

Dec 16, 2020

Michigan Gaming Control Board

Re: Draft Changes to the Horse Racing General Rules – Public Comment

Attn: Wendy Harns

PO Box 30786,

Lansing, Michigan 48909

MGCB-Rules@michigan.gov

To Whom It May Concern,

Pursuant to the publication of the draft general rules for horse racing, posted for a public comment hearing on Dec 16th, please accept the following response and feedback. As key stakeholders, we thank you for the opportunity to review and provide comment on the proposed rule changes as this process moves forward and is implemented. Within the proposed rules available for review, we request your consideration on the following questions and concerns:

**Page 10, R431.1047 (4):**

The current draft requires a CHO to be certified before being “entitled to receive or distribute and simulcast purse pool funds or live racing funds”. However, this language doesn’t reference any funds distributed from the horse racing disbursement account that may have been generated from a race meeting licensee’s third-party facilitator. The MHHA would suggest that this rule also require a CHO to be certified before being eligible to receive or distribute these funds.

**Page 139, R 431.5005 (2):**

This rule requires that a race meeting licensee assumes and acknowledges responsibility for all conduct of third party facilitators. However, during the licensing process earlier this year the MGCB refused to provide even basic updates to the race meeting licensee on the status of applications. We would submit that if the MGCB requires a race meeting licensee take responsibility for third party facilitators they should also be entitled to information on their third-party facilitators from the state regulator. It would be impractical and unfair for the state regulator to push liability for the actions of third party facilitators on to race meeting licensees and then also deny them information on their third-party facilitators. We would suggest the Michigan Gaming Control Board either limit this responsibility for race meeting licensees or include a provision in the rules that gives the race meeting licensee access to information from the MGCB related to their licensed third party facilitators.

**Request for a new provision governing Historical Horse Racing terminals:**

Sec. 17 (1) of the Horseracing Act reads, “The pari-mutuel system of wagering on the results of horse races as permitted by this act is not unlawful. All forms of pari-mutuel wagering must be conducted under a race meeting license preapproved by the racing commissioner by rule or written order of the commissioner.” We believe that the use of historical horse racing terminals fit under the definition of pari-mutuel system of wagering on the results of horse races. As such we request that the MGCB use this rule set to build a frame work of rules around this type of gaming. We would ask the MGCB to set a standard for testing HHR terminals to ensure they are indeed pari-mutuel and ask the regulator include a process for approving specific machines for use in the rules.

Furthermore, Section 20 states that it is the policy of this state to promote the positive growth and development of high quality horse racing and other equine competitions in this state as a business and entertainment activity for residents of this state. Given the nearly 2 decades decline of revenues due to the expansion of other forms of gaming at the lottery and casinos we do not believe the MGCB can promote the positive growth and development of high quality horse racing without the inclusion of the revenue generated by historical horse racing. Additionally, Section 7 (1) allows the racing commissioner to promulgate rules that both approve and regulate pari-mutuel wagering on the results of horse races and that promote the growth of all horse racing, pari-mutuel wagering on the results of horse races, and simulcasting conducted at licensed race meetings within this state.

The law specifically gives the racing commissioner the power to approve the use of historical horse racing terminals at licensed race tracks, but we believe it also creates a duty for the office of the racing commissioner to use these powers to the extent that doing so would lead to the growth and promotion of horse racing with in the state. We would argue the department deliberately choosing not to use these powers would be to the detriment of horse racing in Michigan and potentially violate the law.

Thank you again for the opportunity to provide public comment on these proposed rule changes. Any changes to the general rules for horse racing have a direct impact on tens of thousands of individuals who interact with horse racing every year. Please do not hesitate to contact us if you have any questions about the issues highlighted in this letter. We look forward to working with the Michigan Gaming Control Board as this process moves forward.

Sincerely,

Thomas Barrett,  
President, Michigan Harness Horsemen's Association

Mike Carlo,  
Operations Manager, Northville Downs

**From:** [Frank, William \(MGCB\)](#)  
**To:** [Ernst, Al \(MGCB\)](#); [Murley, David \(MGCB\)](#); [McCune, Bethany \(AG\)](#); [Harns, Wendy B. \(MGCB\)](#)  
**Subject:** FW: Claiming rules  
**Date:** Wednesday, December 16, 2020 9:08:41 AM  
**Attachments:** [image002.png](#)

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MHHA submission for rules hearing, pertaining to the claims section.

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**From:** Thomas J. Barrett <[thomasb@thestatebank.com](mailto:thomasb@thestatebank.com)>  
**Sent:** Tuesday, December 15, 2020 5:06 PM  
**To:** Frank, William (MGCB) <[Frankw@michigan.gov](mailto:Frankw@michigan.gov)>  
**Subject:** Claiming rules

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Under 5  
Any class 1 violation voids the claim regardless if the horse has raced since the claim.  
Under 6  
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Under 7  
Delete

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