

HOUSE BILL No. 5264

November 8, 1989, Introduced by Reps. Jacobetti, Harrison, Hart, Griffin, O'Neill, Webb, Niederstadt, Crandall, Emmons, Law, Bankes and Knight and referred to the Committee on Appropriations.

A bill to amend sections 9, 12, 12a, 13, and 15 of Act No. 327 of the Public Acts of 1980, entitled as amended "Racing law of 1980," sections 9, 12, 13, and 15 as amended and section 12a as added by Act No. 108 of the Public Acts of 1986, being sections 431.69, 431.72, 431.72a, 431.73, and 431.75 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 9, 12, 12a, 13, and 15 of Act No. 327
2 of the Public Acts of 1980, sections 9, 12, 13, and 15 as amended
3 and section 12a as added by Act No. 108 of the Public Acts of
4 1986, being sections 431.69, 431.72, 431.72a, 431.73, and 431.75
5 of the Michigan Compiled Laws, are amended to read as follows:

6 Sec. 9. (1) A person desiring to conduct a thoroughbred,
7 standardbred, quarter horse, Appaloosa, or Arabian race meeting,

1 or a combination of these race meetings, shall apply to the
2 racing commissioner for a license to conduct those race
3 meetings. The application shall be filed with the racing commis-
4 sioner before September 2 of the year preceding the year in which
5 the person proposes to conduct racing. The application, after
6 being filed, shall be made available for public inspection during
7 regular business hours. The application shall be in writing,
8 shall demonstrate to the racing commissioner satisfactory finan-
9 cial responsibility, and shall specify the location and the days
10 on which racing is desired to be held. The racing commissioner
11 shall not allocate racing dates to permit more than 6 days of
12 racing in a week at a racetrack. The application shall give the
13 name and address of the applicant, and, if a corporation, shall
14 state the place of its incorporation, and shall give any other
15 information required by the rules promulgated under this act ~~or~~
16 by the racing commissioner. Upon the filing of the application,
17 the racing commissioner shall make an investigation of the
18 applicant. If Sunday racing is conducted, the first race shall
19 not start before noon. A thoroughbred race meeting, or a simul-
20 cast by a thoroughbred race meeting licensee pursuant to section
21 12a, shall not be conducted after 6:45 p.m. on any racing day
22 except Sunday. A standardbred race meeting, or a simulcast by a
23 standardbred race meeting licensee pursuant to section 12a, shall
24 not be conducted before 6:45 p.m. on any racing day except
25 Sunday. Notwithstanding the 6:45 p.m. time restriction, the
26 RACING commissioner, upon application by a race meeting licensee,
27 may grant to the race meeting licensee a race meeting license

1 authorizing matinees that would otherwise be prevented by the
2 6:45 p.m. time restriction, provided that no other race meeting
3 is licensed or authorized to be conducted at the same time the
4 matinee is proposed to be conducted. The national anthem shall
5 be played before the first race is run on each racing day. For
6 purposes of this act, "racing day" means a period of 24 hours
7 beginning at ~~noon~~ 8 A.M. and ending at ~~11:59~~ 7:59 a.m. the
8 following day.

9 (2) The racing commissioner shall grant or deny each appli-
10 cation for a thoroughbred race meeting license and shall allocate
11 or deny racing dates for which application has been made before
12 October 1 of the year preceding the year for which the applica-
13 tions are made.

14 (3) The racing commissioner shall grant or deny each appli-
15 cation for a standardbred race meeting license and shall allocate
16 or deny racing dates for which application has been made before
17 October 15 of the year preceding the year for which the applica-
18 tions are made, but shall not allocate standardbred racing dates
19 before the allocation of thoroughbred racing dates.

20 (4) The racing commissioner shall grant or deny each appli-
21 cation for a quarter horse, Appaloosa, or Arabian race meeting
22 license and shall allocate or deny racing dates for which appli-
23 cation has been made before November 1 of the year preceding the
24 year for which the applications are made in 1 or ~~more~~ BOTH of
25 the following ways:

26 (a) At a racetrack which runs solely quarter horse, Arabian,
27 or Appaloosa races.

