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2007 HOUSE JUDICIARY

HB 1126

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1126

House Judiciary Committee

Check here for Conference Committee

Hearing Date: 1/10/07

Recorder Job Number: 891

Committee Clerk Signature *Blaseg*

Minutes:

Chairman DeKrey: We will open the hearing on HB 1126.

Randy Blaseg, Director of Racing, ND Racing Commission: (see attached testimony).

Rep. Delmore: I have seen a lot of legislation that has been passed through. I have a couple of questions about where you are. How many sites do we have, two?

Randy Blaseg: We have four simulcast sites.

Rep. Delmore: In looking at your resources, how much money goes into the promotion fund.

Randy Blaseg: At the present time, I don't have the exact figure in front of me, approximately \$850,000.

Rep. Delmore: Are you subject to audits by the State, just to check where the funds are at.

Randy Blaseg: Yes, there was an audit this past spring, by the State.

Rep. Delmore: If there were issues in the audit, were they addressed?

Randy Blaseg: We were not notified of any irregularities, whatsoever.

Rep. Meyer: I believe last biennium we gave your office \$5,000 to promulgate the rules. That hasn't been done, I was wondering whether the \$5,000 was used.

Randy Blaseg: At this time, we are in the process of adopting a new set of rules and regulations. They are still being reviewed by the Commissioners and the public at large will have to review them. So it is in process.

Rep. Meyer: On page 6, section 6, lines 11-13 of the bill, some of the new language "the commission may receive no more than 25% of the racing promotion fund for the payment of the commission's operating expenses". I don't know if we want that to be that way, but the way this is written, it indicates that you could have, not just the money that was appropriated for you this biennium but you would have access to 25% of the racing promotion fund. That racing promotion fund has been accruing for quite some time. And for the administration of your commission, instead of using the state general fund money where the revenues go into to support this commission, you're taking it out of the racing promotion fund. What was your percentage before, and is that how you intended it to be, that you get 25% of the entire fund as accrued or just this biennium.

Randy Blaseg: The intent is to use only that portion which may or may not need.

Rep. Meyer: But it does give you the authority to use the entire 25% if you wish to.

Randy Blaseg: That is correct, it does, based on the way the bill is written.

Chairman DeKrey: I'd like to go back to Rep. Rep. Meyer's question on the rules. I sit on that rules committee and I haven't seen any advertising in any local papers that you are promulgating rules. So, where are you in that process. Are you going to be advertising your hearing soon?

Randy Blaseg: Yes, that is correct.

Rep. Klemin: I'm trying to go through this bill and figure out where the changes are. I see the current law was due to expire on June 30, 2007, and this bill is continuing this tax procedure on after June 30, 2007. I can see that you broke this out in a little more detail for

certain kinds of betting and now you have a new category for account wagering. I have a little trouble seeing where the tax rate has changed in here. Can you point that out.

Randy Blaseg: On page 4, #2, below (d) it applies to the account wagering process. Once the full amount wagered within the state during that biennium has its \$11 million dollars, the tax rate on account wagering is reduced to $\frac{1}{4}$ of 1%.

Rep. Klemin: What is it now?

Randy Blaseg: That's what it is right now.

Rep. Klemin: That's my question, how is it changing.

Randy Blaseg: As of June 30, it reverts to a different tax structure, as legislation is at the present time. On that date, they would have to meet a new threshold level, go from $\frac{1}{4}$ of 1% to approximately a 4% rate. In other words, the $\frac{1}{4}$ % that is in place at this time right now, goes away June 30th. It reverts back to all types of wagering will go back to 4%.

Rep. Klemin: That's if we don't pass this bill.

Randy Blaseg: That's correct. If we do pass this bill, the account wagering will have to revert, at the beginning of that biennium they would have to meet the \$11 million threshold, at the basic 4% rate, then from then on, it will sit at $\frac{1}{4}$ %. All other forms of wagering in the state, will stay at this so-called $\frac{1}{4}$ % level year round.

Rep. Klemin: Is that a change from what we're doing right now.

Randy Blaseg: That's correct. We are at $\frac{1}{4}$ % right now; all of our walk-up sites are also at $\frac{1}{4}$ %. The people placing wagers at our local walk-up sites receive no benefit by having it at the lower tax rate. There is no benefit to them. The State does not receive, in our payment, the funds that it should from that particular type of wagering.

Rep. Klemin: Just to clear my understanding of this, the account wagers are going to continue to receive the lower rate, but the walk-up people are going to have higher rates.

