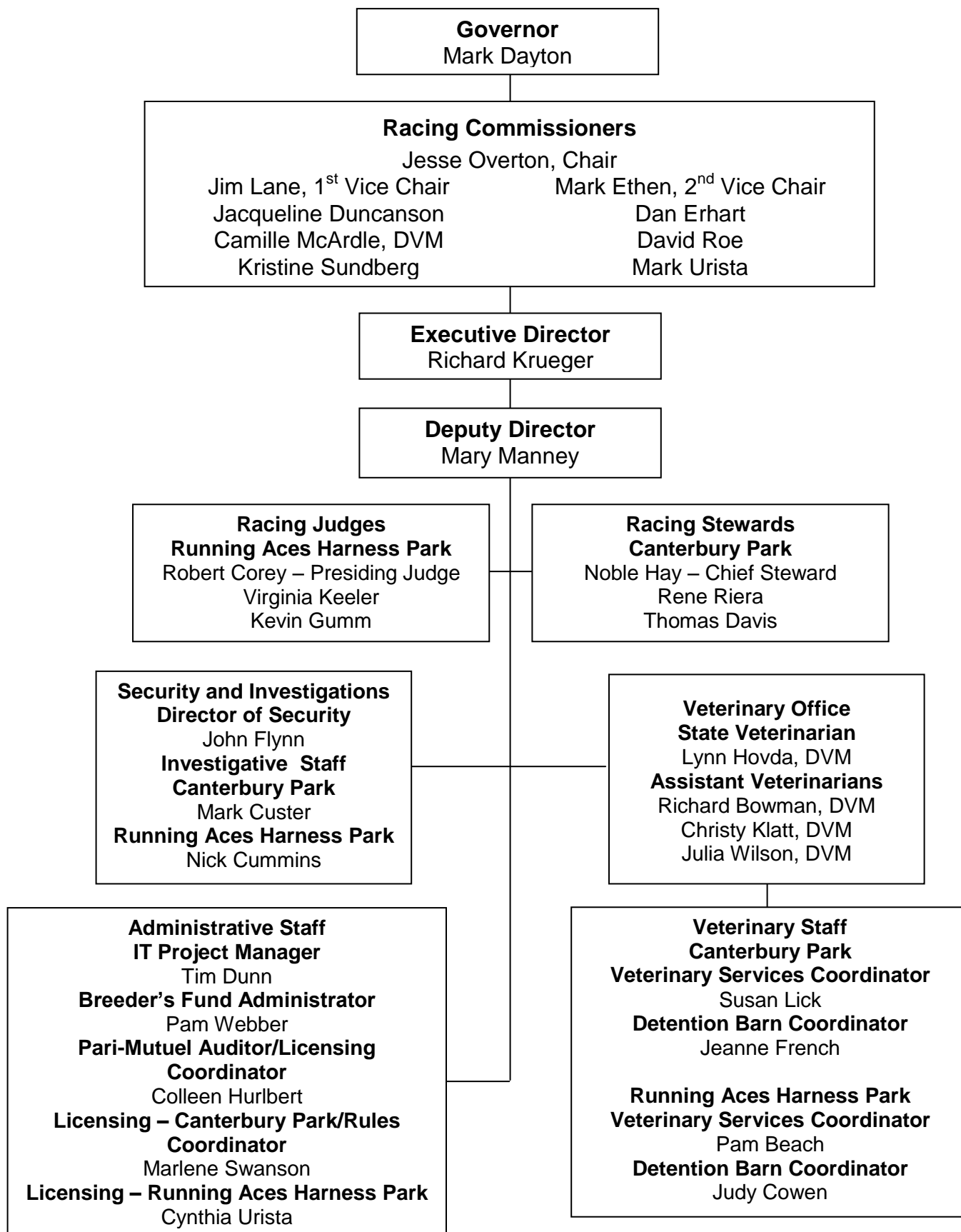
While reviewing this report, one has to notice the overall decline in pari-mutuel handle (chart 3), and the decline in Minnesota bred racehorses (table 7). Monies from card playing activity and pari-mutuel betting directly affect purses that are available for horse owners who participate in racing at both racetracks. The decline in revenue reduces the opportunity for a return on investment of purchasing, raising, and training a horse for competition at one of the racetracks. Table 7 clearly shows the decline in the number of horses (thoroughbred and quarter horse) registered with the Commission as being bred in Minnesota. This directly affects the spending for wages, capital improvements, professional services, and supplies and materials that occurs primarily in greater Minnesota resulting in a lowering of the economic impact of horse racing which is contrary to one of the main objectives for the establishment of pari-mutuel horseracing in this state. Regardless of the current situation, the Racing Commission and staff will continue its regulatory duties and responsibilities along with its goal of assuring the continued integrity of this form of gambling, safety and welfare of both the equine and human participants, and resulting economic opportunity for those desiring to participate in this sport.

The Minnesota Racing Commission and all the members of the industry appreciate the assistance provided by all levels of government and, most particularly, the Governor's office and the Legislature in addressing matters of interest and of significance to horse racing, pari-mutuel wagering and card playing. The Commission and its staff is working and will continue to work with all concerned to maintain the growth of live pari-mutuel horse racing and its integrity.

Regards,

Jesse Overton, Chair

The MINNESOTA RACING COMMISSION



MINNESOTA RACING COMMISSION

2011 ANNUAL REPORT

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I. MINNESOTA RACING COMMISSION

MISSION STATEMENT

The Minnesota Racing Commission was established to regulate horse racing and card playing in Minnesota; to ensure that it is conducted in the public interest, and to take all necessary steps in ensuring the integrity of racing and card playing in Minnesota thus promoting the breeding of race horses in order to stimulate agriculture and rural agribusiness.

INTRODUCTION

This annual report is being submitted to the Governor and the Legislature pursuant to Minnesota Statutes §240.02, Subd. 6 and to the Secretary of the Senate, the Chief Clerk of the House of Representatives and the Legislative Reference Library pursuant to Minnesota Statutes §3.195. In compliance with the Laws of 1994, Chapter 559, Section 1, it is estimated that it cost \$1,575 to prepare this report.

CONSTITUTIONAL / LEGISLATIVE AUTHORITY

In November 1982, the Minnesota voters approved by an overwhelming majority a constitutional amendment allowing pari-mutuel horse racing. The amendment provides that:

"The Legislature may authorize on-track pari-mutuel betting on horse racing in a manner prescribed by law." Minnesota Constitution, Article X, Section 8.

In response to that public mandate, in 1983, the Minnesota Legislature enacted Minnesota Statute, Chapter 240, which created and empowered the Minnesota Racing Commission.

DUTIES OF THE COMMISSION

The legislature has empowered the Racing Commission with certain duties including, among others, the authority to:

1. Regulate horse racing and card club operation, in Minnesota, to ensure that it is conducted in the public interest;
2. Issue racetrack owner, operator, and occupational licenses;
3. Enforce all laws and rules concerning horse racing and the card club plan of operation;
4. Supervise the conduct of pari-mutuel betting on horse racing and collect and distribute all pari-mutuel taxes;
5. Conduct investigations and inquiries the Commission deems necessary to carry out its duties; and
6. Take all necessary steps to ensure the integrity of horse racing and card playing in Minnesota.

THE COMMISSIONERS

The Racing Commission is comprised of nine members appointed by the Governor and confirmed by the Senate for six-year terms. The names of the current Commissioners are listed below along with city of residence and ending date of each of their respective terms.

Jesse M. Overton, Chair
Bloomington, Minnesota
Term Expires June 30, 2013

Jacqueline Duncanson
Mapleton, Minnesota
Term Expires June 30, 2013

Dan Erhart
Coon Rapids, MN
Term Expires June 30, 2017

Mark Ethen
Blaine, Minnesota
Term Expires June 30, 2013

James S. Lane
Medina, Minnesota
Term Expires June 30, 2015

Camille McArdle, DVM
Corcoran, Minnesota
Term Expires June 30, 2017

David Roe
Apple Valley, MN 55124
Term expires June 30, 2017

Kristine Sundberg
Minnetonka, Minnesota
Term Expires June 30, 2015

Mark Urista
Anoka, Minnesota
Term Expires June 30, 2015

Pursuant to state law, the Commissioners are paid \$55 for each day spent on Racing Commission business.

