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Minutes
Oregon Racing Commission
March 20th, 2025

Meeting Detail

The Oregon Racing Commission (ORC) met at 1:30 PM on March 20, 2025, remotely via Microsoft Teams videoconference.

Call to Order, Roll Call and Mission Statement:

Chair Margaret Doherty called the meeting to order at 1:31 PM, and Karen Parkman conducted roll call.

In Attendance:

Commissioners: Chair Margaret Doherty, Vice Chair Quinn Berry, Commissioners Harvey Stein, DVM, and Lindsay Fowler.

Staff: Connie Winn, Executive Director; Karen Parkman, Program and Administrative Coordinator; Kelly Routt, Assistant Attorney General (AAG)

Excused: None

APPROVALS:

Meeting Minutes

Action: Approval of the January meeting minutes.

Moved by: Commissioner Fowler

Seconded: Commissioner Stein

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

Meeting Agenda

Action: Approve March meeting agenda with correction- Harvey Stein, DVM.

Moved by: Commissioner Stein

Seconded: Commissioner Fowler

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

OLD BUSINESS

Executive Director's Report – Director Winn:

Director Winn reported that the ORC is adopting a new phrase, coined by Chief Investigator Montecino – “Excellence in racing. Safety first. Integrity always.” She congratulated Micah Lloyd on completing the ISO Lead Auditor Certificate, which is a top international standard for Information Security.

- HB 3020, which would eliminate greyhound racing effective July 1st, 2027, passed the House in the first Senate meeting.
- HB 3023, which would allow the ORC to retain additional hub funds, had its first House reading and public hearing, but was pulled from the work session. If a work session is not scheduled by end of day tomorrow, the bill will likely be dead despite Governor support.
- HB 5035 is the ORC budget bill and is going to Ways and Means for a hearing on March 27th.
- SB 853 increases licensing fees. However, nothing has been done since going to the Committee on Finance and Revenue in January.
- SB 854 imposes civil fines and has been voted out of committee and into the next stage.
- SB 855 allows the ORC to raise fines from \$500 to \$5k and is still in play.
- SB 856 would allow the Director of Mutuals to place limited test wagers to ensure licensee systems are working properly. It has passed through the Senate and is now in the House Committee on Commerce and Consumer Protection.
- Lastly, SB 857 allows the ORC to operate a confidential tip line and has cleared the Senate.

Director Winn stated that she with Micah Lloyd, and Dawn Rome attended the Auditing and Technology Training seminar on March 17 and 18, and Micah and Director Winn led most of the Training. There was an expert on Blockchain and Artificial Intelligence, as well as a previous ADW member, Todd Bowker, who conducted a presentation on fraud mitigation. Micah conducted training on the auditing process and on standard occupational classifications, Dawn compiled research for the SOC audit, and Director Winn presented two model rules for the Model Rule Committee. Attendees also did field work and industry tours.

Director Winn stated that she and Commissioner Fowler will be attending the model rule committee meeting in Kentucky.

Medication & Safety Committee Report

Commissioner Fowler reported that the committee first discussed a rule amendment for **OAR 462-150-0050 (2)** that would limit racing participation. After some discussion led by Jerry Kohls on how the fairs, Prineville and Tillamook especially, would be negatively impacted, and a proposal by Rod Lowe, the committee concluded that they should not amend the current rule, rather start a policy at each track that horses may not run two days in a row and no more than 3 times in 10 days.

The committee also discussed adding Total Carbon Dioxide (TCO2) testing to the standard tests to be run post-race by UC Davis, which tests for metabolic response to “milk shaking”. The committee recommended beginning the rule process to implement that testing.

Commissioner Stein added that the racing secretary has the power to deny entries and is willing to work with the commission to keep horses from running back-to-back days. It is his thought that by enforcing a longer rest period between races, field size will increase from fewer horses being scratched for lameness. This test period will allow the commission to collect data for analysis.