1 (b) For 1 or more races in conjunction with another race
2 meeting.

3 (5) The racing commissioner shall not issue a race meeting
4 license to an organization organized for a charitable purpose or
5 organized for the purpose of distributing its profits or income
6 to charitable organizations.

7 (6) The racing commissioner shall not issue a race meeting
8 license unless the racing commissioner has determined that the
9 day or days applied for by the applicant will be used for the
10 conducting of pari-mutuel wagering, and that the applicant will
11 meet the requirements of this act and the rules promulgated under
12 this act.

13 (7) Except as provided in subsection (9), if, after the
14 issuance of a race meeting license, the racing commissioner
15 determines that the holder of a race meeting license has not met,
16 or will be unable to meet the requirements of the license, the
17 racing commissioner may impose a fine or revoke the race meeting
18 license. In making the required determination and before revok-
19 ing a race meeting license, the racing commissioner shall con-
20 sider whether, by reason of any cause beyond the control of the
21 race meeting licensee, racing cannot be conducted on a date
22 licensed by the racing commissioner.

23 (8) An action of the racing commissioner pursuant to subsec-
24 tion (7) shall become effective only after 10 days' written
25 notice to the holder of the license and may include ~~any~~ EITHER
26 OR BOTH of the following:

1 (a) Imposition of a fine on a race meeting licensee.

2 (b) Revocation of the race meeting license for the remainder
3 of the period during which the license was granted.

4 (9) In the event an entire race meeting or the balance of a
5 race meeting and all racing dates issued to a licensee cannot be
6 raced due to an act of God or significant physical damage to a
7 racing facility caused by fire or some other catastrophe, and if
8 all affected licensees agree to a transfer of dates, the racing
9 commissioner may transfer those dates to another racetrack upon
10 application of the affected licensee, and a showing by the
11 licensee of a legal or contractual right to the use of a replace-
12 ment facility.

13 (10) An action of the racing commissioner may be appealed
14 pursuant to the administrative procedures act of 1969, Act
15 No. 306 of the Public Acts of 1969, being sections 24.201 to
16 24.328 of the Michigan Compiled Laws.

17 (11) The denial of a race meeting license may be reviewed by
18 the circuit court, and either party may appeal to the court of
19 appeals.

20 Sec. 12. (1) A holder of a race meeting license may provide
21 a place in the race meeting grounds or enclosure at which he or
22 she may conduct and supervise the pari-mutuel system of wagering
23 by patrons on horse racing. The pari-mutuel system of wagering
24 upon horse racing within the race meeting grounds shall not be
25 held or construed to be unlawful. If the pari-mutuel system of
26 wagering is used at a race meeting, a totalisator, or other
27 device which is equal in accuracy and clearness to a totalisator

1 and approved by the racing commissioner, shall be used. The odds
2 display of the totalisator or other device shall be placed in
3 full view of the patrons.

4 (2) No other place or method of betting, pool making, wager-
5 ing, or gaming shall be used or permitted by the holder of the
6 license. The pari-mutuel system of wagering shall not be con-
7 ducted except at the racetrack where the pari-mutuel system of
8 wagering is conducted and pursuant to section 12a. Each holder
9 of a race meeting license shall retain as his or her commission
10 ~~+7%~~ 18% of all money wagered. Except as provided in subsection
11 (6), each holder of a race meeting license shall retain as his or
12 her commission on all forms of multiple wagering, ~~-20 +1/2%~~
13 21-1/2% of all money wagered. In each race meeting, the holder
14 of the race meeting license shall ~~divide~~ RETAIN the breaks.
15 ~~equally with the state.~~ Breaks shall be computed at all times
16 at 10 cents and defined as the cents over any multiple of 10 oth-
17 erwise payable to a patron on a wager of \$1.00.