THE COMMISSION STAFF

The Racing Commission is currently staffed by the following individuals:

Richard G. Krueger	Executive Director
Mary M. Manney	Deputy Director
Tim Dunn	IT Project Manager
Pamela Webber	Office Manager/Breeders' Fund Administrator
Colleen Hurlbert	Pari-mutuel Auditor/Licensing Coordinator
Marlene Swanson	Rules Coordinator/Licensing Clerk
Cynthia Urista	Licensing Clerk
John Flynn	Director of Security
Mark Custer	Investigator
Nick Cummins	Investigator

To further assist the Commission with its regulatory responsibilities, the following individuals were contracted or employed seasonally by the MRC for professional and technical services during the 2011 racing season:

Stewards – Canterbury Park	Noble Hay, Jr. Tom Davis Rene Riera
Judges – Running Aces Harness Park	Bob Corey Virginia Keeler Kevin Gumm
Veterinarians and Assistants	Chief Veterinarian Lynn Hovda, DVM Richard Bowman, DVM Christy Klatt, DVM Julia Wilson, DVM Susan Lick, Veterinary Services Coordinator – Canterbury Park Pam Beach, Veterinary Services Coordinator – Running Aces Harness Park Jeanne French, Lead Test Barn Technician – Canterbury Park Judy Cowan, Lead Test Barn Technician – Running Aces Harness Park

ADVISORY COMMITTEES

The Thoroughbred Breeders Fund Advisory Committee advised the Racing Commission regarding thoroughbred topics during 2011.

BREEDERS' FUND APPROPRIATIONS ADVISORY COMMITTEE

Carin Offerman, Chair	Orono
Dean Benson	Webster
Dan Cohen	Minneapolis
Dave Dayon	St. Michael
John Demaria	Hayfield
Chad Kuehn	Austin
Dan Mjolsness	Red Wing
Dennis Strohkirch	Stillwater
Jack Walsh	Stillwater

MEETINGS OF THE COMMISSION

The Racing Commission meets the third Thursday of each month. In addition, the Commission has three committees that meet at the call of the Chairs. These committees are Racing, Finance, and Administrative Affairs.

COMMISSION OFFICES

The Minnesota Racing Commission offices are located at:

Canterbury Park
P.O. Box 630
1100 Canterbury Road
Shakopee, MN 55379
Telephone: (952) 496-7950
Fax: (952) 496-7954

Running Aces Harness Park
15201 Zurich Street
Columbus, MN 55025
Telephone: (651) 925-3951
Fax: (651) 925-3953

Website: <http://www.mrc.state.mn.us>
1-800-627-3529 (TDD-Voice Relay Service)

II. COMMISSION ACTIVITIES

RULEMAKING

The Minnesota Legislature has delegated rule making authority to the Minnesota Racing Commission to regulate horse racing and card playing in Minnesota. The overriding concern of the Minnesota Racing Commission is to provide the controls to build in safeguards for the patrons of Canterbury Park and the citizens of Minnesota. The Racing Commission has not overlooked the fact that the rules should also provide protection for the participants and allow them to conduct their business in an orderly fashion without the burden of undue over regulation or operating costs, while ensuring that it is conducted in the public interest, and ensuring the integrity of racing and card playing in Minnesota. The Minnesota Racing Commission, with advice and consultation with Class A & B licensees and other affected parties revises and updates its rules to meet the current needs of the industry and the changing technology. Strict compliance with the Minnesota Administrative Procedures Act has been observed and participation by all persons has been encouraged.

The major categories of rules for which the Commission has direct authority and accountability for oversight include:

- Racetrack Licensure (Class A)
- Racing Licensure (Class B)
- Occupational Licensure (Class C)
- County Fair Licensure (Class D)
- Conduct of the Race
- Pari-Mutuel Betting
- Horse Medication and Examination
- Racing Facilities and Stabling
- Medical Testing
- Breeders Fund

The Commission concluded one rulemaking project in 2011 and continues working on another that was withdrawn from the rulemaking process to further refine the rule requirements. The set of rules completed and adopted in July of 2011 revises the price of a trifecta ticket and the carryover of pick four pari-mutuel pools, allows jockeys to wear mud pants, amends conditions regarding jockey mount fees, sets specifications for riding crops, and limits toe grab restrictions to thoroughbred horses.

The other rule amendment, started in 2010, is an ambitious rule change that was originally submitted to the Governor's Office on 1/18/2011. The Commission originally submitted rule amendments that require a record of a negative test for Equine Piroplasmiasis, add or revise definitions to Horse Medication definitions, set regulatory limits on medications, and prohibit acts with regard to feed and medication. Many discussion meetings were held involving the State Veterinarians, Commission staff, and representatives of the various horsemen's groups. The Commission withdrew the rule from final adoption to conduct further refinement of the rule. The commission added to these amendments in 2011 an amendment that will allow horses to be moved on and off the grounds of the racetrack under the original Certificate of Veterinary Inspection (CVI) for 30 days from the date of the original CVI. The Request for Comments was published in the State Register on 11/21/2011. It is anticipated that these rule changes should be adopted before the 2012 racing season.

SUMMARY OF CARD CLUB OPERATION

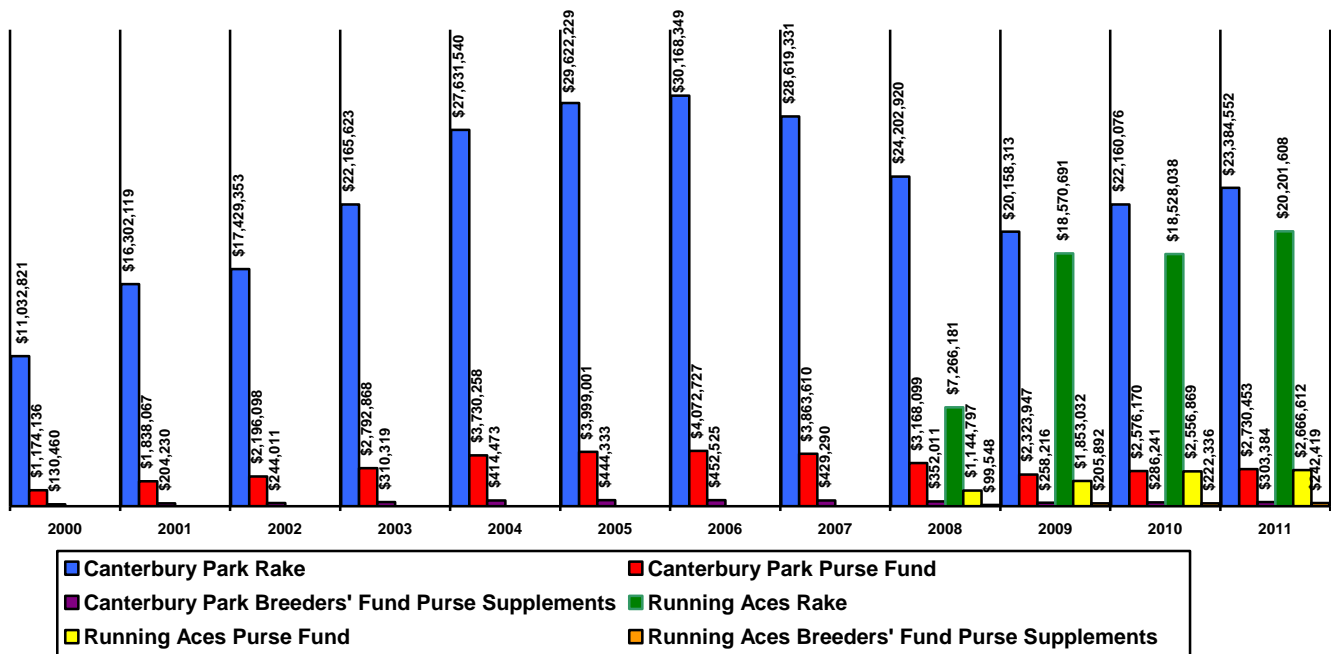
During the 1999 legislative session, the legislature passed chapter 240.30 allowing a licensed racetrack to operate a card club in addition to live racing and simulcasting. The card club at Canterbury Park opened in April of 2000. A second card club, at Running Aces Harness Park, opened in July of 2008. According to the law, 10% of the rake, up to \$6 million is set aside for purses and of that amount 10% is paid to the Commission for purse supplements from the Minnesota Breeders' Fund. Once the rake exceeds \$6 million, the purse set aside is 14% with again 10% of that amount for the Breeders' Fund. That legislation goes on to allow the racetrack and the horsemen's organizations to negotiate different percentages and, if so, to file an agreement with the Commission. In 2011 Canterbury Park's card club revenue was \$23,384,551.51, a 5.5% increase over 2010 despite having to be closed during a 3 week state government shutdown. Out of that revenue, \$3,003,498.84 went for the thoroughbred and quarter horse breeders' and purse funds, and \$30,338.37 for standardbred funds. At Running Aces the revenue in 2011 was \$20,201,608.42, a 9.0% increase despite the same government shutdown. Out of that revenue, \$2,060,564.06 went to the standardbred purse fund and breeders' fund and \$606,048.25 went to the Minnesota Horsemen's Benevolent and Protective Association to be used for the thoroughbred and quarter horse purse funds at Canterbury Park.

