

HOUSE BILL No. 4367

March 7, 1989, Introduced by Reps. Alley, DeMars, Jacobetti, Harrison, Law, Honigman, Bankes, Hart, Niederstadt and Knight and referred to the Committee on State Affairs.

A bill to amend sections 7 and 12 of Act No. 327 of the Public Acts of 1980, entitled as amended "Racing law of 1980," as amended by Act No. 108 of the Public Acts of 1986, being sections 431.67 and 431.72 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 7 and 12 of Act No. 327 of the Public
2 Acts of 1980, as amended by Act No. 108 of the Public Acts of
3 1986, being sections 431.67 and 431.72 of the Michigan Compiled
4 Laws, are amended to read as follows:

5 Sec. 7. (1) The racing commissioner may issue the following
6 general classes of licenses:

7 (a) Occupational licenses issued to individuals who qualify
8 as racing participants, race meeting operators, or employees
9 involved in or having to do with racing.

1 (b) Race meeting licenses issued annually specifying dates
2 on which racing may be conducted, to a person, corporation, firm,
3 partnership, association, or other legal entity proposing to con-
4 duct the race meeting.

5 (c) Track licenses issued to a person, corporation, firm,
6 partnership, association, or other legal entity who ~~makes~~
7 ~~application~~ APPLIES and desires to maintain or operate a race-
8 track where it is proposed that horse racing with wagering by
9 pari-mutuel methods on the result of the racing will be con-
10 ducted, whether or not the racetrack is constructed.

11 (D) OFF-TRACK FACILITY LICENSES ISSUED PURSUANT TO THE TELE-
12 COMMUNICATIONS WAGERING ACT AND THE RULES PROMULGATED UNDER THAT
13 ACT.

14 (E) OFF-TRACK EMPLOYEE AND AGENT LICENSES PURSUANT TO THE
15 TELECOMMUNICATIONS WAGERING ACT AND THE RULES PROMULGATED UNDER
16 THAT ACT.

17 (2) Except as provided in subsection (3), the racing commis-
18 sioner shall not issue a race meeting license to a person, corpo-
19 ration, firm, partnership, association, or other legal entity, if
20 the person, corporation, firm, partnership, or other legal entity
21 conducted racing within a city area as defined in section 8(5)
22 and the person, corporation, firm, partnership, association, or
23 other legal entity has a controlling interest in or co-ownership
24 of another racetrack located within a city area as defined in
25 section 8(5).

26 (3) The racing commissioner may issue more than 1 race
27 meeting license to a person, corporation, firm, partnership,

1 association, or other legal entity to conduct race meetings at
2 the same racetrack.

3 Sec. 12. (1) A holder of a race meeting license may provide
4 a place in the race meeting grounds or enclosure at which he or
5 she may conduct and supervise the pari-mutuel system of wagering
6 by patrons on horse racing. The pari-mutuel system of wagering
7 upon horse racing within the race meeting grounds, OR PURSUANT TO
8 THE TELECOMMUNICATIONS WAGERING ACT, shall not be held or con-
9 strued to be unlawful. If the pari-mutuel system of wagering is
10 used at a race meeting, a totalisator, or other device which is
11 equal in accuracy and clearness to a totalisator and approved by
12 the racing commissioner, shall be used. The odds display of the
13 totalisator or other device shall be placed in full view of the
14 patrons.

15 (2) No other ~~place or~~ method of betting, pool making,
16 wagering, or gaming shall be used or permitted by the holder of
17 the license. The pari-mutuel system of wagering shall not be
18 conducted except at the racetrack where the pari-mutuel system of
19 wagering is conducted and pursuant to section 12a, OR PURSUANT TO
20 THE TELECOMMUNICATIONS WAGERING ACT. Each holder of a race meet-
21 ing license shall retain as his or her commission 17% of all
22 money wagered. Except as provided in subsection (6), each holder
23 of a race meeting license shall retain as his or her commission
24 on all forms of multiple wagering, 20-1/2% of all money wagered.
25 In each race meeting, the holder of the race meeting license
26 shall divide the breaks equally with the state. Breaks shall be
27 computed at all times at 10 cents and defined as the cents over

1 any multiple of 10 otherwise payable to a patron on a wager of
2 \$1.00.

3 (3) Payoff prices of tickets of a higher denomination shall
4 be calculated as even multiples of the payoff price for a \$1.00
5 wager. Each holder of a race meeting license shall distribute to
6 the persons holding winning tickets, as a minimum, a sum not less
7 than \$1.10 calculated on the basis of each \$1.00 deposited in a
8 pool, except that each race meeting licensee may distribute a sum
9 of not less than \$1.05 to persons holding winning tickets for
10 each \$1.00 deposited in a minus pool. As used in this subsec-
11 tion, "minus pool" means any win, place, or show pool in which
12 the payout would exceed the total value of the pool.

13 (4) A holder of a race meeting license shall not knowingly
14 permit a person less than 18 years of age to be a patron of the
15 pari-mutuel wagering conducted or supervised by the holder.

16 (5) Any act or transaction relative to wagering permitted by
17 this act shall only occur or be permitted to occur within the
18 enclosure of a race meeting grounds OR AT AN OFF-TRACK FACILITY
19 AUTHORIZED UNDER THE TELECOMMUNICATIONS WAGERING ACT. A person
20 shall not participate in or be a party to any act or transaction
21 relative to the placing of a wager or carrying a wager for place-
22 ment outside of a race meeting grounds OR AN OFF-TRACK FACILITY
23 AUTHORIZED UNDER THE TELECOMMUNICATIONS WAGERING ACT. A person
24 shall not provide messenger service for the placing of a bet for
25 another person who is not a patron. However, this subsection
26 does not prevent the authorization of the simulcast of Michigan
27 pari-mutuel horse races to wagering locations outside this

1 state. Upon proper application, the racing commissioner may
2 issue a permit allowing a race meeting licensee to transmit, by
3 live video and audio signals, a live horse race to a viewing area
4 outside this state.

5 (6) As used in this subsection, "special sweepstakes
6 pari-mutuel pool" means amounts wagered for a selection in each
7 of 3 or more races designated by the race meeting licensee with
8 the approval of the racing commissioner. The racing commissioner
9 may promulgate rules to regulate a special sweepstakes
10 pari-mutuel pool which shall not be connected with or related to
11 any other form of multiple wagering, or to any other win, place,
12 or show pool. A special sweepstakes pari-mutuel pool may be
13 given a distinctive name by the race meeting licensee, subject to
14 the approval of the racing commissioner. Each holder of a race
15 meeting license shall retain as his or her commission on special
16 sweepstakes pari-mutuel pools 25% of all money wagered.

17 Section 2. This amendatory act shall not take effect unless
18 Senate Bill No. _____ or House Bill No. 4368 (request
19 no. 00701'89) of the 85th Legislature is enacted into law.