18 (3) Payoff prices of tickets of a higher denomination shall
19 be calculated as even multiples of the payoff price for a \$1.00
20 wager. Each holder of a race meeting license shall distribute to
21 the persons holding winning tickets, as a minimum, a sum not less
22 than \$1.10 calculated on the basis of each \$1.00 deposited in a
23 pool, except that each race meeting licensee may distribute a sum
24 of not less than \$1.05 to persons holding winning tickets for
25 each \$1.00 deposited in a minus pool. As used in this subsec-
26 tion, "minus pool" means any win, place, or show pool in which
27 the payout would exceed the total value of the pool.

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

4 (5) Any act or transaction relative to wagering permitted by
5 this act shall only occur or be permitted to occur within the
6 enclosure of a race meeting grounds. A person shall not partici-
7 pate in or be a party to any act or transaction relative to the
8 placing of a wager or carrying a wager for placement outside of a
9 race meeting grounds. A person shall not provide messenger serv-
10 ice for the placing of a bet for another person who is not a
11 patron. However, this subsection does not prevent the authoriza-
12 tion of the simulcast of Michigan pari-mutuel horse races to
13 wagering locations outside this state. Upon proper application,
14 the racing commissioner may issue a permit allowing a race meet-
15 ing licensee to transmit, by live video and audio signals, a live
16 horse race to a viewing area outside this state.

17 (6) As used in this subsection, "special sweepstakes
18 pari-mutuel pool" means amounts wagered for a selection in each
19 of 3 or more races designated by the race meeting licensee with
20 the approval of the racing commissioner. The racing commissioner
21 may promulgate rules to regulate a special sweepstakes
22 pari-mutuel pool which shall not be connected with or related to
23 any other form of multiple wagering, or to any other win, place,
24 or show pool. A special sweepstakes pari-mutuel pool may be
25 given a distinctive name by the race meeting licensee, subject to
26 the approval of the racing commissioner. Each holder of a race

1 meeting license shall retain as his or her commission on special
2 sweepstakes pari-mutuel pools 25% of all money wagered.

3 Sec. 12a. (1) The holder of a race meeting license may
4 apply to the racing commissioner, in a manner as determined by
5 the racing commissioner, for a permit to conduct wagering by
6 pari-mutuel methods on the results of a race or races televised
7 to the race meeting grounds by simulcasting pursuant to this
8 section. As used in this section, "simulcast" means the live
9 transmission of video and audio signals conveying a horse race
10 held outside this state.

11 (2) The racing commissioner may issue a permit to the holder
12 of a race meeting license allowing the electronically televised
13 simulcasts of horse races conducted at racetracks outside this
14 state and televised to a viewing area or areas within the enclo-
15 sure of the licensed racetrack of the race meeting licensee. All
16 simulcasts of horse races shall be held in conjunction with the
17 race meeting licensee's regular racing program, and shall not
18 represent a diminution of the race meeting licensee's regularly
19 scheduled race program. A race meeting licensee shall not con-
20 duct more than 1 simulcast race at which pari-mutuel wagering is
21 allowed on any racing day, EXCEPT THAT A LICENSEE MAY CONDUCT
22 MORE THAN 1 SIMULCAST RACE ON THE OCCASION OF THE BREEDERS CROWN
23 OR BREEDERS CUP RACES. All simulcasts of horse races conducted
24 outside this state shall comply with the interstate horseracing
25 act of 1978, PUBLIC LAW 95-515, 15 U.S.C. 3001 to 3007.

26 (3) All forms of wagering by pari-mutuel methods provided
27 for under this act shall be allowed on simulcast horse races.

1 All money wagered on simulcast horse races shall be included in
2 computing all money wagered for purposes of section 12(2).

3 (4) As a condition of receiving a simulcasting permit under
4 this section, a race meeting licensee shall not reduce the number
5 of racing dates or the number of live horse races held on the
6 racetrack on any racing date because of the simulcasting of horse
7 races viewed at the race meeting licensee's racetrack.