Each of the card clubs are restricted by statute to 50 tables for live card games, with the exception of one tournament of up to 14 days per year. The games that are played are Texas Holdem, 7 Card Stud, Omaha, Blackjack, 3 Card Poker, 4 Card Poker, Let It Ride, Baccarat, Fortune Pai Gow, Ultimate Texas Holdem and more.

The two card clubs have state of the art surveillance systems with well trained and competent staff. Commission investigators are working with the surveillance and security departments on a continuing basis to insure the integrity of horse racing and card games being played, and that the player pool funds are being used in a manner prescribed by rule and statute.

Chart 1.

CARD CLUB RAKE 2000 – 2011



LICENSING, SECURITY AND INVESTIGATIONS

A primary function of the Minnesota Racing Commission security and licensing staff is to allow only qualified personnel to participate in racing in Minnesota. Another function is to ensure that the statutes and the Minnesota Racing Commission rules and regulations of racing and card club operations are enforced. Additionally, investigators assist the stewards and judges in the oversight of the daily operations before, during and after the live meet. This assistance is in the form of investigating incidents in the stable area, serving hearing notices and offering testimony in formal and informal hearings. The investigators may assist the Commission veterinary staff in carrying out their duties. Assistance includes following up on information received from the veterinary staff in reference to a variety of categories related to the possible illegal possession of contraband and/or possible illegal activity related to veterinary issues. On occasion, MRC investigators are asked for assistance from the Horsemen's Benevolent and Protective Association (HBPA) an organization representing the horsemen's interests. In these instances investigators assist wherever and whenever needed. Investigators maintain communication with the Federal Bureau of Investigation; Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division; Minnesota Bureau of Criminal Apprehension; US Citizenship and Immigration Services (USCIS); Immigration and Customs Enforcement; Anoka County Sheriff's Office, Internal Revenue Service; Minnesota Department of Revenue; Scott County Sheriff's Office; Scott County Attorney's Office; State Attorney General's Office; Shakopee Police Department; Association of Racing Commissioners International (ARCI); Organization of Racing Investigators (ORI); racing and gaming regulatory agencies in other jurisdictions; Board of Stewards; The Jockeys' Guild; The Jockey Club; U.S. Trotting Association; Minnesota Thoroughbred Association; Minnesota Quarter Horse Racing Association; Minnesota Harness Racing, Inc.; Arabian Racing Association of Minnesota; Canterbury Park and Running Aces Harness Park.

INVESTIGATIONS SUMMARY

The Minnesota Racing Commission relies on their Director of Security and investigators, Shakopee Police Department, Anoka County Sheriff's Office, and agents from the Department of Public Safety's Alcohol and Gambling Enforcement Division. The investigators work on the backside to enforce the statutes and rules of racing in the community, and on the front side in the licensing office to interview and screen applicants. The investigators and licensing staff are responsible for ensuring that Class C (occupational) licensees comply with all Minnesota statutes including applicant eligibility and workers' compensation requirements.

The card room requires additional investigative responsibility to ensure that all the card games are played in compliance with statutes, Commission rules and the card club plan of operation. The investigators work closely with the surveillance room personnel to monitor the behavior of the patrons and the card room employees.

The majority of investigations consist of criminal history and background checks on licensees. Minnesota has strict laws about the eligibility of license applicants with criminal backgrounds. As a result, additional investigation may be required in the processing of an applicant. During live racing, surveillance of those directly involved in racing competition is necessary. Those individuals include jockeys, drivers, gate crew members, trainers, and other backstretch employees. The investigators work closely with the stewards in following up on complaints and instances where irregularities are noticed.

OCCUPATIONAL LICENSING

The Minnesota Racing Commission must license everyone who is employed at a racetrack in Minnesota. Applicants are fingerprinted and authorize the release of personal information to verify application content. The applicants must also submit an Affidavit of Qualification stating they are not in debt to the State of Minnesota, have never been convicted of a felony in a state or federal court, or for occupations that do not involve gaming operations have not been convicted of a felony or crime involving fraud or misrepresentation within 10 years, do not have a state or federal felony charge pending, have been discharged from any supervision related to a disqualifying offense for a period of at least 5 years, are not required to register pursuant to section 243.166 (Predatory Offender Status), nor have they been convicted of a crime related to horse racing or gambling.

In 2011, 4,670 Class C occupational licenses were issued by the Minnesota Racing Commission during the live and simulcast racing meets. Of these, 3,359 licenses were issued to individuals or businesses racing or working in various occupations at Canterbury Park. 1,278 licenses were issued to individuals or businesses racing or working in various occupations at Running Aces Harness Park. Licenses were issued to applicants from 44 different states as well as different countries including Canada and Mexico. Table 1, page 8 summarizes by occupation, the licenses issued by the Commission since 1997. Table 2, page 9 summarizes licenses issued to individual Minnesotans by occupation since 1997. Chart 2 provides a visual trend in licensing numbers since 1995.

Chart 2.