Budget Committee Report

Chair Doherty reported that hub funds for the 2025-2027 biennium were still tentatively approved given funds are available. The only one that may not receive their full request is SOHRA, which includes funds for training in addition to racing. This could change if funding becomes available, but at this time it is still pending.

Commissioner Stein asked about how SOHRA is classifying employees for worker’s compensation, as they may have higher rates if they are all classified under horse racing, and that was one of the larger billing items on their budget. Rod Lowe responded that employees are broken up between high risk and low risk jobs already.

NEW BUSINESS

Discussion and possible approval to begin the rule making process for the following rules:

a) OAR 462-120-0050 (3) Length of License

Director Winn reported that the current length of a license is 3 years, however, the new database system is set up for 2-year licenses. Currently, licensees pay \$60 for a 3-year license. If the bill for increasing license fees goes through, then licenses would remain \$60 for a 2-year license. If it does not pass, the price will be \$40 for a 2-year license, which is consistent with the current annual cost.

b) OAR 462-150-0050 (2) Amendment – Has been removed from consideration

c) OAR 462-160-0130 Amendment – TCO2

Amends current rule to begin implementation of TCO2 testing.

Action: Approval to begin rule making process for OARs 462-120-0050 (3) and 462-160-0130.

Moved by: Commissioner Fowler

Seconded: Commissioner Stein

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

Discussion and possible approval to adopt the following rules:

- a) **462-120-0010 (6) Clarifies who should be licensed**
- b) **462-140-0060 (1) Clarifies accreditation of stewards**
- c) **462-140-0320 (6)(i) EIA**
- d) **462-160-0130 (4)(D) NSAID prohibited within 48 hours**
- e) **462-200-0675 Best (X) of (Y)**

Note: Dr Stein, DVM added clarification that OAR **462-140-0320 (6)(i) EIA** rule did not just apply to racehorses, but all horses on the backside.

Action: Approval to adopt all 5 (a-e) proposed rule amendments.

Moved by: Commissioner Stein

Seconded: Commissioner Fowler

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

Discussion on HB 3031-4 and future distributions

Director Winn reported that HB 3101 would grant additional funding from the lottery for the fair meets. She encouraged the commissioners to thoroughly consider how this money should be spent if the bill passes, as requests for funding will likely be greater than the available funds.

Director Winn stated that the funds are designated for track maintenance, supporting purses, jockey incentives, funding for veterinarians and medical professionals, safety equipment, operation of horse racing events – including paying for security and insurance – which may allow an opportunity to offset some of SOHRA’s requested funds, and building and maintaining racing infrastructure.

Dr. Lombard asked if Eastern Oregon Livestock Show qualified as a fair meet, since it does not take place at a fairground. Director Winn confirmed that they were covered in the language. Commissioner Stein asked what happened to the Burns track. Director Winn explained that they decided to permanently close and sold their equipment during the second year of COVID. Since then, they have expressed a desire to reopen, as closing has had a county wide economic impact. However, with the track being completely let go and all equipment having been sold, it would be very expensive to get them up and running again. She added that she remembered issues getting horsemen and jockeys out there as well.

Leah Nelson added that she has concerns about how the money would be used, such as for medical reimbursements. Director Winn answered that extensive rules would be put in place, with the advisory of industry experts and legal counsel to ensure proper guardrails. Funding would be used for its intended purposes.

Discussion and approval of 2025-2027 Hub Fund Grants

Chair Doherty reported that pending availability, the commission would approve hub fund grants as presented. The only one in question was the \$400k request from SOHRA. Rod Lowe asked for clarification that they were speaking of next biennium, not for 2025. Director Winn confirmed that the \$200k for this year had been approved.

Director Winn clarified with Chair Doherty that she was discussing Association Funds, but this agenda item is for Hub Funds, which include OQHRA and OTOBA, not the fair groups. She reminded the commission that there is \$1 million available for funding, and over \$1 million requested. The funds need approval soon, as they cannot budget until they know how much money they will receive.

