Oregon Racing Commission
P.O. Box 366
Gresham, OR 97030
ORC_info@orc.oregon.gov
971-673-0213 Fax
www.oregon.gov/racing

Minutes
Oregon Racing Commission
November 16, 2023

Meeting Detail
The Oregon Racing Commission (ORC) met at 1:30 p.m. Thursday, November 16th, 2023, via Zoom videoconference.

Call to Order and Roll Call
Chair Margaret Doherty called the meeting to order at 1:30 p.m. and Karen Parkman conducted roll call.

In Attendance
Commissioners: Margaret Doherty, Quinn Berry, Lindsay Fowler, and Scott Beckstead (arrived after first agenda item)
Staff: Executive Director Connie Winn; Karen Parkman, Program and Administrative Coordinator; Kelly Routt, Assistant Attorney General (AAG)

Excused
Commissioner Diego Conde

Approvals:
Meeting Agenda
Action: Approval of the revised agenda.
Moved by: Commissioner Fowler
Seconded: Commissioner Berry
Vote: Commissioners Doherty, Berry, and Fowler voted AYE, and the motion was carried unanimously (3:0).

Meeting Minutes
Action: Approval of the October 2023 meeting minutes.

Moved by: Commissioner Berry
Seconded: Commissioner Beckstead
Vote: Commissioners Doherty, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously 4:0).

OLD BUSINESS:

Executive Director's report

Executive Director Connie Winn reported that several of the staff have been taking training and working on rule review and safety initiatives. Chief Investigator Adams begins Foundational Leadership training in February. Investigator Gentile has completed his Law Enforcement Data System (LEDS) training and received certification. Presiding Steward Twiggs and Deputy Steward Crystal completed continued education training in Washington. Program Coordinator Parkman and Administrative Specialist Thom have completed training for OregonBuys, the new state procurement system. Program Coordinator Parkman has also completed training for public relations and project management and will be attending a grant writing workshop this winter. Director of Mutuals Lloyd and Director Winn will be attending the annual ADW summit followed by the Global Symposium on Racing in Tucson. Director Winn will also be attending the Association of Racing Commissioners International Conference, which is also taking place in Tucson the same week.

The ORC is starting to plan for races next year. New rules, policies, and initiatives are in the works and will be presented to the commission for consideration in the coming months. The legislative short session will begin in February and the ORC will be closely monitoring bills that may have an impact on the commission. Director Winn will be providing recommended Key Performance Measures on racehorse abuse, illegal wagering, race fixing, and animal injuries in Oregon and presenting on and changes to hub fund projections during the session.

Lastly, Director Winn reminded the commission that the January meeting would be taking place in person at the Portland State Office. Administrative Specialist Maleah Thom would be in contact with those needing overnight lodging.

Medication and Safety Committee Report

Commissioner Berry reported that the Medication and Safety Committee would be meeting again in December, with the plan to have more detailed proposals for the January commission meeting.

Best Practices and Strategic Planning Committee Report

Commissioner Beckstead reported that the Best Practices and Strategic Planning Committee had a productive first meeting. The Key Performance Measures document will be distributed at the January commission meeting for discussion, and then filled out and scored at during the February

meeting. This document is an issue of interest for the legislature and the Governor. Public communications following a casualty or accident on the track to ensure for transparency to the public. This is an ongoing conversation. Commissioner Beckstead felt it may be in the interest of the commission to build a page on the website like California and New York which covers those events and allows members of the public to easily find information on them. Another topic covered was Oregon joining HISA (Horseracing Integrity and Safety Authority). This is a controversial topic, but an important one to discuss further.

NEW BUSINESS:

Policy and Budget Discussion – Tamara Brickman, Policy and Budget Analyst of Administrative Services

Tamara Brickman was not present for the meeting. This agenda item will be tabled for a later meeting. This will cover planning budgeting for the long session to build a package for things that could increase horse safety.

Discuss Possible Appointment of Presiding Steward Twiggs as Hearing Master

Director Winn reported that because there is not a board of stewards, due to the race season being over and the seasonality of positions of the track steward and deputy steward, the ORC requests that presiding steward Mike Twiggs be appointed as the Hearing Master. ORS 462.405(3) authorizes the appointment of a Hearing Master in leu of a board of stewards. This is important as there are still some pending hearings and an appeal from the race season to be addressed.

A**ction:** Appointment of Mike Twiggs as Hearings Master from today's date thru April of 2024.