CLASS C OCCUPATIONAL LICENSES ISSUED 1995 – 2011

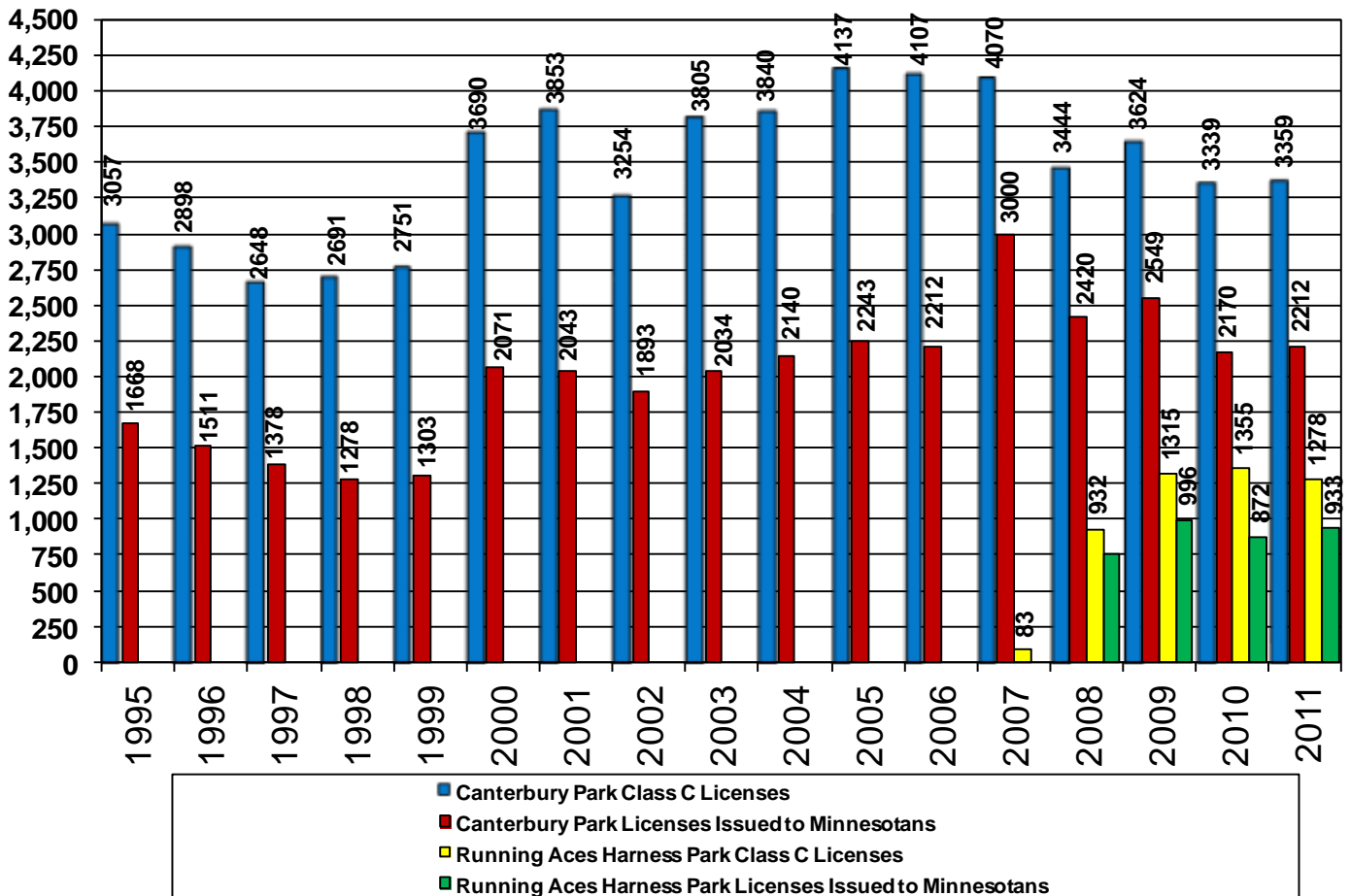


Table 1.
OCCUPATIONAL (CLASS C) LICENSE SUMMARY BY YEAR

LICENSE TYPE	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Authorized Agent								84	82	113	112	117	57	61	54
Bloodstock Agent	0	0	0	0	2	1	1	1	2	2	2	2	4	0	0
Canterbury Employees	704	646	713	1466	1321	1225	1232	1330	1351	1320	1338	1279	1095	1137	1189
Commission/MRC Staff	31	34	30	53	39	31	31	29	32	38	35	48	27	36	37
County Fair Volunteers				24	27	0	0	0	0	0	0	0	0	0	0
Detention Barn Technician	20	11	12	19	15	16	17	14	22	19	19	18	26	24	24
Driver	15	14	7	6	15	0	13	0	0	0	0	12	32	33	14
Exercise Rider	40	46	45	46	60	52	44	64	66	66	54	53	71	70	77
Farrier	12	10	13	8	11	10	11	12	12	11	10	16	13	8	11
Farrier's Assistant	1	1	1	0	2	0	2	0	0	0	0	0	1	1	3
Groom/Hotwalker	209	241	251	251	357	268	314	285	294	299	278	324	286	317	291
Horsemen's Organizations														7	12
Jockey	60	61	61	69	84	58	80	76	77	59	58	69	63	61	53
Jockey Agent	6	8	8	12	17	11	11	8	8	9	12	9	11	8	8
Jockey, Apprentice	4	3	2	2	5	5	4	2	4	2	4	3	1	3	1
Non-Profit														10	8
Other	36	16	13	17	15	20	28	18	38	29	25	24	12	0	0
Owner, Individual	908	976	984	965	1055	906	1106	1051	1178	1160	1090	1293	1212	1165	1069
Owner, Multiple	135	180	169	199	256	216	283	267	299	315	283	324	321	293	280
Owner/Trainer				111	116	81	101	93	93	100	74	76	77	74	82
Owner/Trainer/Driver	37	39	19	14	30	0	16	0	0	0	0	32	46	60	49
Pony Rider	19	19	19	21	19	19	17	16	9	14	15	16	12	13	15
Running Aces Employees									7	9	20	591	651	682	747
Stable	36	47	39	52	48	37	49	46	40	41	46	55	44	31	21
Stable Foreman	3	6	4	2	1	0	1	1	0	2	0	2	1	3	5
Trainer	180	185	201	105	112	65	110	85	100	86	70	101	95	103	62
Trainer, Assistant	40	38	38	38	48	39	57	41	41	46	54	46	43	29	36
Vendor	60	29	28	49	45	40	80	96	109	104	134	144	170	128	138
Vendor Employees	12	71	82	144	134	137	180	206	260	251	326	369	354	317	366
Veterinarian	7	7	9	10	11	11	11	8	14	15	17	20	16	12	12
Veterinary Assistant	2	3	3	7	8	6	6	7	6	6	12	9	7	8	6
Totals	2648	2691	2751	3690	3853	3254	3805	3840	4137	4107	4068	5052	4748	4694	4670

Table 2.

INDIVIDUAL OCCUPATIONAL (CLASS C) LICENSES ISSUED TO MINNESOTANS

LICENSE TYPE	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Authorized Agent, Individual								29	25	27	27	23	31	22	17
Bloodstock Agent	0	0	0	0	1	1	1	1	2	2	2	2	4	0	0
Canterbury Employees	633	585	612	1307	1217	1141	1140	1229	1221	1224	1220	1179	1034	1078	1130
Commission/MRC Staff	30	28	20	33	29	5	26	24	27	34	31	38	18	27	24
County Fair Volunteers				24	27	0	0	0	0	0	0	0	0	0	0
Detention Barn Technician	17	9	11	18	14	16	13	12	19	16	16	16	23	23	24
Driver	1	2	1	3	3	0	2	0	0	0	0	1	4	3	2
Exercise Rider	15	20	17	16	20	20	15	17	12	16	16	13	25	30	27
Farrier	4	1	2	3	4	3	3	3	3	3	2	5	5	2	3
Farrier's Assistant	1	1	1	0	1	0	2	0	0	0	0	0	0	0	1
Groom/Hotwalker	71	80	84	82	131	97	127	81	89	95	100	143	121	151	129
Horsemen's Organizations														4	7
Jockey	3	5	3	4	6	6	8	5	4	5	7	4	7	9	7
Jockey Agent	2	2	1	2	2	1	2	2	3	1	2	4	1	2	1
Jockey, Apprentice	0	0	0	1	2	1	0	1	2	1	2	2	1	1	1
Non-Profit														10	8
Other	21	14	11	14	11	17	26	17	25	19	17	16	12	0	0
Owner, Individual	437	394	397	382	393	403	440	453	520	512	549	603	569	477	456
Owner/Trainer				20	27	23	27	21	22	23	15	16	15	13	16
Owner/Trainer/Driver	10	9	9	5	6	0	5	0	0	0	0	3	6	9	10
Pony Rider	6	6	5	3	4	3	2	3	4	6	8	10	6	6	10
Running Aces Employees									4	5	11	527	592	626	672
Stable Foreman		3	0	0	0	0	0	0	0	1	0	1	1	2	4
Trainer	43	44	43	20	11	14	14	7	12	10	11	13	18	16	15
Trainer, Assistant	7	7	5	6	9	7	9	10	7	9	9	5	8	4	6
Vendor Employee	52	79	71	117	113	122	156	174	230	220	288	320	316	285	336
Veterinarian	5	6	7	8	9	10	11	8	13	12	15	16	14	10	11
Veterinary Assistant	1	2	3	3	3	3	5	6	5	5	10	7	5	5	3
Totals	1378	1278	1303	2071	2043	1893	2034	2103	2243	2246	2358	2967	2836	2815	2920

PARI-MUTUEL STATISTICS

Table 3.

2011 PARI-MUTUEL STATISTICS CANTERBURY PARK

LIVE WAGERING

2011 Live Thoroughbred and Quarter Horse Races

Mixed Meet (Thoroughbred & Quarter Horse) – May 20, 2011 – September 11, 2011
Festival of Champions – September 4, 2011

BREED	HANDLE	TAKEOUT	# OF RACES	AVERAGE HANDLE PER RACE	BETTOR RETURN	WINNING %
Thoroughbred	\$8,785,249	\$1,736,573	436	\$20,149.65	\$6,562,613	74.70%
Quarter Horse	\$819,554	\$16,150	76	\$10,783.61	\$632,375	77.16%
TOTAL	\$9,604,803	\$1,752,723	512	\$18,759.38	\$7,194,988	74.91%

SIMULCAST WAGERING

2011 Full-Card Simulcast Meets

January 1, 2011 – December 31, 2011

BREED	HANDLE	TAKEOUT	# OF RACE DAYS	AVERAGE HANDLE PER RACE DAY	BETTOR RETURN	WINNING %
Thoroughbred	\$29,676,033	\$6,087,353	344	\$86,267.54	\$23,085,093	77.79%
Quarter Horse	\$868,318	\$183,546	304	\$2,856.31	\$705,450	81.24%
Standardbred	\$1,457,502	\$313,768	341	\$4,274.19	\$1,079,347	74.05%
Arabian	\$29,333	\$6,134	113	\$259.58	\$23,737	80.92%
TOTAL	\$32,031,185	\$6,590,801	344	\$93,114	\$24,893,627	77.72%

Table 4.

2011 PARI-MUTUEL STATISTICS RUNNING ACES HARNESS PARK

LIVE WAGERING

2011 Live Standardbred Races May 31, 2011 – September 5, 2011						
BREED	HANDLE	TAKEOUT	# OF RACES	AVERAGE HANDLE PER RACE	BETTOR RETURN	WINNING %
Standardbred	\$908,791	\$174,323	396	\$2,294.93	\$700,486	77.08%
TOTAL	\$908,791	\$174,323	396	\$2,294.93	\$700,486	77.08%

SIMULCAST WAGERING

2011 Full-Card Simulcast Meets January 1, 2011 – December 31, 2011						
BREED	HANDLE	TAKEOUT	# OF RACE DAYS	AVERAGE HANDLE PER RACE DAY	BETTOR RETURN	WINNING %
Thoroughbred	\$6,639,781	\$1,362,842	343	\$19,357.96	\$5,122,942	77.16%
Quarter Horse	\$235,791	\$50,266	227	\$1,038.73	\$182,405	77.36%
Standardbred	\$1,419,747	\$315,629	341	\$4,163.48	\$1,073,901	75.64%
Arabian	\$6,541	\$1,353	79	\$82.79	\$6,464	98.82%
TOTAL	\$8,301,860	\$1,730,090	343	\$24,204	\$6,385,712	76.92%