8 ~~(5) A race meeting licensee shall not conduct more than 25~~
9 ~~simulcast races per racetrack per year.~~

10 Sec. 13. (1) Money received by the racing commissioner
11 under this act shall be paid promptly into the state treasury and
12 except as provided in subsections (2), (9), and (10) shall be
13 credited to the general fund of the state. As used in this sec-
14 tion, "fair" means a county, district, community, or 4-H fair;
15 the Upper Peninsula state fair; and any other state fair.

16 (2) Twenty-seven and 1/2 percent of the revenue received,
17 but not to exceed ~~\$800,000.00~~ \$900,000.00, from racing license
18 fees from a racetrack shall be placed in a fund under the control
19 of the department of agriculture and shall be returned to the
20 city or township in which the racetrack is located.

21 (3) ~~If the city or township in which the racetrack is~~
22 ~~located has reached the monetary limitation imposed by subsection~~
23 ~~(2) then, in addition to that revenue, 20% of the revenue~~
24 ~~received but not to exceed \$100,000.00, from racing license fees~~
25 ~~from a meet held before April 16 and after November 15 in a year~~
26 ~~shall be placed in a fund under the control of the department of~~
27 ~~agriculture and shall be returned to the city or township in~~

~~1 which the racetrack is located. If the track is located in more~~
~~2 than 1 city or township, then the revenue provided for in this~~
~~3 subsection shall be divided equally between the cities or~~
~~4 townships.~~ Funds shall not be returned to a city or township
5 pursuant to ~~this subsection or~~ subsection (2), if a city or
6 township fails to provide a statement as required in section 14.

7 (4) A sufficient portion, not to exceed 68-3/4% of the reve-
8 nue received from standardbred racing in this state, shall be
9 placed in a special fund under the control of the department of
10 agriculture to be allotted to fairs, licensed pari-mutuel race-
11 tracks, other standardbred horse programs, agricultural commodity
12 programs, and to pay the cost of administering this section, as
13 follows:

14 (a) A sum to pay not more than 75% of the purses for stan-
15 dardbred harness horse races offered by fairs and special races
16 at licensed pari-mutuel racetracks.

17 (b) A sum to be allotted on a matching basis, but not to
18 exceed \$8,000.00 each year to a single fair, for the purpose of
19 equipment rental during fairs; grounds improvement; constructing,
20 maintaining, and repairing buildings; and making the racetrack
21 more suitable and safe for racing at fairs.

22 (c) A sum to be allotted to be used for paying special
23 purses at fairs on 2- and 3-year-old standardbred harness horses
24 sired by a registered standardbred stallion that was leased or
25 owned exclusively by a resident of this state and which did not
26 serve a mare at a location outside of this state during the
27 calendar year in which the service occurred.

1 (d) A sum to pay 75% or more of an eligible cash premium
2 paid by a fair or exposition. The commission of agriculture
3 shall promulgate rules establishing which premiums are eligible
4 for payment, and a dollar limit for all eligible payments.

5 (e) A sum to pay breeders' awards in the amount of 10% of
6 the gross purse to breeders of Michigan bred standardbred harness
7 horses for each time the horse wins at a licensed racetrack or
8 fair in this state. As used in this subdivision, "Michigan bred
9 standardbred harness horse" means a horse from a mare owned by a
10 resident of this state at the time of breeding and sired by a
11 registered standardbred stallion that was leased or owned exclu-
12 sively by a resident of this state and which did not serve a mare
13 at a location outside of this state during the calendar year in
14 which the service occurred. To be eligible, each mare shall be
15 registered with the director of the department of agriculture.

16 (f) A sum to be allotted, but not to exceed \$4,000.00 each
17 year, to fairs to provide training and stabling facilities for
18 standardbred harness horses.

