

Michigan Office of Administrative Hearings and Rules
Administrative Rules Division (ARD)

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REQUEST FOR RULEMAKING (RFR)

1. Department:

Treasury

2. Bureau:

Michigan Gaming Control Board

3. Promulgation type:

Full Process

4. Title of proposed rule set:

Horse Racing General Rules

5. Rule numbers or rule set range of numbers:

Mich. Admin Code R 431.1001 through R 431.5040

6. Estimated time frame:

3 months

Name of person filling out RFR:

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7. Describe the general purpose of these rules, including any problems the changes are intended to address.

The rules will provide the regulatory framework for conducting horse racing, pari-mutuel wagering on horse racing results, and simulcasting. The rule set will recognize the abolishment of the Office of Racing Commissioner and the Racing Commissioner to reflect the 2009 Executive Reorganization Order transferring all authority, powers, duties, and functions to the Michigan Gaming Control Board, specifically, the Executive Director of the Michigan Gaming Control Board; define new terms; reorganize defined terms; consolidate the occupational licensing process and standards; set procedures to register Certified Horsemen's Organizations; authorize workouts or qualifying races at training centers; expand declaratory ruling procedures; set standards for weather related race cancellations; change rules related to medication levels and administration requirements to conform to national standards, modify trainer responsibilities; modify claiming procedures; specify required safety equipment for participants; enhance equine welfare conditions regarding medication, riding crop and whip usage; reorganize rules related to possession and use of drugs and foreign substances, veterinarians lists, and denerving and shockwave therapy; redefine ownership interests; rescind and add various types of wagers including account wagering as authorized by law on December 19, 2019 along with licensing for third-party facilitators; and, rescind rule related to simulcast purse pool distributions.

8. Please cite the specific promulgation authority for the rules (i.e. department director, commission, board, etc.).

Under Executive Reorganization Order No. 2009-31, MCL 324.99919, the powers and duties of the Office of Racing Commissioner were transferred to the Executive Director of the Michigan Gaming Control Board, including regulating pari-mutuel wagering, licensing, issuing final agency decisions on all contested case hearings, and the promulgation of agency rules.

A. Please list all applicable statutory references (MCLs, Executive Orders, etc.).

The Executive Director is given discretionary authority under §7(1) of the Horse Racing Law of 1995, as amended, MCL 431.307(1), to promulgate rules in accordance with the Administrative Procedures Act.

B. Are the rules mandated by any applicable constitutional or statutory provision? If so, please explain.

The rules are not mandated by any applicable constitutional or statutory provision.

9. Please describe the extent to which the rules conflict with or duplicate similar rules, compliance requirements, or other standards adopted at the state, regional, or federal level.

There are no national or regional compliance requirements for horse racing. While there are national standards and model rules these documents are suggestions and not binding on the state of Michigan. Thus, these rules do not conflict with or duplicate similar rules or regulations.

10. Is the subject matter of the rules currently contained in any guideline, handbook, manual, instructional bulletin, form with instructions, or operational memoranda?

The subject matter of these rules is not contained in any guideline, handbook, manual, instructional bulletin, or operational memoranda. A number of forms with instructions are used in the licensing process including applications for track licenses, race meeting licenses, third-party facilitators and occupational licenses.

11. Are the rules listed on the department's annual regulatory plan as rules to be processed for the current year?

Yes. These are rules listed on the agency's annual regulatory plan.

12. Will the proposed rules be promulgated under Section 44 of the Administrative Procedures Act, 1969 PA 306, MCL 24.244, or under the full rulemaking process?

Full Process

13. Please describe the extent to which the rules exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level.

These rules do not exceed similar regulations, compliance requirements, or other standards. Approximately 32 states allow pari-mutuel wagering on horse racing. Each state establishes its own requirements for licensing and regulating horse racing. These rules provide a regulatory framework for the licensing and operation of race tracks, race meet licensees, third-party facilitators, and occupational licensees to ensure the public's interest in fair and honest gaming.

14. Do the rules incorporate the recommendations received from the public regarding any complaints or comments regarding the rules? If yes, please explain.

Track licensees, race meeting licensees, potential third-party facilitators and occupational licensees provided input and were met with more than once to discuss proposed changes to the administrative rules. The agency weighed the input with its duty to strictly regulate the horse racing industry and incorporated changes to the proposed rules when it could.

15. If amending an existing rule set, please provide the date of the last evaluation of the rules and the degree, if any, to which technology, economic conditions, or other factors have changed the regulatory activity covered by the rules since the last evaluation.

There has not been a major rule revision since 1985. Since that time, a lot has changed in the gaming industry including the addition of three casinos in Detroit, numerous tribal casinos, and online wagering whether Lottery or otherwise. The impact on horse racing has been tremendous. The proposed changes continue strict regulation of this particular gaming industry and provides an opportunity for the public to wager outside the enclosure of the race track.

16. Are there any changes or developments since implementation that demonstrate there is no continued need for the rules, or any portion of the rules?

There are a number of rules that will be rescinded because they are no longer necessary; have been incorporated into the statute; or have been combined with other rules. See the following:

R 431.1055 is being rescinded because it has been incorporated into R 431.1035.

R 431.1075 is being rescinded because it has been incorporated into R 431.1065.

R 431.1080 is being rescinded because it has been incorporated into R 431.1065.

R 431.1090 is being rescinded because it has been incorporated into R 431.1035.

R 431.1135 is being rescinded because it has been incorporated into R 431.1302.

R 431.1180 is being rescinded because it has been incorporated into R 431.1035.

R 431.1185 is being rescinded because it has been incorporated into R 431.1035.

R 431.1190 is being rescinded because it has been incorporated into R 431.1035.

R 431.1195 is being rescinded because it has been incorporated into R 431.1035.

R 431.1999 is being rescinded because it is no longer necessary. The prior rules have already been rescinded.

R 431.2005 is being rescinded because the definitions are already in Part 1 of the rules.

R 431.2040 is being rescinded because it has been provided for in the act.

R 431.2045 is being rescinded because messengers are no longer used.

R 431.2061 is being rescinded because blended simulcast purse pools are no longer provided for in the act.

R 431.2080 is being rescinded because it is a wager no longer used in this state.

R 431.2095 is being rescinded because it has been replaced by the pick three wager, R 431.2094.

R 431.2100 is being rescinded because it is a wager no longer used in this state.

R 431.2105 is being rescinded because it is a wager no longer used in this state.

R 431.2110 is being rescinded because it is a wager no longer used in this state.

R 431.3085 is being rescinded because it was moved to Part 1.

R 431.3240 is being rescinded because these are contract issues between the jockey and contractor or otherwise covered by R 431.3245.

R 431.4165 is being rescinded because these types of races are no longer offered in this state and to the extent such type races are conducted, R 431.4160 clarifies the requirements.

R 431.4205 is being rescinded because it has been provided for in R 431.1261.

17. Is there an applicable decision record (as defined in MCL 24.203(6) and required by MCL 24.239(2))? If so, please attach the decision record.

No