Chart 3.
RACING HANDLE
CALENDAR YEARS 1985 - 2011

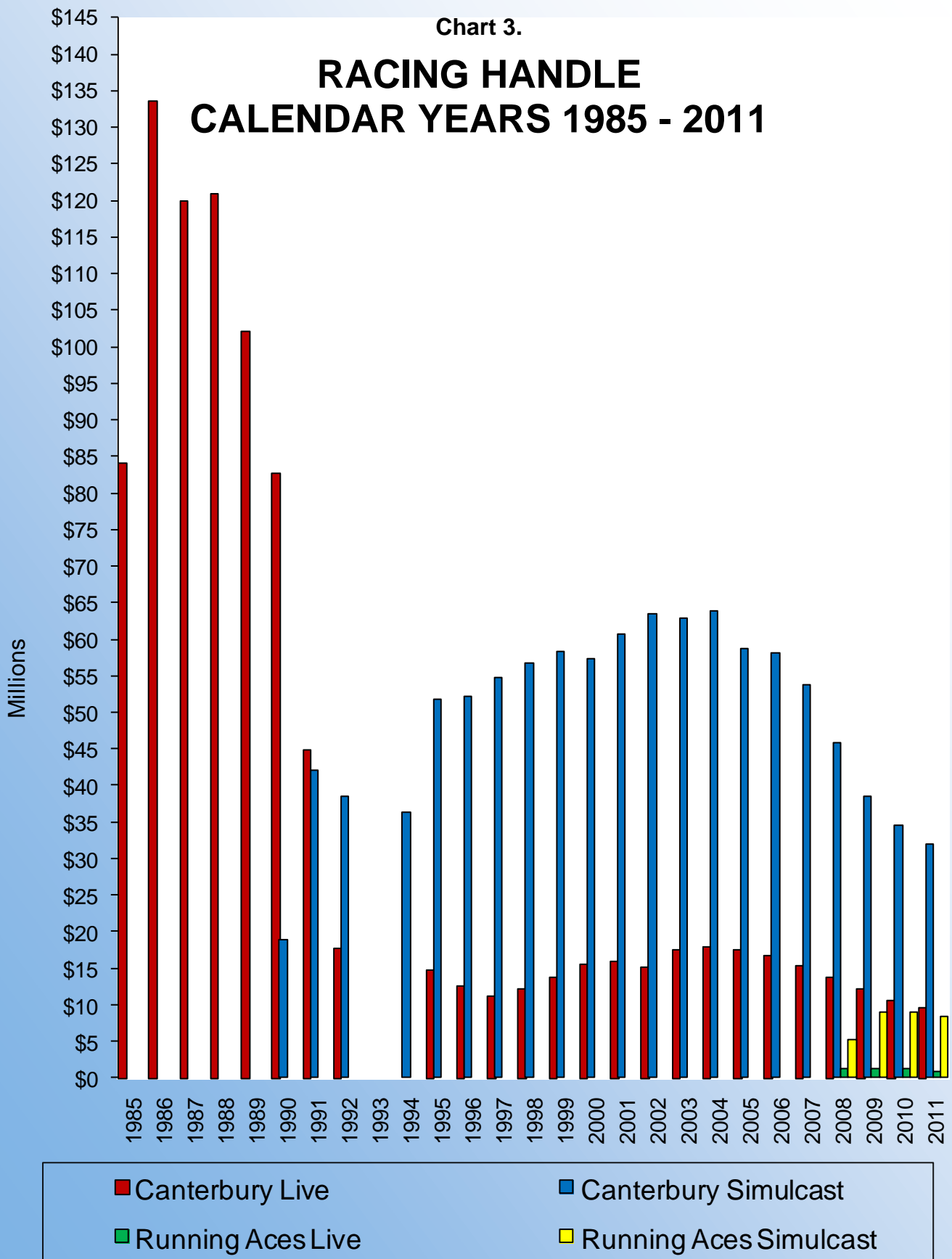
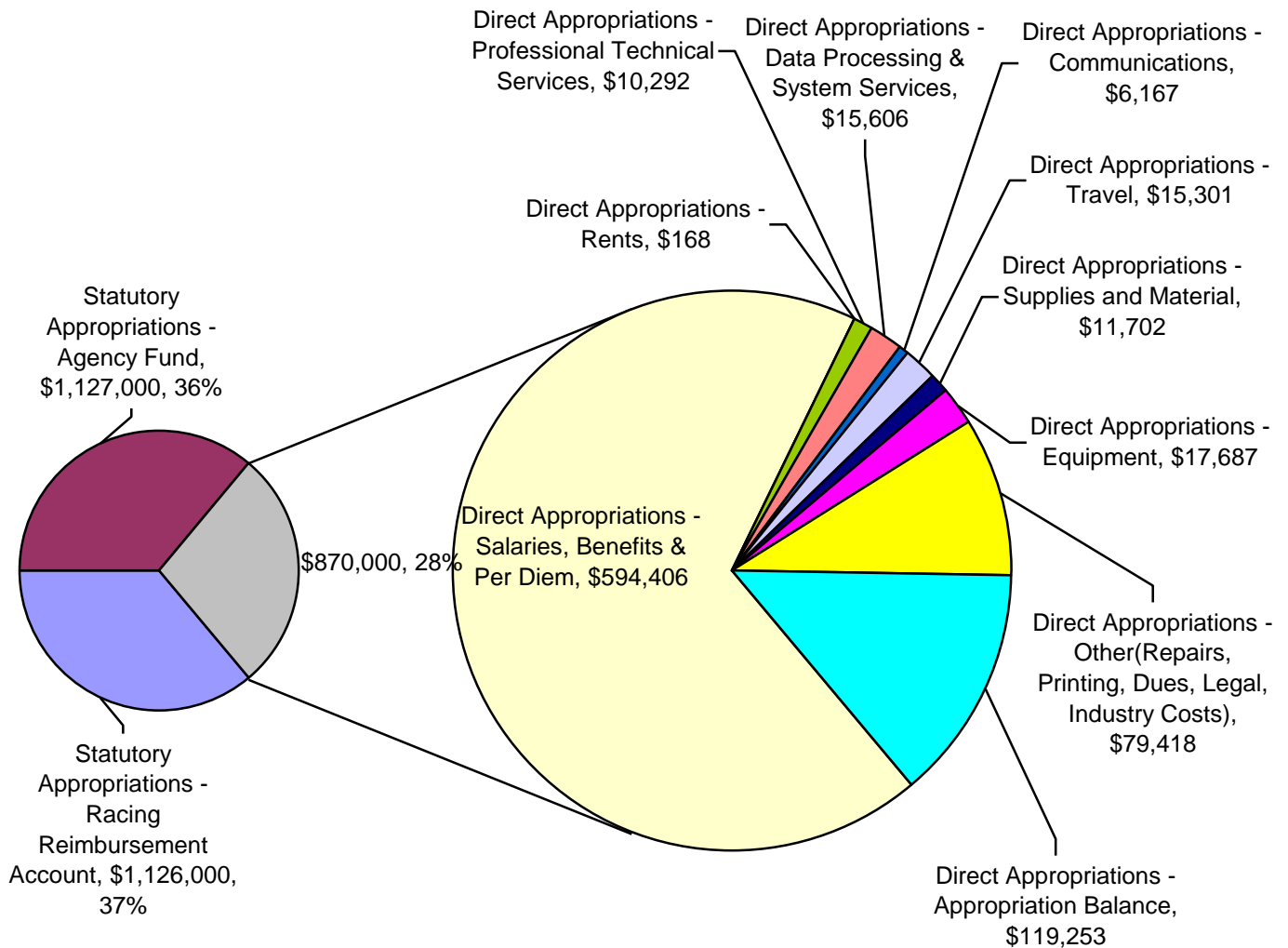


Table 5.
**FIVE YEAR FINANCIAL SUMMARY
FISCAL YEARS 2007 – 2011**

DIRECT APPROPRIATIONS					
	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
Special Revenue Appropriation	\$899,000	\$899,000	\$899,000	\$1,130,000	\$835,000
Deficiency Appropriation					
Statutory Carry Forward					
Unallotment	-\$29,000	-\$19,000			
Total	\$870,000	\$880,000	\$899,000	\$1,130,000	\$835,000
	Actual 11	Actual 10	Actual 09	Actual 08	Actual 07
Salaries, Benefits & Per Diem	\$594,406	\$571,022	\$553,500	\$582,000	\$442,314
Rents	\$168	\$376	\$200	\$0	\$174
Consultant Services	\$0	\$0	\$0	\$0	\$0
Professional/Technical Services	\$10,292	\$10,358	\$15,600	\$31,000	\$13,792
Data Processing & System Services	\$15,606	\$18,828	\$11,600	\$39,000	\$4,338
Communications	\$6,167	\$5,969	\$6,100	\$7,000	\$6,283
Travel	\$15,301	\$15,330	\$23,200	\$19,000	\$18,303
Supplies and Material	\$11,702	\$13,205	\$14,300	\$19,000	\$9,547
Equipment	\$17,687	\$12,821	\$8,800	\$133,000	\$16,038
Other (Repairs, Printing, Dues, Legal, Ind. Cost)	\$79,418	\$82,226	\$60,500	\$83,000	\$76,091
Total	\$750,747	\$730,135	\$693,800	\$913,000	\$586,880
	Actual 11	Actual 10	Actual 09	Actual 08	Actual 07
Appropriation Balance	\$119,253	\$149,865	\$205,200	\$217,000	\$248,120
License Revenues to General Fund/Special Revenue Fund	\$790,985	\$795,795	\$800,400	\$743,000	\$704,912
Pari-Mutuel Taxes to General Fund	\$0	\$0	\$18,500	\$96,000	\$148,862
Fines to General Fund	\$53,755	\$30,710	\$30,600	\$20,000	\$18,860

The summary from Table 5 reflects expenditures for operations of the Commission that are financed by racetrack and occupational license fees that are subject to direct appropriation from the special revenue fund by the Legislature. The Commission also has statutory appropriations from the special revenue fund that finance the Commission's operations regarding stewards, veterinarians, testing laboratory, and oversight of the card rooms. As well the Commission has statutory appropriation from the miscellaneous agency fund that finances breeders' awards, stallion awards, and purse supplements that are paid to the state's horsemen and women that compete at both racetracks. The breakdown of those funding sources are shown on the following chart.