Randy Blaseg: That's correct. They will have a higher rate, but the people placing the wagers will receive the same payout that they are receiving now.

Rep. Klemin: So it's a tax increase for the walk-up sites.

Randy Blaseg: That's correct.

Rep. Koppelman: The question that was asked earlier about rules, I don't know if you are familiar, this is probably the first time you promulgated rules with the process in ND, which is regulated by law, and ultimately involves public hearings. According to Legislative Council, you haven't filed any notice of intent to make rules which is the first step in that process. You said it was in the works, are you about to do that, or what.

Randy Blaseg: Yes. We are in the process.

Rep. Koppelman: When do you anticipate that happening, in the near future?

Rep. Charging: In Section 1, the racing promotion fund, it is very broad, in the sense that you are to be promoting horse racing in ND. Are you developing new tracks for horse racing. This is pretty broad language.

Randy Blaseg: In response to your question, are you talking about dealing with the racing funds. The Racing Commission grants awards from the promotion fund to those from whom we receive requests. We then grant awards to people that make the requests for the money to be utilized. They then move forward and actually do the promoting.

Rep. Charging: And who determines where that goes, from the racing promotion fund.

Randy Blaseg: We have a deadline date each year when the application have to be turned in, they are reviewed by the five racing commissioners and they determine whether or not they wish to grant funds to them for whatever reason they put in the grant application.

Chairman DeKrey: Who are some of the groups that apply for these funds.

Randy Blaseg: We've had a variety of places, including fairgrounds that want to put on an activity. I would like nothing more to be able to award money for purposes just like that.

Chairman DeKrey: Thank you for appearing. Further testimony in support.

Mike Cichy, PTC: I am one of the service providers. I support the legislation. I wanted to clear up a couple of things that may have been confusing. The walk-up OTB that was discussed earlier – the player gets the same amount of money for his bet no matter what the tax structure is. It's what accrues to the State that changes and to the promotion fund. But the players see no difference in what he gets now; six years ago or six months from now that all stays the same. As far as the discussion of the promotion fund, that money has gone to live racing in Belcourt, live racing in Fargo; it's purchased equipment, track conditioner, starting gates; the infrastructure structure necessary to operate the tracks.

Rep. Koppelman: I'm a little confused on the terminology, when you say promotion fund, that almost sounds more like an operating fund for equipment or maintenance fund, being used for those kinds of items.

Mike Cichy: As it has evolved over the years, I've been involved in this end of the operation since 1994 and I hesitate to second guess the people that wrote the enabling legislation four years before that. But the legislative intent was to use simulcast wagering to promote live racing in ND. So they have three funds: purse fund, breed fund and promotion fund. The use of the promotion fund had always been, in my opinion, not bad but very broad base as to what they use it for. They use it to promote a walk-up OTB as they gather around the state, and when they evolved into the big player business, the big players were the ones that generated the largest amount of promotion money, and that money was used to purchase the infrastructure necessary to run the race track. That's how it evolved. I'm not familiar with the

precise language of the initial legislation. That's what it was for, and through a series of commissions, that's how it evolved.

Rep. Charging: The Racing Promotion Fund covers a very broad area. Shouldn't we be promoting the end product?

Mike Cichy: I wouldn't even dare go there because that was the various racing commissions in session with counsel that moved in that direction. From a historic point, initially they envisioned it differently. As the years went by, they realized that the small towns wouldn't be able to support a fair circuit. Then the decision was made to change the way the fund was handled.

Chairman DeKrey: Thank you for appearing. Further testimony in support.

Rep. Tracy Boe: I'm here to testify in support of HB 1126. Perhaps we can draft some kind of amendment to put some kind of reporting requirements for the commission. Most commissions in the state have a reporting requirement.

Chairman DeKrey: Are we talking Legislative Council or the Legislative Management Committee or did you want it to report to an agency.

Rep. Tracy Boe: Maybe even the Judiciary Committee. I serve on the Ag Committee and we get reports from just about every commission that's Ag related. Every biennium they come in and they report how they've handled their funding, etc. I think it works very well.

Chairman DeKrey: Thank you. Further testimony in support.