Moved by: Commissioner Berry

Seconded: Commissioner Fowler

Vote: Commissioners Doherty, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (4:0).

Report from HRA

Rod Lowe reported that the 2023 commercial race meet was a success. It was the first commercial meet the HRA has had since obtaining a commercial race license. Training opened on April 31st, allowing for a total of 33 training days. Race dates for the commercial meet were September 3rd, 4th, 10th, 11th, 17th, 18th, 24th, 25th, October 1st, 2nd, 8th, and 9th. There was a total of 100 races, with a total attendance of 18,481. The track handle was $206,376 and there was an off-track handle of $16,085. This was the first-time live races were streamed in-state to the Off-Track Betting (OTB) network and handles increased as the meet progressed. Out-of-state streaming would require HISA membership. There were 684 race starters, with an average Thoroughbred field size of 6.49 and an average Quarter Horse field size of 7.85. The total purses paid out to owners, trainers, and jockeys was $935,057.

There were some environmental challenges. On September 23rd, races were cancelled after the 3rd race due to smoke and on October 2nd, the entire 10 race card was run in the rain on a sealed track. This was the first time Mr. Lowe could recall that they were able to run a full race card on a sealed track, and all did very well. He reported that the care of the track and the addition of new sand over the last 3 years, made this possible. The HRA wanted to give the horsemen all the races they had promises, and several races were lost due to the cancelation on September 23rd. Extra races were added to the last two weekends, with 10 races being ran on October 1st and 2nd, and 11 races were run on October 8th and 9th. This also allowed GPD to accommodate the additional horses that arrived at the end of the season due to Emerald Downs having concluded their race meet. The Quarter Horse population was very strong all year, with there being more horses than races and additional races could have been written. Until racing at Emerald concluded, the Thoroughbred numbers were down.

With the help of the OHPBA and OQHRA, the race meet was able to conclude with 2 extra Quarter horse races and 2 extra Thoroughbred races. Therefore, the number of races exceeded the number allotted going into the meet.

Horse, jockey, and horseman safety is the main priority for the HRA. Unfortunately, 9 jockeys received medical attention for injuries sustained during the meet. Three of these injuries were substantial – a broken ankle, a broken collar bone, and one incident of head trauma resulting in a major concussion. All are doing fine now. There were also 4 horse injuries which resulted in euthanasia. The HRA is actively looking for ways they can improve to better ensure the safety of the athletes, both human and horse, and all involved.

HRA Hub Funds Report

Rod Lowe reported that the HRA received two hub fund requests for the 2021-2023 biennium. The first request for $315,000 was originally allocated to TMB but was reallocated to HRA. That money was spent on the required equipment to conduct a commercial meet at Grants Pass Downs including a Peterbilt shower and bunk trailer, a John Deer disc (tractor piece), a 3500 Ram truck to pull the horse ambulance, a 4,000-gallon water tank, two side-by-side ATVs for the gate crews, a 10-foot rototiller, 5 golf carts, and a loader. The rest of the funds went towards parts and maintenance for existing equipment. The second request was for $85,354 and was used for sand, labor, and equipment to make the track surface safer for the horses and jockeys. The sand was added during training in June 2023 and lasted through the fall commercial meet. It will need to be redone for racing next year. Knife River was contracted to deliver the sand, and Track Master, Steve Wood, consulted on sand placement, and HRA employees and equipment were used to spread the sand on the track.

Discuss adding industry experts to committees.

Chair Doherty reported that it has been suggested that industry experts be added to the four existing commission committees. Commissioner Berry asked if they would be there in a consulting or a voting capacity. Chair Doherty responded that it could be determined when the commission made the guidelines for the addition. Commissioner Beckstead asked if there was a sense of who the candidates for those positions would be. Director Winn responded that it would be something that each committee chair would have a hand in deciding, but first they would need to decide the role they would have. Her thoughts were along the lines of adding another vet to the Medication and Safety committee, or a representative from the Jockey's Guild which Commissioner Berry had mentioned to her. Another example she gave was adding a representative from the ADWs licensed by the ORC to the ADW committee or an expert in responsible wagering. Chair Doherty recommended these members be added in a consulting role to answer questions and aid in decision-making. Commissioner Beckstead stated that he supported the idea and believes it is important to have industry representation on the committees. He would need to think about if he thought it should be in an advisory or voting capacity. He also asked if these individuals would need to be in-state or if they could be nationwide. Chair Doherty responded it could be up for discussion.

Chair Doherty recommended that Director Winn and one of the commissioners begin the process of drafting an outline of the role industry experts would have as members of the committees and then present that at the January commission meeting for further discussion.