Chart 4.
EXPENDITURES BY FUND



EQUINE GRANT PROGRAMS

Pursuant to Minnesota Statute 240.15, after the cost of administering the Breeders' Fund program is deducted, twenty percent of the Breeders' Fund monies accumulated from live racing are expended in the form of grants for equine research and related education in the State of Minnesota.

Legislative changes enacted in 1991 to Minnesota Statute 240.18, Breeders' Fund, expanded and clarified the uses to which the equine grants portion of Breeders' Fund monies may be applied. One-half of the equine grant monies are dedicated specifically to equine research and education at the University of Minnesota's College of Veterinary Medicine. The remainder may be expended for any one or more of the following:

- (1) Additional equine research and related education;
- (2) Substance abuse programs for licensed personnel at racetracks in this state;
- (3) Promotion and public information regarding the industry, Commission activities, ownership, breeding and the development and expansion of the economic benefits from racing.

During 2011 the Racing Commission awarded grants to:

- 1) The Horsemen's Benevolent and Protective Association, in the amount of \$5,940 to help fund the Groom Elite Program, a training program for racetrack grooms. Grooms are responsible for the daily care of the horses in training at the racetrack. Trainers and owners have a need for well-trained grooms because errors made in the areas of nutrition and recognition and treatment of injuries or illnesses can result in significant expense. The purpose of the Groom Elite Program is to offer classroom and/or hands on instruction regarding such topics as: performing a horse health check-up, horse behavior and grooming, anatomy and conformation, digestion and feeding, front and rear leg examination, and bandaging for first time grooms or individuals wanting to improve or add to their skills. The funds were used for preparation of instructional materials, securing instructors and students, providing for bilingual translations and obtaining equipment.
- 2) The College of Veterinary Population Medicine, in the amount of \$18,926 to go towards the funding of three separate studies:
 - The epidemiology and the pathology of 'Shivers'. Shivers is a common, performance-limiting problem for owners of Warm bloods, Draft horses and some light breed horses (Thoroughbreds, Quarter Horses). Horses with Shivers intermittently hold their hind limb flexed and away from the body for seconds to minutes whilst the rump muscles and tail tremble. It is usually induced by backing or picking up a hind limb. In some horses clinical signs become debilitating impairing forward and backward motion resulting in euthanasia. Nothing is known about the cause, factors contributing to, progression or ways to alleviate symptoms of Shivers. The goal of this study is to identify risk factors for Shivers by collecting an epidemiologic survey from owners and veterinarians with Shivers horses and to utilize special neuropathologic staining methods and imaging to localize and characterize abnormalities in the nervous system of horses with Shivers. Without studies such as this, Shivers will continue to be a confounding condition without a clear clinical definition, a clear prognosis or any viable treatment.
 - The genetics behind equine recurrent uveitis in Appaloosa horses. Equine recurrent uveitis (ERU) is a chronic, painful eye disease and the leading cause of irreversible blindness in

horses. Appaloosa horses are eight times more likely to develop uveitis than other breeds of horses. Our previous work has demonstrated strong associations between ERU and two regions in the genome of Appaloosa horses. One region contains a gene that causes the spotted coat color of Appaloosas and the second contains genes that are responsible for many diseases of the immune system. The end goal of this research is to develop a genetic test that will identify horses at high risk for developing ERU before clinical signs appear. This will have a broad impact on equine health by improving the treatment and management of ERU, as well as increasing our understanding of the biology behind the disease.

- The effect of a variant in the gene myostatin on muscle properties of Thoroughbreds and Quarter horses. For the first time, breeders now have a commercial option for genetic testing for aptitude for specific racing distances. The new genetic test offered to Thoroughbred breeders and is purported to identify horses with a genetic propensity to succeed in short distance races (<http://www.equinome.com/index.html>). This European test is based on a single base pair change in a gene, myostatin, which controls muscle development. U of M researchers have found a separate large insertion in the same gene that they believe may alter gene expression and performance. The goal of this study is to determine whether this newly identified change in the myostatin gene may be responsible for altering skeletal muscle characteristics and thereby performance in Thoroughbred and Quarter Horses. This research will be one of the first studies to link a performance related genotype in horses to a physical attribute and will determine whether expensive performance related genetic tests currently being offered have direct evidence of impacting the physical characteristics of the horse.
- 3) Tyne Hovda, in the amount of \$2,000 to conduct Phase 2 of a prospective study to document the overall prevalence of MRSA colonization found in horses at a Minnesota racetrack. Various factors, in addition to testing for the prevalence of MRSA, will be examined. Data to be collected and analyzed include age, sex, breed, where the horse currently lives, recent travel, recent administration of antibiotics, recent illness, whether or not the horse swims, drinks from a communal water bucket when hot walking, horse's job and what type of barn the horse lives in.

BREEDERS' FUND

The primary purpose of the Minnesota Breeders' Fund is to provide incentive monies to enhance the horse racing industry in the State of Minnesota and to encourage Minnesotans to participate in the racing and breeding industry.

Minnesota Statute 240.15 and 240.13 require that the funds earn one percent of the total handle wagered on live racing and 5.5% of the take-out from full-card simulcasting. Minnesota Statute 240.135 requires that the Breeders' Fund receive ten percent of the card club rake that is set aside for purses. This amount is distributed to the thoroughbred, quarter horse and standardbred funds. Each breed has a separate fund. Breeders' Fund monies are distributed as both purse supplements and awards. During the live mixed meet only, Breeders' Fund monies earned from full-card simulcasts, regardless of the breed racing, are apportioned between the thoroughbred and quarter horse funds based on the number of live races for each breed as compared to the total number of races for both breeds.

In 2011 the Breeder's Fund earned \$562,784.93 from live and simulcast racing and earned \$545,783.95 from card club operations. 196 individuals and partnerships received \$200,806 in thoroughbred, quarter horse, and standardbred award payments from monies available at the end

of the live racing season. Purse supplements paid out at pari-mutuel meets totaled \$810,889.00. Purse supplements of \$35,000 were paid out during four days of non pari-mutuel harness racing at county fair venues. The monies available for the 2011 purse supplements included carryovers from 2010.

Committees consisting of the industry participants advise the Commission on distribution of these funds. The committees review distribution alternatives on an ongoing basis.

Table 6.

2011 BREEDERS' FUND RECAP

THOROUGHBRED		QUARTER HORSE	
Live and Simulcast Racing	\$482,979	Live and Simulcast Racing	\$35,702
Card Club Operations	\$279,572	Card Club Operations	\$28,030
Total Earnings	\$762,551	Total Earnings	\$63,732
Less Administrative Costs	\$17,440	Less Administrative Costs	\$1,520
= Net Breeders' Fund	\$745,111	= Net Breeders' Fund	\$62,212
Less Equine Research	\$14,152	Less Equine Research	\$1,266
= Net Available Breeders' Fund	\$730,959	= Net Available Breeders' Fund	\$60,946
Less Purse Supplements	\$559,432	Less Purse Supplements	\$42,842
= Balance Remaining for Awards	\$171,527	= Balance Remaining for Awards	\$18,104
STANDARD BRED		ARABIAN	
Live and Simulcast Racing	\$43,705	Total Earnings	\$399
Card Club Operations	\$238,182	Less Purse Supplements	\$220
Total Earnings	\$281,887	= Balance Remaining for Awards	\$ 179
Less Administrative Costs	\$4,025		
= Net Breeders' Fund	\$277,862		
Less Purse Supplements	\$265,958		
Less Equine Research	\$1,984		
Less Non-PM Development	\$1,984		
= Balance Remaining for Awards	\$7,936		

Effective November 1, 2001 all Breeders' Fund monies set aside from card club revenues were designated for purse supplements only.