Randy Schwartz: I am a breeder of racing horses, of several different breeds. In general, I am in support of this bill as far as the take out for those percentages paid to the funds. I do have one objection to it, that in Section 1 that we are paying the commission to operate and expend from the promotion fund. I think it should come out of the General Fund. In addition to that, the 25% cap per funding, that the Racing Commission would be a floating number, it

could become astronomical; it's not a good way to fund the commission. The possibility of grossly overfunded is very real. No one can stop commissioners from taking money out of there.

Rep. Onstad: Would you be okay with it if it were to have a set amount.

Randy Schwartz: Yes.

Chairman DeKrey: (to Rep. Koppelman) You served on the Appropriations Committee, we got a copy of the budget here, so the language in this bill, when it says up to 25%, would that be limited to what is proposed in this budget, or if they have no fund like that, could they seed this budget.

Rep. Koppelman: I think the Appropriations Committee has their own computations.

Chairman DeKrey: Does this need to go to the Appropriations Committee, even though it doesn't have money on it.

Rep. Koppelman: I think it probably should.

Rep. Meyer: Just for clarification, I passed out their appropriation. When you read it, on line 22, they are requesting \$407,000. That's basically to operate an office with two people, but as you see beneath that, on line 23, less estimated income of \$286,924 is coming out of the racing promotion fund. I don't believe there is any cap.

Chairman DeKrey: Would they be limited to do that, to the \$286,924.

Rep. Koppelman: I would be happy to look into that.

Chairman DeKrey: We're going to have to look into that more closely.

Rep. Koppelman: Mr. Schwartz, you mentioned the promotion fund. You said the general operating funds should come from the general fund. Are you speaking of the State's General fund.

Randy Schwartz: Yes, they would have to have an appropriation from the State.

Rep. Koppelman: Mr. Cichy mentioned three different funds.

Randy Schwartz: There are four distributions in one. There's 2% that goes to the State General Fund up to \$11 million dollars, then there's a ½% that goes to the breeder's fund, ½% that goes to the purse fund and ½% that goes to the promotion fund. So there's money from the pari-mutuel betting going into the general fund.

Chairman DeKrey: I guess my question would be, could this be simplified somehow, it seems like we've got one commission and all these different funds and if all we're doing is operating the commission anyway, why do we need all these different funds.

Randy Schwartz: It's to make a broad base of distribution of funds to all people involved in racing. In fact, I've built up a clientele to buy the horses that I raise and they run them. My incentive is the breeder's fund. The owner that bought that horse from me, who's going to campaign is going to realize his greatest revenue from the purse fund. He gets some percentage from the breeder's fund as well. The promotion fund is used to promote the race so you get a large live handle, which increases the purse as well.

Chairman DeKrey: It's not the committee's purview to get into that, that's the Appropriations problem. I guess my question is if we have a 2 people office, why do you need four funds to run it, but I think you have explained it fairly well.

Rep. Charging: I'm curious about the breeder's fund. Is that available to all counties in ND, or just limited to ND sites.

Randy Schwartz: If the horses are in the state, and they are from out-of-state, they can run and be eligible, if the mare is housed in ND and the baby has to be foaled out in the state, and register with the racing commission as a certified ND bred, then you are eligible for the breeder's fund. There is a lot of latitude in the way that the promotion fund is spent.

Chairman DeKrey: Thank you. Further testimony in support.

Wes Heinrich, Chairman of the ND Horseman's Advisory Board: We are a board that was put together by the commission to advise them on racing issues as they come up. We met last night to discuss this bill, and there are a couple of issues that we're concerned with. Section 1 in the racing promotion fund, which has been touched on before, I believe that is new wording, the paying of the commission's operating expenses. I believe that the operating expenses were originally intended to come out of the 2% that's going to the General Fund. So what they're trying to do, is change that around and additionally, which Rep. Meyer brought up earlier on page 6, lines 11-13, that the commission would receive no more than 25% of the racing promotion fund for payment of the commission's operating expenses. We would prefer to have that struck from the bill, that whole sentence; along with the section added to the promotion fund. That's what we voted on last night as industry advisors. Part of the reason being is there is only \$850,000 in the promotion fund right now. If they could take that 25%, in 4 years it would be gone. It has taken 10+ years to get where it is now. We're in a struggle like a lot of other industries. Promotion is a pretty important part of what we do.

Rep. Meyer: You stated that you were head of the Horseman's Advisory Council or a member.

Wes Heinrich: I am the chairman.

Rep. Meyer: How many times have you met with the Racing Commission.

Wes Heinrich: We have yet to meet with them, and we were originally appointed back under Mr. Bollinger's administration. We invited several times and have yet to meet with the commission.

