

Michigan Office of Administrative Hearings and Rules

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**AGENCY REPORT TO THE
JOINT COMMITTEE ON ADMINISTRATIVE RULES (JCAR)**

1. Agency Information

Agency name:

Treasury

Division/Bureau/Office:

Michigan Gaming Control Board

Name of person completing this form:

Melissa Hamp

Phone number of person completing this form:

5172410174

E-mail of person completing this form:

hampm1@michigan.gov

Name of Department Regulatory Affairs Officer reviewing this form:

Margaret Patterson

2. Rule Set Information

MOAHR assigned rule set number:

2020-38 TY

Title of proposed rule set:

Horse Racing General Rules

3. Purpose for the proposed rules and background:

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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.

4. Summary of proposed rules:

The rules are designed to promote a safe, responsible, fair, and legal system of horse racing, pari-mutuel wagering, and simulcasting in this State. The changes are being made to increase safety, create the least burdensome alternative for those required to comply, and provide process clarifications and improvements for consistency with industry practices. The rules also include provisions for third-party facilitators (TPF). These rules include term definitions, licensing provisions, account operations, and penalties for failing to comply, providing false information, or posing a threat to the integrity of racing.

5. List names of newspapers in which the notice of public hearing was published and publication dates:

Petoskey News – December 1, 2020
Herald Palladium (St. Joseph) - December 1, 2020
The Daily Press (Escanaba) – December 1, 2020

6. Date of publication of rules and notice of public hearing in Michigan Register:

12/15/2020

7. Date, time, and location of public hearing:

12/16/2020 09:00 AM at The public hearing will be held virtually via Microsoft Teams in order to receive public comments while complying with statutorily required measures designed to help prevent the spread of Coronavirus Disease 2019 (COVID-19). , Web Link: <https://bit.ly/3fd0RcS>
Phone number: 248-509-0316. When prompted, please enter the following conference ID: 239 879 408#

8. Provide the link the agency used to post the regulatory impact statement and cost-benefit analysis on its website:

<https://ARS.apps.lara.state.mi.us/Transaction/RFRTransaction?TransactionID=166>

9. List of the name and title of agency representative(s) attending public hearing:

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Dave Murley, Wendy Harns of Michigan Gaming Control Board (several others joined via Microsoft Teams)

10. Persons submitting comments of support:

No cards of support submitted for 2020-38 TY horse racing general rules.

11. Persons submitting comments of opposition:

No cards of opposition submitted for 2020-38 TY horse racing general rules.

12. Identify any changes made to the proposed rules based on comments received during the public comment period:

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	Name & Organization	Comments made at public hearing	Written Comments	Agency Rationale for change	Rule number & citation changed
1	Thomas Barrett, President, Michigan Harness Horsemen's Association and Mike Carlo, Operations Manager, Northville Downs		Suggests the rule require a CHO to be certified before being eligible to receive or distribute funds from the pari-mutuel horse racing disbursement account.	This change is being made to clarify that a CHO must be registered before receiving funds from the pari-mutuel horse racing disbursement account.	431.1047(4)
2	Thomas Barrett, President, MHHA		(5) Any class 1 violation voids all claims regarding whether the horse has raced since the claim. (6) & (7) Unnecessary level of regulation to address the problem of tittle transfer of a standardbred horse and departs from usual practice. It is also not required to safeguard horse health.	(5) This change limits voiding a claim to when there is a finding of an ARCI class 1 drug instead of all drugs. This simplifies the scope of the rule with less regulatory intrusion. The proposed new subsections for (6) and (7) were deleted because they were a level of regulation that is not required. They constrained claiming transfers.	431.4140

13.Date report completed:

1/27/2021