Request Permission to begin the rule making process for:

A. 462-220-0020 (6) Amendment – Out of state licensed staff

Director Winn reported that this amendment will set the standard for out of state licensed staff for the ADWs. Originally the ORC rule was that anyone who had contact with account holder information must be in possession of an Oregon license. However, many of these individuals already possess multiple licenses and have undergone multiple background checks. This would allow for the states to attest that the individual has undergone full background checks, including FBI checks and fingerprints, then they may comply without a license from Oregon. However, if the regulating body they are already licensed with does not meet the standards of a full background check, then they would need to receive an Oregon license.

Action: Begin the rulemaking process for 462-220-0020 (6).
Moved by: Commissioner Beckstead
Seconded: Commissioner Fowler
Vote: Commissioners Doherty, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (4:0).

B. 462-220-0040(5) Amendment – Affiliate clarification

Director Winn reported that this amendment fixes a rule that was put together previously. The rule had stated that if an ADW affiliate reached a certain amount of handle, they also had to pay fees. The correction would reflect the additional white label taxes should the primary licenses reach the cap on taxes within the fiscal year. This correction accounts for the affiliates which have gained popularity.

Commissioner Beckstead asked for clarification on the term "white label". Director Winn responded that very small ADWs can get support from the big ADWs to utilize their equipment and software and run just a website (or white label). These websites still stream revenue to the big primary ADW, but the white label or affiliate company gets a percentage of the purses they generate on their site. The original thought was that these mini ADWs would never get big enough for their percentages of revenue to matter, however some have become quite popular. The ORC had the option of forcing these companies to get their own licenses, which presents issues for race content, or to say something along the lines of if you get $20 million in handle, which is essentially what it costs to break even and is covered in taxes by the primary licensee, then you now need to start to pay taxes once the primary reaches their cap. What was not considered was that the affiliate might reach the $20 million before the primary company reaches their cap, meaning those purses are being double taxed. This amendment alters the language to fix this problem by specifying that the primary ADW must reach their cap before the affiliate must pay additional taxes.

Action: Begin the rulemaking process for 462-220-0040(5).
Moved by: Commissioner Fowler
Seconded: Commissioner Beckstead
Vote: Commissioners Doherty, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (4:0).

Southern Oregon Horse Racing Association (SOHRA) Report

Rod Lowe reported that SOHRA had a successful 7-day race meet, with the track opening on May 1st for training to ready the horses for the fair meets and commercial meet in the fall. SOHRA was able to provide 56 training days thanks to the funds provided by the ORC for a professional training center. Races took place June 17, 18, 24, 25, July 1, 2, and 4th for a total of 54 races. There were 58 races in 2022. Total attendance was 19,225 with an average attendance of 2,746 people per day. The total handle was $284,361 with an average daily handle of $40,623. There were 318 horses that started, with an average field size of 5.78 horses per start. This was down from 6.45 horses per race in 2022. Total purses were $466,983, compared to $471,222 in 2022. Average purses per race in 2023 was $8,491, an increase from $8,124 in 2022. In 2022, the total handle was $233,272 and total attendance was 12,655, showing an upward trend in 2023. The leading jockey was Taylor Smith, and the leading owner/trainer was Teri Beckner. The weather was good the entire meet and there were no horse or jockey injuries. Mr. Lowe thanked all of the SOHRA officers and volunteers

for their hard work year-round to make races happen at GPDs. The local businesses and individuals have shown SOHRA a lot of support. He also thanked the ORC for funding and support.