Rep. Meyer: You are in law, correct. Your group is in law.

Wes Heinrich: I understand that we are, being we were appointed by the Commission themselves. We're just not a select group of one, with a certain intent. We are thoroughbreds,

quarter horses. The commission set up a charter for any racing breed that's in the state, they picked a couple individuals that were leaders in that group; they wanted them on the commission.

Rep. Meyer: Have you ever requested to be placed on the agenda to bring forward issues or help with the rules.

Wes Heinrich: I understand that we have, we've requested several times to come to all meetings, also.

Rep. Meyer: And nothing happened.

Wes Heinrich: Not to my understanding.

Rep. Onstad: With the definition of this advisory group, what is your group, what is the intent of that definition that you are advisory. So what do you feel your intent is.

Wes Heinrich: I believe, in our capacity as an advisory member, is to be part of the process of growing our industries in the state and in making decisions that has anything to do with our industry, such as changing the rules. We should have an active part involved in our industry. This is what we do.

Rep. Onstad: So the change from 1/16% of 1% to 1/2 of 1%.

Wes Heinrich: That does not bother us, because they did do their homework. It is a competitive industry, in the large volume bettors. We need that breakage in order for them to bet.

Rep. Onstad: Maybe it should be 3/4 of 1%.

Wes Heinrich: That isn't where our strong suit is. We put our faith in Mr. Cichy and the Deputy Director to figure out those problems. We understand the breed rules and everything that goes along with it and how our funds are funded and where the money goes, and how we can survive in this competitive world of horse racing.

Rep. Meyer: With your breed funds, have your breed funds ever been taken out to use for any other purpose, other than paying your breeders.

Wes Heinrich: Not that I am aware of at this point. There is some speculation on some other items which I don't want to bring up today. I believe not. The funded racers, but utilized breeder's fund horses, ND bred races.

Chairman DeKrey: Thank you. Further testimony in support.

Rep. Rod Froelich: I am not here in support or opposition to the bill. But there are things that have come to light. I don't have a horse in this race. When this thing got set up years ago, I was involved in the setup of the three funds. The State of ND gets all of the general fund money for the racing commission. I haven't seen the numbers. If that money is there, why should we not be going back to the General Fund to administer this, because it's not a horse fund. That's money that comes from the General Fund. That should be going back, in my opinion, to administer this horse racing commission. So if I were to amend this bill, I would take out the promotion fund, instead of paying the commission, that should be coming out of the general fund in my opinion. You can kick this around all you want about giving big bettors a break. That is the committee's decision. On page 6, the same thing. The racing commission shall not receive more than 25% from the racing promotion fund. That promotion fund is set up to promote horse racing in ND, not to administer the costs. We're supposed to be promoting things, not taking this money out of here.

Rep. Delmore: Do we know how much money is being put into the general fund.

Rep. Rod Froelich: I don't know. This is coming up today. The money is there. The other thing that was brought up, and I believe wholeheartedly, that the racing commission should report to somebody, whether that be this committee, the audit fiscal review, the AG's office, somebody. We don't need a fiasco like we had a few years ago. My recommendation

is that the operating expenses come out of general funds, which is where the money went into and have them report to someone.

Rep. Koppelman: I think we need to look into this a bit deeper as we go forward. I didn't have the appropriation bill that was passed out earlier, but as I read this, it shows based on funding, it shows funding adjustments or enhancements in the final appropriation. Essentially it amounts to a net general fund appropriation of \$120,000 but that's considering the racing commission bringing money into the state and the money that's being appropriated and so on. As I look at this bill, I would be very interested in how this is reconciled. It appears to me that this provision in section 1, that we've been talking about, the racing promotion fund, if it calls for the commission's operating expenses to be paid from the promotion fund, it becomes kind of a black hole and maybe this is well defined somewhere, I just don't see it. Every other entity in state government that receives money from the general fund presents a budget and appropriations deals with that. It appears to me in language in HB 1126, would simply say, 'take what you need'. I don't know of any other entity in the state where you can do that.

Rep. Rod Froelich: If you leave this open, they can take 25%, and I don't think they should be taking anything from it.

Rep. Charging: This legislation is supposed to define what the racing promotion fund.

Rep. Rod Froelich: Yes.

Rep. Charging: We're kind of redefining the amount that would go to it, for improving and upgrading race tracks, promoting horse racing, developing new tracks, etc. Is that what promotion means.