19 (g) A sum to be allotted to fairs to pay the presiding
20 judges and clerks of the course at fairs. Presiding judges and
21 clerks of the course shall be hired by the department of
22 agriculture. A person hired as a judge shall be approved by the
23 racing commissioner. The director of the department of agricul-
24 ture may allot funds for a photo finish system and a mobile
25 starting gate. The director of the department of agriculture
26 shall allot funds for the conducting of tests, the collection and
27 laboratory analysis of urine, saliva, blood, and other samples

1 from horses, and the taking of blood alcohol tests on drivers,
2 jockeys, and starting gate employees, for those races described
3 in this subsection. The department OF AGRICULTURE may require a
4 driver, jockey, or starting gate employee to submit to a breath-
5 lyzer test, urine test, or other noninvasive fluid test to detect
6 the presence of alcohol or a controlled substance as defined in
7 section 7104 of the public health code, Act No. 368 of the Public
8 Acts of 1978, being section 333.7104 of the Michigan Compiled
9 Laws. If the results of a test show that a person has more than
10 0.05% of alcohol in his or her blood, or has present in his or
11 her body a controlled substance, the person shall not be permit-
12 ted to continue in his or her duties on that race day and until
13 he or she can produce, at his or her own expense, a negative test
14 result.

15 (h) A sum to pay purse supplements to licensed pari-mutuel
16 racetracks for special 4-year-old filly and colt horse races.

17 (5) A sufficient portion not to exceed 27-1/2% of the reve-
18 nue received from thoroughbred racing shall be placed in a spe-
19 cial fund under the control of the department of agriculture and
20 shall be allotted to thoroughbred racing associations to supple-
21 ment the purses for races to be conducted exclusively for
22 Michigan bred horses; to pay not more than 75% of the purses for
23 registered light horse races offered by fairs; to pay the cost of
24 administering this subsection; and to pay breeders' awards in the
25 amount of 10% of the gross purse to the breeders of Michigan bred
26 horses for each time Michigan bred horses win at a licensed
27 racetrack in this state. In addition to the sums allotted for

1 purse supplements and breeders' awards, the department of
2 agriculture may allot sufficient funds from the revenue received
3 from thoroughbred racing to create a fund not to exceed 1% of the
4 revenue received from the thoroughbred racing in this state which
5 may be allotted to provide training and stabling facilities for
6 thoroughbred horses. The department OF AGRICULTURE shall also
7 allot sufficient funds from the revenue received from thorough-
8 bred racing to pay for the collection and laboratory analysis of
9 urine, saliva, blood, and other samples from horses and for the
10 conducting of tests described in section 11(3)(b).

11 (6) A sufficient portion of the revenue received from quar-
12 ter horse racing in this state shall be placed in a special fund
13 under the control of the department of agriculture and shall be
14 allotted to quarter horse racing associations to supplement the
15 purses for races to be conducted exclusively for Michigan bred
16 horses; to pay not more than 75% of the purses for registered
17 light horse races offered by fairs; to pay the cost of adminis-
18 tering this subsection; and to pay breeders' awards in the amount
19 of 10% of a gross purse to breeders of Michigan bred quarter
20 horses for each time a Michigan bred quarter horse wins at a
21 county fair or licensed racetrack in this state. The department
22 OF AGRICULTURE shall also allot sufficient funds from the revenue
23 received from quarter horse racing to pay for the collection and
24 laboratory analysis of urine, saliva, blood, and other samples
25 from horses and the taking of blood alcohol tests on jockeys for
26 those races described in this subsection and for the conducting
27 of tests described in section 11(3)(b). As used in this

1 subsection, "Michigan bred quarter horse" means a horse from a
2 mare owned by a resident of this state, at the time of breeding
3 and sired by a registered stallion owned exclusively by a resi-
4 dent of this state and which did not serve a mare at a location
5 outside of this state during the calendar year in which the serv-
6 ice occurred. Each mare and stallion shall be registered with
7 the director of the department of agriculture.