Eastern Oregon Livestock Show (EOLS) Report

Nathan Jacob reported that EOLS held a 3-day race meet on June 9, 10, and 11th. They ran 17 of the 18 races they were licensed to run. There were 7 Thoroughbred races with a total of 30 horses entered, 9 Quarter horse races with a total of 50 horses entered, and 1 mixed-breed race with 3 horses entered. A total of 90 horses entered, with 7 being scratched prior to racing. Union is the first race meet in Oregon, so horses don't have much time to train or be conditioned before the meet. There were no horse or jockey injuries. The total handle was $43,991, which was up $22,000 from 2022. There were also 8 more races in 2023 than there were in 2022. The attendance was good. The rodeo and race meet are the only event of their kind in the area, and attract a lot of people. The handle on Friday was $12,619, on Saturday was $19,490, and on Sunday was $11,882. EOLS is the only venue in Oregon which hosts a rodeo, horse racing, and 4-H/FFA livestock show and auction at the same time. The weather was better than in previous years. Local volunteer farmers were able to get the track in great condition for racing as a result. Mr. Jacob thanked everyone who was involved in helping make the races at EOLS successful and bringing in more horses than in recent years. There were 13 jockeys who attended EOLS, with 12 riding. Average field size for Thoroughbreds was 4.14 and average field size for Quarter horses was 5.67. The average purse was $5,233 on Friday, $5,458 on Saturday, and $5,650 on Sunday for a 3-day average purse of $5,435. The total purse payout for the meet was $92,400. Mr. Jacob reported that there are some new people showing interest in helping with the meet, and they are actively looking for more. He thanked the ORC staff and commissioners for their support, and thanked Doug Smith from Prineville for all he does to help support horse racing in Oregon, as well as the Associations for their work and support. He concluded by stating that he thinks the Zoom calls are very beneficial. Race dates for EOLS in 2024 are scheduled for June 7, 8, and 9th.

Oregon Quarter Horse Racing Association (OQHRA) Hub Funds Report

Leah Nelson reported for the July 2021- June 2023 biennium. The AQHA reported that in 2022 there were 51,690 Quarter horses registered in Oregon and 52 Quarter horse races held. Population numbers for 2023 are still pending, however there were 90 Quarter horse races with 311 starters and 576 starts, representing a strong Quarter horse population in Oregon. In 2022, the OQHRA provided the EOLS with $1,000 for purses. This was due to many races being cancelled due to the weather. However, in 2023, they provided EOLS with $9,400 for purses. In 2022, they provided SOHRA with $122,400 for purses and an additional $100,00 was allocated to the OHBPA to purchase equipment when Mr. Boersma backed out so that the race meet could continue. In 2022, $4,500 was provided to CRRU for purse money. The 2023 money spent for SOHRA, CRRU, and Tillamook will be reported next year during the 2023-2025 report. In 2022, Tillamook was provided with $16,800 for purses. Traditionally, OQHRA budgets for 2 races per day, however Tillamook was able to fill 13 races total over a 4-day period, so additional funds were provided.

On June 16th, 2022, there was an all AQHA commercial race day which included 3 Firecracker Futurity trials, 3 Adequan Derby trials, a maiden race, and an allowance race. OQHRA provided $40,000 in purse money and an additional $100 starter fee which totaled an additional $2,600 for low placing horses in the races. Total spent for the biennium was $382,800, which was $25,800 more than the $357,000 in hub funds they received. OQHRA had to come up with the difference of funds to support the races. Leah Nelson thanked the Commission for the hub funds and their support.

Oregon Horsemen's Benevolence and Protection Association (OHBPA) Hub Fund Report

Randy Boden introduced the OHBPA to the new commissioners stating that when Portland Meadows closed, Travis Boersma took over and built Grants Pass Downs as it is and provided most of the funds, including purses. In 2022, when he stepped away, before races began, he did not renew the commercial license. As a result, the OHBPA, a non-profit organization, stepped in to form a for-profit organization known as the HRA to obtain and carry the commercial racing license in Oregon. Because Travis's commercial license did not expire until July of 2022, OHBPA acted to reactivate SOHRA to carry a non-commercial spring race meet in the meantime. A total of $421,503 was provided to SOHRA for the race meet, and an additional $650,000 approximately was spent on equipment, the track, and staff. Mr. Boden thanked Leah Nelson for the $100,000 provided by OQHRA which was instrumental, as well as Lynelle Fox-Smith with OTOBA for jumping in. Executive Director Winn also played a huge role in support and keeping racing alive. In 2023, OHBPA provided EOLS with approximately $8,000 SOHRA with $44,700, and $1,000 per race at CRRU and Tillamook. This was working off of $189,000 received in March and $85,354 received in May 2023. Any additional left-over funds went towards the $623,500 provided for the 2023 fall commercial meet, which is part of the 2023-2025 biennium. The OHBPA spends all their hub funds on race purses.

Discuss need for December Commission meeting.

Chair Doherty recommended that there was not a meeting in December so the staff could work on rule making and other important work.

PUBLIC COMMENT:

None.

CONTESTED CASES:

None.

CONFIRMATION OF NEXT COMMISSION MEETING:

The next commission meeting is scheduled for January 18th, 2023, at 1:30 P.M. in person in Room 1A of the Portland State Building located at 800 NE Oregon St., Portland, OR 97232 and via ZOOM.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 2:43 p.m.