Rep. Rod Froelich: I agree with you. That's what racing promotion is not; promoting races is what it is supposed to do, not paying administrative or operating expenses. Expenses should come from the general fund.

Rep. Koppelman: You said you were around when this legislation happened.

Rep. Rod Froelich: I was involved with it.

Rep. Koppelman: I was wondering if the intent, and it seems to me that Mr. Cichy testified earlier, that couldn't find things to promote so they spent the money on other things, on things that enhanced horse racing value. I believe promotion funds should be used for advertising, marketing, those are things that are promotion, or promoting the industry. Then you should have a race track expansion fund or an operating fund.

Rep. Rod Froelich: That's my idea, when you set these funds up, you don't go and rob them to pay other expenses. You don't rob one fund to pay another.

Chairman DeKrey: Thank you. Further testimony in support or opposition.

Jim Clement: I am a member of the racing commission. I am in support of the bill, except for the issues raised about using the promotion fund for operating expenses of the racing commission. The real issue, and one thing that's not been discussed, is something called breakage. It actually generates the most dollars coming back to state funds than all the other funds combined. To answer your questions about where the revenue goes, year to date, the handle or dollars that have gone through the pari-mutuel wagering system or simulcast or live racing is about \$75 million dollars. At the old tax structure, that would put over \$3 million dollars in the coffers. In the new tax structure, it's put less than \$300,000; so it's a 90% reduction in taxes associated with pari-mutuel racing. That is what the last legislation did. I would agree with what has been said, if we want to lure the big bettors, we are going to have to be at that ¼% and I support and encourage any research into this matter, because I don't know what the magic numbers are in order to court those people, you have to be competitive or you won't get them. That ¼% is probably where we need to be. I also support that the tax break not be extended to the walk-in off-track betting. The real issue here is the need to

create revenue to support live racing in ND. If we don't, this will all go away. The promotion fund, historically, has been used to promote live racing. The money that built the horse park has come from that promotion fund. In the past, breakage, which this year is \$218,000, has all gone to the promotion fund. The legislation that was passed in the last legislative session split that 3 ways, 1/3 to the simulcast service provider, 1/3 to the charity and 1/3 back to the promotion fund. What this bill does, it returns it all to the promotion fund, that's the way it should be. I support this, however, I would agree with Rep. DeKrey, I do not support taking the 25% coming from the promotion fund. To clarify the dollars, if you look at the biennium, this is fairly close, you take the \$11 million dollars at 2% that would be \$220,000 that flowed into the general fund. This year, the total amount in the general fund is about \$46,000. The biennium today is probably somewhere around \$280,000.

Chairman DeKrey: I think what we'll do, is I will meet with Rep. Svedjan, the chairman of the appropriations committee and we will talk about how we're going to meld these two bills so the overlap makes some sense. I think if we pass a policy bill here and appropriations doesn't even know about it, we could be setting ourselves up for problems. After I talk with him, we will come back and discuss this further. We are not going to act on this today. Further testimony in support, in opposition.

Doug Plummer: I race horses and have run them for a long time. I am opposed to this bill, because there are so many flaws in this bill. The 2% is onto the general fund. The operating expenses come from the promotion fund, which you can hardly call it a promotion fund, when you rob it to run the racing commission. I think this is unrealistic legislation.

Chairman DeKrey: Thank you. Further testimony in support or opposition.

Mike Cichy: The portable stalls were purchased by the Pari-mutuel horse racing association with promotion money awarded to it by the racing commission.

Chairman DeKrey: Further testimony? We are going to close the hearing.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1126

House Judiciary Committee

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Hearing Date: 1/15/07

Recorder Job Number: 1124

Committee Clerk Signature

A. Penrose

Minutes:

Chairman DeKrey: We will take a look at HB 1126. Rep. Meyer you have some amendments.

Rep. Meyer: Explained the amendments (see attached testimony). The bill we are looking at now, we had put in place in the last session, and it did have a sunset clause on it. The members who were on the committee before, we had people that had concerns about it, and we told them that we would take a long, hard look at it, and we wouldn't just automatically let it go. This bill does have some changes to it. When we worked on the bill last session, it is in the law now, and I'm referring to page 1, after line 11, section 2, that was amended that they have to report biennially to the Legislative Council regarding operation of the Commission. Right now, after we passed this last session, we also made the racing commission a stand-alone agency. In essence, what happened at that time, is that they don't have to report to anybody. That is creating a few problems and also one of the changes, on page 6, line 11 after commission insert "upon approval of the emergency commission". When we did this bill last session, in previous law, it always was law that the commission could receive up to 25% of this fund, but they had to request this from the emergency commission, and basically that was inadvertently left off when we passed this bill two years ago. It should have been left in there

and we then we thought it wasn't going to be that much of a change. But in looking at it now, we changed the breakage percentage that I really feel, that because there isn't going to be more money going into the promotion fund, that we're going to have them approach the emergency commission so that somebody is watching this fund.