HRA submitted a request for 70 days of training and jockey insurance for 24 days, which comes to a total of \$536k. However, they are requesting \$300k. Rod Lowe stated that the request is within the 30% available funding parameters of what they have always requested in years past, and the HRA will absorb the additional costs.

The Oregon Horseman Benevolent Protection Association (OHBPA) also requested \$300k, which will help cover the \$682k in purses they will be funding, and some other expenses. Randy Bodene stated that \$300k is also within the 30% parameters of what they usually request.

The Oregon Quarter Horse Racing Association (OQHRA) also requested \$300k to go toward purses. Leah Nelson stated that they have the same expenses and are doing the same things as the other associations, and that \$300k would not cover their expenses either, therefore they would also have to come up with additional money on their own. The OQHRA also submitted a second request for \$60k to go towards owner and breeder incentives. Leah Nelson added that this money would go towards owner and breeder awards to help incentivize and increase racing Quarter Horse numbers in the state. Chair Doherty asked if this request was within the parameters of funding they have received in the past. Director Winn responded that they have not received funding for this purpose in the past.

Lastly, is the Oregon Thoroughbred Owners and Breeders Association (OTOBA), which submitted a request for funding of owner and breeder awards for \$62k, purses for \$48k, and foal incentives for \$90k, for a total request of \$200k. Lynelle Smith explained that the OTOBA board had to make some tough decisions to cut programs offered for over 80 years, even if they get the money requested. \$200k is \$160k less than they were granted last year, but it is the same percentage of the total funds available they have requested in the past. The association board is made up of all breeders, who own and breed in Oregon. The association's primary goal is to get Oregon-bred foals on the ground. The owner's and breeder's award have been around since the association's inception. Purse supplements are a small part of the association's expenses. In 2016, OTOBA began the breeder incentive program, to encourage people to start and keep breeding as foal

numbers have become alarmingly low, not just in Oregon but nationwide. OTOBA will have to find additional funds through administrative cuts if necessary.

Director Winn reminded the commission that the requests total \$160k over the approved budget, and therefore \$160k of the requested funds cannot be approved.

Commissioner Stein raised concern with OTOBA's foal incentive, that paying anyone \$1.5k for any Jockey Club registered foal could be a detriment to the bred. He saw something similar in Italy, and they had to change their program to paying out upon the horse's first start as a racehorse. Then people were still trying to breed a racehorse and not just throwing any two horses together that they have for a check. Lynelle responded that there are only 26 breeders in the state, and it isn't a lot of money. She stated concern eliminating incentives for registered foals because even if that foal never races it may be a broodmare or stud behind a future racehorse.

Director Winn asked the associations how much funding they each receive from other sources. OTOBA receives statutory money for the owner's bonus and administrative costs and approximately \$5k annually from membership dues. The OHBPA gets 1/3 of the funds from the OTBs after fees, which are split between purses for Thoroughbreds and Quarter Horses, and then some source market money from Oregon residents betting through the ADWs. Mr. Boden did not have the exact numbers in front of him. The OQHRA gets some funding from the sources Mr. Boden mentioned, as well as their annual stallion auction, and a small amount for owner's and breeder's awards. The stallion auction made just over \$30k this year. The HRA manages the OTBs and source market moneys, which comes to about \$1M after the funds are split. The HRA retains half of those funds for operations and the other half is split between the OHBPA, OQHRA, and OTOBA.

Director Winn read the ORC's vision and mission statements and asked the commissioners to think about what the priorities are for the commission and to keep racing going. Commissioner Stein stated he would like to see the OTB network expand and asked Mr. Lowe about the vision and plan there. Mr. Lowe responded that there are meetings scheduled in Medford to have a new OTB at the new casino the Coquille tribe is building there. There are plans to build an OTB site in Grants Pass as well. He stated some have had to close due to a lack of interest and loss of funds. He is hoping if the new casino adds an OTB, others may also be open to it. The maximum number of OTBs allowed is 20, and there are currently 8, so plans to expand and add are ongoing. Commissioner Berry stated that for future decisions on the Hub funds, he would like to use the Strategic Planning Committee to hear more from the industry and interested parties on how funds should be most fairly distributed to serve the ORC's mission. He would like to see more collaboration and cooperation between the parties invested. Commissioner Fowler stated that safety would be her priority. Director Winn echoed that safety and purses would be hers, which is most of the money requested. Commissioner Fowler asked about the 70 training days, which Director Winn clarified would be considered safety.