Table 7.

HORSE REGISTRATIONS

Year	THOROUGHBRED			QUARTER HORSE			STANDARD BRED	
	Stallions	Mares	Foals	Stallions	Mares	Foals	Stallions	Foals
1985	54	543	403	1	0	97	1	17
1986	99	895	601	70	241	70	22	13
1987	112	988	648	73	178	78	15	20
1988	141	1261	760	94	229	109	18	23
1989	141	1334	844	119	272	143	22	28
1990	118	1145	653	95	257	134	19	30
1991	104	966	612	88	214	112	11	21
1992	85	735	450	72	175	90	7	16
1993	63	444	242	52	131	81	6	17
1994	49	253	160	40	85	64	3	14
1995	46	265	179	43	98	59	3	9
1996	44	275	168	47	105	54	3	8
1997	41	210	138	48	95	53	4	8
1998	40	211	140	49	103	75	7	8
1999	31	234	166	41	88	48	4	10
2000	26	232	171	35	91	41	3	10
2001	31	304	232	37	124	46	4	12
2002	34	323	265	35	102	58	8	9
2003	30	365	284	28	107	73	11	28
2004	35	408	336	21	91	71	15	35
2005	42	451	344	24	80	49	19	56
2006	42	440	341	24	79	56	16	93
2007	38	410	316	20	80	45	16	76
2008	37	395	296	18	69	40	24	96
2009	41	331	241	16	69	37	20	92
2010	34	278	182	13	69	46	20	102
2011	32	204	131	10	41	22	19	123

III. NEGATIVE IMPACT OF STATE GOVERNMENT SHUTDOWN IN JULY 2011

The state government shutdown caused by budget impasse between executive and legislative branches had a severe negative financial impact upon horse racing and racetrack operations in Minnesota in 2011. The shutdown caused the cessation of all live racing and simulcasts from July 1 to July 20, cancellation of 12 racing days, including historically successful Fourth of July weekend racing, and loss of nearly 500 hours of card club operations at Canterbury Park and Running Aces Harness Park. The shutdown resulted in temporary layoffs of more than 1,000 employees at Canterbury Park, more than 600 employees at Running Aces Harness Park, and 10 full time employees and 11 seasonal employees of the Racing Commission along with the Commission suspending professional/technical contracts with its stewards, veterinarians, and testing laboratory. In addition, all thoroughbred, quarter horse, and standardbred horsemen -- owners, trainers, jockeys and drivers, grooms and hot walkers, veterinarians, farriers, and others--suffered loss of earnings opportunities that had negative economic impacts among their vendors and suppliers and others in their respective communities.

Both tracks and their respective horsemen's representatives minimized post-shutdown loss of racing participation by creating monetary incentives that encouraged owners and trainers to keep 1,300 horses stabled at Canterbury Park and 250 horses at Running Aces and to remain in Minnesota for training so that they would be available and able to race upon conclusion of the shutdown and resumption of live racing. Operational costs incurred by the tracks to keep training facilities open during this period negatively impacted costs without any offsetting opportunity for revenue recovery.

The eventual adverse financial impact of the government shutdown on horse racing in Minnesota and racetrack operations was significant. Canterbury Park estimated revenue loss at more than \$100,000 per day, or more than \$2 million during the shutdown. This revenue reduction negatively impacted purse earnings for the horsemen and women by over \$500,000 and resulted in Canterbury reporting a pre-tax loss of nearly \$300,000 for the quarter that ended September 30, 2011. The quarterly results showed an overall decline in net revenues of 9.1% with revenues from the card club down 7.7% and revenues from pari-mutuel wagering down 16.9% compared to the same period in 2010. These results marked the worst third quarter for Canterbury Park since the card club opened in 2000. Running Aces Harness Park estimated revenue loss at more than \$75,000 per day, or more than \$1.5 million during the shutdown, interrupting what had been a promising gain in business momentum with new customers and horsemen through higher quality and stability of that track's program offerings. Fortunately, post-shutdown business at both racetracks rebounded nicely during the fourth quarter.

Any repetition of the 2011 state government shutdown should be avoided if at all possible. Horse racing in Minnesota is dependent upon horses and out-of-state participants that travel at considerable expense for a relatively short racing season. If earnings opportunities are uncertain because of the potential for another state government shutdown, participants may be more likely to choose other racing ventures. Because the commission is reimbursed by the licensed racetracks for the costs of services provided by stewards and judges, the state veterinarian, and for medical testing of horses and other regulatory services, regulation of horse racing and card clubs in Minnesota is essentially self-funded by licensed participants and should not be suspended or shuttered by shortfalls in the state general fund or lack of annual appropriations to the commission. The Commission supports remedial legislation to prevent any recurrence of the 2011 shutdown.

IV. LEGISLATION

The Commission is proposing amendments to the following statutes:

M.S. ch. 240.24, subd. 2(4) by permitting the Commission to set by rule the regulatory threshold concentrations of nonsteroidal anti-inflammatory drugs.

Please notify the Racing Commission if you required this material to be made available in alternative format, i.e., large print, Braille, audiocassette, or other requested special format.

**The Racing Commission can be reached at:
952-496-7950; 1-800-627-3529, (TTY/VOICE RELAY SERVICES)**

2011 COMMISSION VETERINARIAN'S REPORT

MISSION STATEMENT

The mission of the Minnesota Racing Commission's Veterinary Department is to protect the participants in the sport of horse racing, including horses, riders or drivers, owners, and fans, from harm that can occur through negligence or deliberate mistreatment of horses.

The mission statement applies equally to both Canterbury Park and Running Aces Harness Park. Each racetrack has different needs and expectations yet the underlying goals are the same. Common to both are complying with state and federal guidelines regarding equine transport and infectious diseases, protecting horses from abuse and neglect, preventing the use of illegal medications, minimizing race related injuries and accidents to horses as well as riders and drivers, serving as an educational resource for backside workers, safeguarding the owner's investments, and ensuring consistent equine performances.

BOTH TRACKS

The number of medication violations for each racetrack in 2011 was significantly less than 2010. This is due to a number of factors including the development and institution of laboratory detection (threshold) levels for common therapeutic medications, an agreement with Industrial Laboratory to prescreen samples for horsemen/women prior to entry into a race, and increased education for horsemen and women by the veterinary services department.

It became obvious at the conclusion of the 2010 race meet that the ability of the laboratory to analyze serum and/or urine for medications had exceeded the original intent of the Minnesota Racing Commission (MRC) rules. A committee was established to study the issue, identify commonly used therapeutic medications, and establish detection (threshold) limits based on sound scientific research. The committee, chaired by MRC Executive Director Richard Krueger, was composed of commission staff, commission veterinarians, practicing veterinarians, and representatives of the horsemen/women and the racetracks. Dr. Scot Waterman, executive director of the Racing Medication Testing Consortium, and Dr. Thomas Tobin, representative of the Horsemen's Benevolent and Protective Association, participated by telephone. A working list of 34 medications was proposed but narrowed several times due to a lack of scientific research. Detection levels with appropriate dose, route of administration, and detection times were ultimately established for 14 medications. This list was provided to the practicing veterinarians and horsemen/women in their manuals as well as being clearly posted outside both veterinary offices.

In addition, in an effort to help practicing veterinarians and horsemen/women work within the newly established detection levels, Industrial Laboratory agreed to prescreen serum samples for medications at no cost to the horsemen/women. This program was very successful and close to 100 samples were processed. Many samples came from horses shipping into Canterbury from other racetracks with far less stringent medication rules as well as those receiving compounded medications.

Finally, in an effort to increase the horsemen's knowledge, educational material provided to the horsemen/women was increased. The director of Industrial Laboratory and the Chief Commission Veterinarian both provided information during the horsemen/women's meeting followed by a

question and answer period. The newly established detection levels were provided in the trainer's and practicing veterinarian's manual, notices posted on the bulletin boards, and blogs related to medications and testing published in the overnight. The blogs were very well received and requested by other racetracks for their information and training programs. Copies of the Trainer's manual and Practicing Veterinarian's manual were provided to neighboring racing commissions and posted on the Minnesota Racing Commission website to ensure that everyone had access to the information.

