

MINUTES

OREGON RACING COMMISSION November 18, 2004

The Oregon Racing Commission met on November 18, 2004, at 1:30 p.m. in Room 140 of the Portland State Office Building located at 800 NE Oregon Street, Portland, OR. Commissioners in attendance were Steve Walters, Chair, Jeff Gilmour and Julianne Davis.

Jodi Hanson introduced Dr. John Eagling as an additional Racing Commission Veterinarian. John joins us from Maryland at Standardbred Race Track.

Agenda items were discussed in the following order with resulting actions:

1. Approval of October 21, 2004 Minutes

ACTION: MOTION (Davis) Approve minutes as submitted.

VOTE: 3 Aye, 0 Nay

2. OGBA Request to Release Oregon Bred Bonus Awards for 2004

Carol Bruno: Requested release of funds as submitted. Jodi approved the request.

ACTION: MOTION (Davis) Approve request as submitted.

VOTE: 3 Aye, 0 Nay

3. Portland Meadows Race Meet Report

Scott Daruty, Magna: The EPA mandated work on the backside has been completed; they are just awaiting the letter form the State agency confirming the work. There will be no further work required. They have had some complaints form the horsemen about the layout of hot walkers and street layouts, but it was required by the EPA. They will continue to try to educate the horsemen as to the reason for the changes. Chair Walters praised Magna for their work out there and said he is confident the horsemen will adapt as they have in the past.

Chris Dragone, Portland Meadows: After 13 days of live racing they are down 19.5% as opposed to 2003. The Simulcast handle is down 15.6%, exports are up 39.3% since 2003. They are one day behind because of a transformer malfunction but the day will be made up on January 2. They have scheduled the national cross country championships for the infield on December 4. Walters noted that Portland Meadows is trying to find ways to correct the current trend including legislative proposals and other promotions. He called on people in the industry to get behind the suggestions and to support Portland Meadows in trying to turn this trend around.

Commissioner Gilmour asked if copies of the legislative proposals are available yet. Scott Daruty said the drafts are not yet complete but they will likely pre-file a bill. Commissioner Gilmour requested that copies of anything that they plan to file be sent to the commissioners and commission staff as well.

4. Confirmation of Next Commission Meeting – December 16, 2004

Commissioner Metcalf will not be able to attend and Commissioner Thorne's schedule is unknown but Walters, Gilmour and Davis will be able to attend so there will be a quorum.

5. Report on Hub Sub-Committee Meeting on November 18, 2004

Commissioner Davis: The sub-committee met this morning and a draft report was handed out in which it has been **proposed** that the Hub taxation schedule be changed to the following:

Each hub license in Oregon will pay .125% on the first \$60 million of gross mutuel handle;
Each hub license in Oregon will pay .25% in excess of \$60 million of gross mutuel handle;
That will be capped at \$300,000 from fiscal year 2006 (July 1, 2005 – June 30, 2006), the next
year capped at \$325,000 and the following year capped at \$350,000.

There is also a clause in the draft report that the commission should revisit this issue no later
than once every three years, but the sub-committee will meet from time to time to address
issues as they arise. Interested parties were encouraged to comment.

**6. Advice from Counsel on Request from Crooked River Roundup Association for
Clarification on Ownership Issue of Stalls and Towers Purchased with Hub Funds Located at
Crook County Fairgrounds**

Raul Ramirez: The basic question from the previous meeting was whether certain stalls built
with hub funds and located at the Crook County Fairgrounds could lawfully be transferred to
Crook County so the CRRA would not have to pay a \$900 per year personal property tax on
them. In reviewing the issues Raul requested photographs of the stalls and his assessment is
that they are considered to be permanent improvements so at the time they were completed
ownership actually moved to the county who owns the land on which the improvements are
located (Crook County). The assumption that CRRA owned the stalls was mistaken and so the
county is already responsible for those property tax fees.

Walters commented that the last paragraph of the written statement suggests that for future
allocations of hub money for race meets of any type that the commission might want to insist
that as a condition of that sort of allocation that the fair, or whomever would become the
owner, make some type of commitment to continuing racing there in the future.

*The Commission conducted deliberations in private Executive
Session to consider matters relating to pending cases*

7. Proposed Settlement from Charles R. Williamson on Behalf of Joe A. Crispin

ACTION: MOTION (Davis) The commission will not accept the proposal, which means the
case has to go through the normal hearing process with an
Administrative Law Judge.

VOTE: 3 Aye, 0 Nay.

8. Proposed Stipulated Order for Patrick J. Kerrison

ACTION: MOTION (Gilmour) The commission agrees with the stipulated order.

VOTE: 3 Aye, 0 Nay.

There being no further business, the meeting was adjourned.