8 (7) A sufficient portion of the revenue received from
9 Appaloosa horses racing in this state shall be placed in a spe-
10 cial fund under the control of the department of agriculture and
11 shall be allotted to Appaloosa horse racing associations to sup-
12 plement the purses for races to be conducted exclusively for
13 Michigan bred horses; to pay not more than 75% of the purses for
14 registered light horse races offered by fairs; to pay the cost of
15 administering this subsection; and to pay breeders' awards in the
16 amount of 10% of the gross purse to the breeders of Michigan bred
17 horses for each time Michigan bred horses win at a fair or
18 licensed racetrack in this state. The department OF AGRICULTURE
19 shall also allot sufficient funds from the revenue received from
20 Appaloosa horse racing to pay for the collection and laboratory
21 analysis of urine, saliva, blood, or other samples from horses
22 and the taking of blood alcohol tests on jockeys for those races
23 described in this subsection and for the conducting of tests
24 described in section 11(3)(b). Each mare and stallion shall be
25 registered with the director of the department of agriculture.

26 (8) A sufficient portion of the revenue received from
27 Arabian horses racing in this state shall be placed in a special

1 fund under the control of the department of agriculture and shall
2 be allotted to Arabian horse racing associations to supplement
3 the purses for races to be conducted exclusively for Michigan
4 bred horses; to pay not more than 75% of the purses for regis-
5 tered light horse races offered by fairs; to pay the cost of
6 administering this subsection; and to pay breeders' awards in the
7 amount of 10% of the gross purse to the breeders of Michigan bred
8 horses for each time Michigan bred horses win at a fair or
9 licensed racetrack in this state. The department OF AGRICULTURE
10 shall also allot sufficient funds from the revenue received from
11 Arabian horse racing to pay for the collection and laboratory
12 analysis of urine, saliva, blood, and other samples from horses
13 and the taking of blood alcohol tests on jockeys for those races
14 described in this subsection and for the conducting of tests
15 described in section 11(3)(b). Each mare and stallion shall be
16 registered with the director of the department of agriculture.

17 (9) Three-tenths of 1% of all money wagered on standardbred
18 races shall be placed in a special fund pursuant to subsections
19 (12) and (13), 100% of which shall be used to provide purses for
20 races to be conducted exclusively for 2- and 3-year-old Michigan
21 sired standardbred horses at licensed harness racetracks in this
22 state. As used in this section, "Michigan sired standardbred
23 horses" means a horse sired by a registered stallion that was
24 leased or owned exclusively by a resident of this state and which
25 did not serve a mare at a location outside of this state during
26 the calendar year in which the service occurred.

1 (10) Three-tenths of 1% of all money wagered on thoroughbred
2 races shall be placed in a special fund pursuant to subsections
3 (12) and (13), 100% of which shall be used to provide purses for
4 races to be conducted exclusively for 2- and 3-year-old Michigan
5 sired thoroughbred horses at licensed thoroughbred racetracks in
6 this state. As used in this section, "Michigan sired thorough-
7 bred horses" means a horse sired by a registered stallion that
8 was leased or owned exclusively by a resident or residents of
9 this state and which did not serve a mare at a location outside
10 of this state during the calendar year in which the service
11 occurred.

12 (11) A sum equal to 2% or less, but not more than
13 \$2,500,000.00, of the principal amount of bonds issued for a sta-
14 dium, and appurtenant parking, and other facilities by an author-
15 ity organized pursuant to state law before December 1, 1971, from
16 the revenue received from thoroughbred and harness racing, shall
17 be returned to a county in which or adjoining which a licensed
18 racetrack is located or to a city in that county, if that county
19 or city has obligated itself to pay more than 1/2 of the annual
20 rental for a stadium, appurtenant parking, and other facilities
21 for the conduct of sporting events, exhibitions, and other gen-
22 eral recreational purposes. The sum returned shall only be used
23 by that county or city, along with other available funds to the
24 extent necessary, only to pay the annual rental to the authority
25 organized pursuant to state law which acquired the stadium and
26 facilities and leased the stadium and facilities to that county
27 or city. A sum returned pursuant to this subsection shall not be

1 specifically pledged for the payment of the rental or for the
2 payment of bonds issued in anticipation of the rental.
3 Pari-mutuel wagering shall not be conducted in the stadium,
4 appurtenant parking area, or other facilities.