CANTERBURY PARK STATISTICS

The Canterbury Park 2011 race meet began on Friday, May 20th and concluded on Sunday, September 11th. Originally scheduled as a 62 day race meeting, the Minnesota government shutdown resulted in a shortened race meet of 56 race days. During this time, 1347 Thoroughbreds and Quarterhorses entered the grounds, a number similar to 2010. In compliance with state and federal regulations and to keep infectious diseases at a minimum all horses allowed on the grounds were accompanied by a Certificate of Veterinary Inspection (CVI) with current Equine Infectious Anemia (EIA or Coggins) information clearly documented. Horses coming from training centers or racetracks with known infectious diseases required additional information on their CVI. This information varied depending on the geographical location, suspected or known infectious disease, and vaccination status. Certificates were collected at the time of entry and examined each day by a Commission Veterinarian for accuracy and completeness. Copies of certificates with incomplete or missing information were sent to the Minnesota Board of Animal Health for action on their part. Horses arriving without accompanying CVI's or with outdated EIA certificates were held at the stable gate or in the isolation area until examined by a licensed veterinarian and an appropriate certificate produced. In addition, due an increased number of piroplasmosis cases in Texas and New Mexico, all horses were required to have a negative test for *Babesia (Theileria) equi* and *Babesia caballi* taken within 10 days of shipping.

Pre race examinations were performed each race day on all horses entered to race. The examination included accurate horse identification by tattoo and markings, manual palpation of limbs, and a visual exam of the horse in motion. Abnormal findings were noted on a medical record examination card specific to each individual horse. A total of 4153 examinations were performed with 4006 horses ultimately leaving the starting gate. These examinations resulted in recommendations to the Board of Stewards that 147 horses be scratched from racing for veterinary reasons. An additional 22 horses were scratched in the saddling paddock, on the way to the starting gate, or at the gate itself. These 169 horses along with 29 other horses were placed on the Veterinarian's List and not allowed to race again until deemed fit by one of the Commission Veterinarians. Fifty one horses required a timed workout observed by a Commission Veterinarian, either to be removed from the Veterinarian's List or to return to racing after a layoff of more than one year.

Furosemide (Salix[®]), a medication administered to control Exercise Induced Pulmonary Hemorrhage (EIPH or bleeding) was permitted for 1214 horses entered into the 2011 program. This number, roughly 94% of the starters, is similar to previous years, and mirrors the national figure. The furosemide program functioned very well with no known administration errors and no furosemide medication violations. Practicing veterinarians were required to provide the Commission Veterinarian's office with unopened containers of furosemide and needles/syringes. Furosemide was drawn into syringes by a certified veterinary technician employed by the MRC and administered by the practicing veterinarian under the supervision of an observer employed by the MRC.

Industrial Laboratory in Boulder, Colorado, the MRC 2011 contract laboratory, analyzed 1084 blood samples and 943 urine samples for possible medication violations. All first and second place finishers as well as any horses the Board of Stewards requested were tested. Industrial Laboratory also processed 30 external blinded samples for Quality Assurance and screened 111 samples for the amount of total carbon dioxide (TCO₂) present in the serum. The mean TCO₂ level was 33.9 mMoles/L which is far below 37 mMoles/L, the level used by the MRC to indicate the presence of an illegal alkalizing agent in the horse's bloodstream.

Industrial Laboratory reported 31 medication violations in 2011, significantly lower than 2010. The majority of violations were associated with overages of corticosteroids (18) and permitted nonsteroidal anti-inflammatory agents (flunixin, 5; phenylbutazone, 3). The remaining violations included clenbuterol (1), methocarbamol (2), and naproxen (2). It should be noted that Minnesota is one of the few states that actively tests for corticosteroids and has for many years. Other states have simply ignored their presence, although this is currently changing on a national level. Several of the corticosteroid positives were on horses shipping into Minnesota from another jurisdiction for a race and leaving the following day. Investigators pursued the source of these overages and their findings were presented to the Board of Stewards. The Board of Stewards dealt with all violations in a manner deemed fair and equitable by them.

Sixteen horses died or were humanely euthanized during the 2011 meet. Four of these horses suffered injuries during or immediately after a race resulting in a race related, traumatic breakdown rate of 0.09%. This is much lower than other years and also lower than the national reported incidence rate of 0.2% for dirt tracks. Data collected from these horses were statistically analyzed and no common factor(s) found. In addition, information was collated and submitted for inclusion in the National Horse Breakdown Study. Four horses were euthanized after training related accidents. While no specific number of horses training each day is kept, roughly 21,675 horses trained during the 2011 season giving an incidence rate 0.0092%. No national rate is available for comparison. The remaining horses died or were euthanized for a variety of illnesses or medical problems. All horses dying or euthanized on the grounds for any reason were transported to the University of Minnesota Diagnostic Laboratory within eight hours of their death for a complete post mortem examination. As a matter of record all 16 horses were placed on the Veterinarian's List and the Jockey Club or American Quarterhorse Association notified of their deaths.

Our "Because We Care" horse retirement and adoption program became custodians for or assisted in the placement of 58 racehorses. An additional 22 horses in foster care were moved to permanent homes. No horse in need of help was turned away regardless of their condition. These horses have gone on to successful careers in polo, games, dressage, pleasure, hunters, jumpers, and other forms of recreational riding.

The Commission Veterinarians accepted responsibility for and were present at all animal related programs at Canterbury Park during the live racing season. The veterinarians were involved with the Children's Petting Zoo, Weiner dog races, Camel and Ostrich races, Minnesota Thoroughbred Association (MTA) sale, MTA mare and foal exhibit, and other events occurring on the grounds. Commission veterinarians also provided support for the, Dean Kutz chapel fund raiser, Groom Elite program, Methicillin resistant Staphylococcus study, and a variety of other projects and programs.

RUNNING ACES HARNESS PARK STATISTICS

The day 2011 race meet at Running Aces Harness Park began on Tuesday, May 31st and concluded on Monday, September 5th. Originally scheduled as a 51 day meet the Minnesota state government shutdown resulted in a shortened meet of 45 days. Stalls were requested for 442

horses, a decrease of 314 horses over the 2010 season. The number of starters (7.39 starters/race in 395 races) was decreased over the 2010 (8.37 starters/race in 451 races) but similar to 2009 (7.16 starters/race in 411 races). Forty five qualifying races were run with 305 horses qualifying to race.

In compliance with state and federal regulations and to keep infectious diseases at a minimum all horses allowed on the grounds were accompanied by a Certificate of Veterinary Inspection (CVI) with current Equine Infectious Anemia (EIA or Coggins) information clearly documented. Horses coming from training centers or racetracks with known infectious diseases required additional information on their CVI. The required information varied depending on the geographical location, suspected or known infectious disease, and vaccination status. Certificates were collected at the time of entry and examined each day by a Commission Veterinarian for accuracy and completeness. Copies of certificates with incomplete or missing information were sent to the Minnesota Board of Animal Health for action of their part. Horses arriving without accompanying CVI's or with outdated EIA certificates were held at the stable gate until examined by a licensed veterinarian and an appropriate certificate produced. In addition, due an increased number of piroplasmosis cases in Texas and New Mexico, all horses were required to have a negative test for *Babesia (Theileria) equi* and *Babesia caballi* taken within 10 days of shipping.

Pre race examinations, modified for Standardbreds, were performed on all horses entered to race. A total of 2918 examinations were performed with 46 horses scratched prior to racing or at the starting gate. Abnormal findings were noted on a medical record examination card maintained for each individual horse. These 46 horses along with 9 other horses were placed on the Veterinarian's List and not allowed to race again until deemed fit by one of the Commission Veterinarians.

Furosemide (Salix[®]), a medication administered to control Exercise Induced Pulmonary Hemorrhage (EIPH or bleeding) was permitted for 244 horses entered into the 2010 program. This accounts for approximately 62% of the starters and is similar to the 2008, 2009, and 2010 meets. The furosemide program functioned well with no known administration errors and no furosemide medication violations.

Industrial Laboratory in Boulder, Colorado, the Minnesota Racing Commission contract laboratory, analyzed 819 blood samples and 726 urine samples for medication violations. All first and second place finishers and any horse requested by the Board of Judges were tested. A Commission Veterinarian was present during each of the 45 qualifying races with medication testing provided at the request of the Judges.

Twelve samples were submitted for Quality Control and an additional 342 samples were screened for TCO₂ elevations (indicative of the use of alkalinizing agents). The average TCO₂ concentration was 32.97 mMoles/L which is far below 37 mMoles/L, the level determined by the MRC to indicate an illegal administration.

Fifteen race related medication violations occurred. The violations revolved around overages of the permitted medications clenbuterol (1), corticosteroids (10), and flunixin (4). Again, it is interesting to note that Minnesota is one of the few states that actively tests for corticosteroids and the majority of these violations occurred in horses shipping into the state from other jurisdictions. The Judges dealt with all 15 race related violations and 3 qualifier violations in a manner deemed fair and equitable by them.

No deaths occurred during the 2011 season. The horse ambulance was used only twice, both times safely carrying a horse from the track surface to its stall for treatment and recovery.

CONCLUSION

The Minnesota Racing Commission's veterinary staff had a high visibility and strong presence at Canterbury Park and Running Aces Harness Park both on the backside and the racing surface. The office provided medication information, trainer education, and assistance to backside veterinarians while keeping medication controls tight. Their daily presence ensured the humane treatment of all horses and helped maintain the integrity of horse racing in Minnesota.