Dave Nelson stated that the history of the hub funds and their intended use over the years, and added he is glad the focus is on safety and that the horsemen should also be a priority as they bring the horses which bring the crowds, so focus on a balanced system that brings entertainment to rural counties is a must.

Rod Lowe added that from a race standpoint, the horsemen must be prioritized, which means prioritizing purses, so they create a venue horsemen want to come to. In his opinion, breeder awards for any breed are a bonus to those already doing it, but they do not create horse races and won't keep horse racing going. He reminded the commission that they are already down to 12 commercial race days and around 20 fair days, when there used to be 70 days at Portland Meadows in addition to the fair days, creating a year-round circuit. He stated that racing creates horses which create breeders which create owners, and the horses don't need to be bred in Oregon, they can be bred anywhere. The racetracks and number of race days are most important from his standpoint.

Lynnelle Smith stated that she disagreed with Rod because Oregon breeders keep the money in Oregon. They don't win Oregon purse money and take it back to another state with them. She feels that purses have not changed, but foal numbers have declined significantly. She reminded the commission that OTOBA is recognized in statute as an important component to horse racing because they support local communities and agriculture in the state, and that they are the only association who has received legislative funding directly to assist with safety improvements for all the Oregon tracks. Randy Boden added not to discount purses because they drive everything and keep horse racing viable for the horsemen.

Commissioner Berry clarified with Director Winn that the racing secretary can write races only for Oregon bred horses to incentivize Oregon breeders. Director Winn recommended that the commissioners not approve the full \$1M, but rather only approve the funds requested specifically for purses and safety purposes, which would leave \$52k left. Then ask the fair meets if they have any projects specifically to increase safety and not spend it all on the associations. This would mean little funding for OTOBA, \$48k in total, but would cover their requests for purses. Director Winn recognized that it may upset some and may not be the fairest way to split the funds, but it would prioritize purses and safety, both of which you lose horse racing without.

Action: Approve only the requested funds which relate directly to purses and safety and use the leftover \$52k to fund safety projects at the fairs.

Moved by: Commissioner Berry

Seconded: Commissioner Fowler

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

Approval of County Fair Race Dates

Director Winn recommended approving the applications for the fair meets Forms A-C that are in the meeting packet.

- a) **Eastern Oregon Livestock Show (EOLS)**
- b) **Southern Oregon Horse Racing Association (SOHRA)**
- c) **Crooked River Round Up (CRRU)**
- d) **Tillamook Country Fair (TCF)**

Action: Approve the fair meets applications and dates (a-d above).

Moved by: Commissioner Doherty

Second: Commissioner Stein

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

Organization of Racing Investigators Report – Chief Investigator Chris Montecino

Chief Investigator Chris Montecino reported that he was able to attend the annual racing investigator's conference this year, which took place at Keeneland in Lexington, Kentucky. He found it to be an extremely educational experience with guest speakers who included an FBI agent involved in cartel investigations in Quarter Horses, a speaker from France on their crop use regulations, and a vet who presented on EIA and on track quarantine. He has a lot to think about from the convention and looks forward to attending more in the future.

PUBLIC COMMENT:

Dr. Alice Lombard thanked the commission for prioritizing safety in their decision making.

CONTESTED CASES

None.

CONFIRMATION OF THE NEXT MEETING:

The next commission meeting is scheduled for Thursday, April 17th, 2025, at 1:30 P.M. in person at the Portland State Office Building, 800 NE Oregon St, Portland, OR 97232 - Room 1A, and remotely via Microsoft Teams.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 3:14 PM by Chair Doherty.