

RESOLUTION NUMBER 03-27-19-04

The South Dakota Commission on Gaming hereby makes the following allocations for purse supplements and racing operations for the 2019 live horse racing season:

To the Verendrye Benevolent Association:

\$22,000.00 from the South Dakota bred racing fund for purses for races that are restricted to South Dakota bred horses including stakes races;

\$3,000.00 per racing day from the South Dakota bred racing fund, not to exceed a maximum of \$ 12,000.00 for point money for South Dakota bred horses that compete in races that are not restricted to South Dakota bred horses and on which pari mutuel wagers and are accepted at the Stanley County Fairgrounds

\$ 104,000.00 from the special racing revolving fund for racing operations and purses.

All money received and dispersed by the Verendrye Benevolent Association for racing operations and purses, South Dakota Bred Fund point money, and the Horsemen's Bookkeeper's account shall be maintained in segregated bank accounts and shall not be comingled with any funds of any other organization.

To the Northeast Area Horse Racing Inc,:

\$22,000.00 from the South Dakota bred racing fund for purses for races that are restricted to South Dakota bred horses, including stakes races;

\$3,000.00 per racing day from the South Dakota bred racing fund, not to exceed a maximum of \$12,000.00 for point money for South Dakota bred horses that compete in races which are not restricted to South Dakota bred horses and on which pari mutuel wagers are accepted at the Brown County Fairgrounds;

\$104,000 from the special racing revolving fund for racing operations and purses.

None of the funds allocated above may be used as purse supplements to any race in which less than five (5) qualified horses have been entered under the supervision of a state steward.

These funds are allocated on the following conditions:

- 1) that each corporation shall obtain an insurance policy or policies with limits of \$ 1 Million and naming the South Dakota Commission on Gaming and its agents and employees as additional insureds. The policy or policies shall include general liability, liquor liability, jockey insurance and horse racing activities; and
- 2) that each corporation shall obtain a bond to be used if necessary to pay purses, salaries, wagers and payments to vendors for goods and services provided to the corporation in conducting its racing operations. The amount of the bond for the Verendrye Benevolent Association shall be \$42,000 and the amount of the bond for the Northeast Area Horse Racing, Inc. shall be \$50,000.

Track management is authorized to make adjustments in the above categories with prior approval of the Acting Executive Secretary of the Commission.

These funds shall be made available to the race tracks upon approval of vouchers by the Acting Executive Secretary and the purposes for which these funds are used shall be subject to an audit by the Commission's audit staff after the financial reports required by ARSD 20:04:20:10 have been furnished to the Commission.

The Acting Executive Secretary is authorized to withhold \$4,789.00 from the distribution of the \$104,000.00 allocated to the Verendrye Benevolent Association for operations to guarantee payment of taxes and fees to the Commission until such time as the Association has paid in full all taxes and fees due the Commission for the 2019 racing season.

The Acting Executive Secretary is authorized to withhold \$7,707.00 from the \$104,000.00 allocated to the North East Area Horse Racing, Inc. to guarantee payment of taxes and fees due the Commission until such time as the Corporation has paid in full all taxes and fees due the Commission for the 2019 racing season.

In the event that either corporation informs the Acting Executive Secretary in writing that the Board of Directors of the corporation has taken official action to not conduct live horse racing in 2019 the Acting Executive Secretary is authorized to transfer the allocation of \$ 104,000.00 from the special racing revolving fund to the other corporation to be used for purses and racing operations. The money allocated from the South Dakota bred racing fund to a corporation which does not conduct live racing in 2019 shall be held in the fund for use in future racing seasons.