5 (12) The director of the department of agriculture shall
6 promulgate rules pursuant to THE ADMINISTRATIVE PROCEDURES ACT OF
7 1969, Act No. 306 of the Public Acts of 1969, as amended, being
8 sections 24.201 to 24.328 of the Michigan Compiled Laws, to
9 implement this section. The rules promulgated under this subsec-
10 tion shall do all of the following:

11 (a) Prescribe the conditions under which the revenue
12 described in subsections (2) to (11) shall be disbursed.

13 (b) Establish conditions and penalties regarding the pro-
14 grams described in subsections (4) to (11).

15 (c) Develop and maintain informational programs related to
16 this section.

17 (13) Funds under the control of the department of agricul-
18 ture in this section shall be disbursed under the rules promul-
19 gated pursuant to subsection (12). All funds under the control
20 of the department of agriculture approved for purse supplements
21 and breeders' awards shall be paid by the state treasurer not
22 later than 30 days from the date of the race.

23 (14) The department OF AGRICULTURE shall report to the leg-
24 islature by March 30, 1990 on the effect on the horse racing
25 industry of the practice of restricting premiums, purses,
26 breeders' awards or other payments to Michigan sired horses,
27 including an analysis of which sectors of the horse racing

1 industry benefit from the payments and which are placed at a
2 disadvantage. The report shall recommend extensions or elimina-
3 tion of such payments and regulatory restrictions.

4 Sec. 15. (1) Each licensed racetrack located in a city area
5 AS DEFINED IN SECTION 8(5) shall pay \$1,000.00 annually, and any
6 other licensed racetrack shall pay \$200.00 annually.

7 (2) Each holder of a race meeting license shall pay a tax in
8 accordance with the following schedule and in a manner and time
9 as the racing commissioner requires:

10 (a) ~~Each~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION,
11 EACH holder of a race meeting license shall pay to the state
12 treasurer, from the holder's commission, ~~4 1/2%~~ 3-1/2% of all
13 money wagered on pari-mutuel wagering. ~~, plus 1/2 the breaks,~~
14 ~~except that~~ HOWEVER, each holder of a race meeting license in a
15 county having a population of less than 300,000 shall pay to the
16 state treasurer, from the holder's commission, ~~3 1/2%~~ 2-1/2% of
17 all money wagered on pari-mutuel wagering. ~~, plus 1/2 the~~
18 ~~breaks. The reduction in a licensee's payment from 6% to 4 1/2%~~
19 ~~effected by this 1986 amendatory act is intended to allow gener-~~
20 ~~ally for the improvement of the pari-mutuel racing industry in~~
21 ~~this state and to encourage capital improvements at racetracks in~~
22 ~~this state. Not later than 4 years after the effective date of~~
23 ~~this 1986 amendatory act, the racing commissioner shall report to~~
24 ~~the chairpersons of the senate and house committees responsible~~
25 ~~for legislation concerning horse racing as to the effect on the~~
26 ~~horse racing industry of the reduction from 6% to 4 1/2%. EACH~~
27 HOLDER OF A RACE MEETING LICENSE WHO IS ALLOCATED AND ACTUALLY

1 CONDUCTS RACING IN NOT MORE THAN 20 CALENDAR WEEKS OF RACING AT A
2 RACETRACK, WHICH RACETRACK CONDUCTS NOT MORE THAN 20 CALENDAR
3 WEEKS OF RACING, SHALL BASE ITS PAYMENT TO THE STATE TREASURER ON
4 ALL MONEY WAGERED IN EXCESS OF THE FIRST \$25,000.00.

5 (b) Each holder of a license for thoroughbred, harness,
6 quarter horse, Appaloosa, or Arabian horse racing shall pay to
7 the state treasurer from the commission of the holder on special
8 sweepstakes pari-mutuel pool wagering as defined in section
9 12(6), 6% of the daily amount wagered on the special sweepstakes
10 pari-mutuel pool. ~~plus 1/2 the breaks.~~