Chairman DeKrey: So after we had passed their appropriation, they would be able to operate this as business as usual up until their appropriation ends and then if they need more funding, they can go up to 25%, only they would have to get it from the emergency commission.

Rep. Meyer: Yes, on approval. They do operate that way now, they do take 25%, in present law right now. But what happened, was that that was inadvertently left off when we worked on this bill two years ago. The subcommittee that worked on this bill and why I don't know, but they said it was going to sunset in two years anyway. So that we could revisit it at that time. Basically, that's what it does. They have to report if they start going over that budget, that they get approval from the emergency commission.

Chairman DeKrey: That's just like any other agency.

Rep. Meyer: Right, just like any other agency; so with the breakage formula in the bill, there's going to be more money in the racing promotion fund. It's just a check and balance. I think it's a good bill, I like how the breakage is. The only other change is that they have to report biennially to the Legislative Council regarding operations of the commission. But every single other agency has to do this as well. Other than that, the content of the bill, I think it's fine. I move the amendment.

Rep. Koppelman: Second.

Randy Blaseg, Racing Commission: As I read this bill, I would understand that all this would do is require us, if we did go over our budget, we would go to the emergency commission. I have no objection to that whatsoever.

Rep. Klemin: I have a question about page 6, line 11, where that language is placed.

Chairman DeKrey: After the second "commission".

Rep. Klemin: So it links to the second "commission".

Rep. Meyer: Yes.

Rep. Klemin: In looking at that line, on lines 11-13 that's where it says "upon the approval of the emergency commission" may receive no more than 25% of the racing promotion fund.

Rep. Meyer: That's the same language that was in it before. When we worked on the bill two years ago, it was inadvertently left off, it's on page 585 in chapter 10A.

Rep. Klemin: I look on page 5 of this bill, lines 15-16, where it's crossed out, notwithstanding this section, the commission may receive no more than 25% of this fund for the purpose of payment of operating expenses of the commission. Is that what you are referring to?

Rep. Meyer: No, in the Code, when we did this bill two years ago, and the subcommittee that was working on this bill, where this language is from, it was inadvertently left off.

Rep. Klemin: So it was in previously, then two years ago we changed and took that out, and now we're putting it back in.

Rep. Meyer: Yes, putting it back in.

Chairman DeKrey: We will take a voice vote. Motion carried. I have an amendment that I handed out, that we can take a look at. My amendment will place in Code that the ND Horsemen's Advisory Council to the commission, by law, would always be on the agenda of their meetings. There was a lot of talk about whether or not communication between the

commission and the horse groups. My amendment will state, by law, they are included. That should foster communication.

Rep. Boehning: I move the DeKrey amendment.

Rep. Delmore: Second.

Randy Blaseg: I think it's good, I really do to do this. The only thing that I would add to this is that I would like to have them contact me in advance to tell me what they wish to have discussed, so that I can then inform the commissioners prior to the meeting so they have an opportunity to be aware of what the discussion is going to be about. I don't feel that we should have this meeting and catch everybody off guard.

Chairman DeKrey: What would we do to fix that.

Rep. Meyer: Every weekend we go home and when you're a public servant and the racing commission is that, the process of open communication is really having them heard there. Right now, when they go to meetings they aren't recognized under New Business or Old Business, or whatever. They aren't recognized because they aren't legitimately on the agenda. Then they call the next month and request to be placed on the agenda, and they are told "no". I just think that there hasn't been open communication. You can't predict everything that they're going to say or why would they want to. It's open and accountable government. That's what we are striving for. We haven't seen that happening in the past. If it starts a chain of open communication and fixes a lot of things, we should do that.

Randy Blaseg: I do feel that you have commissioners that would like to give thought to what is going to be discussed prior to the meeting.

Rep. Onstad: If I were represented the Horsemen Council, and I called up on the 15th and said I want to be on the agenda and we want to talk about this "topic", is that enough notice.

