

# SENATE BILL No. 1375

September 26, 2000, Introduced by Senator STILLE and referred to the Committee on Farming, Agribusiness and Food Systems.

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending sections 2, 3, 6, 7, 17, 20, and 21 (MCL 431.302, 431.303, 431.306, 431.307, 431.317, 431.320, and 431.321), section 17 as amended by 1998 PA 408 and section 20 as amended by 1997 PA 73.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 2. As used in this act:

2       (a) "Breaks" means the cents over ~~any~~ A multiple of 10  
3 otherwise payable to a patron on a wager of \$1.00.

4       (b) "Certified horsemen's organization" means an organiza-  
5 tion registered with the office of racing commissioner in a  
6 manner and form required by the racing commissioner, that can  
7 demonstrate all of the following:

- 1           (i) The organization's capacity to supply horses.
- 2           (ii) The organization's ability to assist a race meeting  
3 licensee in conducting the licensee's racing program.
- 4           (iii) The organization's ability to monitor and improve  
5 physical conditions and controls for individuals and horses par-  
6 ticipating at licensed race meetings.
- 7           (iv) The organization's ability to protect the financial  
8 interests of the individuals participating at licensed race  
9 meetings.
- 10          (c) "City area" means a city having a population of 750,000  
11 or more, and includes the counties wholly or partly within ~~a~~  
12 ~~distance of~~ 30 miles of the city limits of the city.
- 13          (d) "Controlled substance" means that term as defined in  
14 section 7104 of the public health code, ~~Act No. 368 of the~~  
15 ~~Public Acts of 1978, being section 333.7104 of the Michigan~~  
16 ~~Compiled Laws~~ 1978 PA 368, MCL 333.7104.
- 17          (e) "Day of operation" means a period of 24 hours beginning  
18 at 12 noon and ending at 11:59 a.m. the following day.
- 19          (f) "Drug" means any of the following:
- 20           (i) A substance intended for use in the diagnosis, cure,  
21 mitigation, treatment, or prevention of disease in humans or  
22 other animals.
- 23           (ii) A substance, other than food, intended to affect the  
24 structure, condition, or ~~any~~ A function of the body of humans  
25 or other animals.
- 26           (iii) A substance intended for use as a component of a  
27 substance specified in subparagraph (i) or (ii).

1 (g) "Fair" means ~~any~~ A county, district, ~~or~~ community,  
2 ~~fair and any~~ OR state fair.

3 (h) "Foreign substance" means a substance, or its metabo-  
4 lites, ~~which~~ THAT does not exist naturally in an untreated  
5 horse or, if natural to an untreated horse, exists at an unnatu-  
6 rally high physiological concentration as a result of having been  
7 administered to the horse.

8 (i) "Full card simulcast" means an entire simulcast racing  
9 program of 1 or more race meet licensees located in this state,  
10 or an entire simulcast racing program of 1 or more races simul-  
11 casted from 1 or more racetracks located outside of this state.

12 (J) "OFFICIAL" MEANS A PERSON ENGAGED IN OR ASSOCIATED WITH  
13 THE CONDUCTING OF HORSE RACING, SIMULCASTING, OR ACCEPTANCE OF  
14 PARI-MUTUEL WAGERS AT A LICENSED RACE MEETING. OFFICIAL  
15 INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING:

16 (i) AN ASSISTANT STARTER.

17 (ii) A JOCKEYS' OR DRIVERS' ROOM CUSTODIAN OR OTHER  
18 EMPLOYEE.

19 (iii) AN OUTRIDER.

20 (iv) A PARADE MARSHAL.

21 (v) A PADDOCK EMPLOYEE.

22 (vi) TRACK SECURITY PERSONNEL.

23 (vii) A WORKOUT CLOCKER.

24 (viii) A PARI-MUTUEL TELLER.

25 (ix) THE RACING COMMISSIONER AND HIS OR HER EMPLOYEE.

26 (x) A LAW ENFORCEMENT OFFICER WHILE PERFORMING ASSIGNED  
27 DUTIES AT THE RACETRACK.

1           (xi) AN AUDITING FIRM EMPLOYEE PRESENT ON BEHALF OF THE  
2 STATE.

3           (xii) A PUBLIC OFFICIAL WHO IS PERFORMING AN OFFICIAL DUTY  
4 AT THE RACETRACK, INCLUDING, BUT NOT LIMITED TO, A BUILDING  
5 INSPECTOR, FIRE MARSHAL, OR HEALTH INSPECTOR.

6           (xiii) A MUTUEL DEPARTMENT MANAGER OR MUTUEL DEPARTMENT CAL-  
7 CULATING ROOM EMPLOYEE.

8           (xiv) A TOTALISATOR COMPUTER PROGRAMMER OR TECHNICIAN.

9           (K) ~~(j)~~ "Person" means an individual, firm, partnership,  
10 corporation, association, or other legal entity.

11          (l) ~~(k)~~ "Purse pool" means an amount of money allocated or  
12 apportioned to pay prizes for horse races and from which payments  
13 may be made to certified horsemen's organizations pursuant to  
14 this act.

15          (M) "RESTRICTED AREA" MEANS A PADDOCK, RACETRACK, MUTUEL  
16 MANAGEMENT OFFICE, JOCKEY AND DRIVER QUARTERS, MUTUEL TELLER  
17 ENCLOSURE, STABLE, BARN, LICENSED TRAINING FACILITY, STEWARD  
18 OFFICE, LICENSING OFFICE, AND ANY OTHER DESIGNATED AREA LOCATED  
19 ON HORSE RACETRACK GROUNDS LICENSED UNDER THIS ACT.

20          (N) ~~(t)~~ "Veterinarian" means a person licensed to practice  
21 veterinary medicine under article 15 of the public health code,  
22 ~~Act No. 368 of the Public Acts of 1978, being sections 333.16101~~  
23 ~~to 333.18838 of the Michigan Compiled Laws 1978 PA 368, MCL~~  
24 333.16101 TO 333.18838, or under a state or federal law applica-  
25 ble to that person.

26          Sec. 3. (1) The office of racing commissioner is created  
27 within the department of agriculture. The racing commissioner

1 has the powers and duties prescribed in this act and shall  
2 administer the provisions of this act relating to licensing,  
3 enforcement, and regulation. The racing commissioner also has  
4 those additional powers necessary and proper to implement and  
5 enforce this act and to regulate and maintain jurisdiction over  
6 the conduct of each licensed race meeting within this state where  
7 horse races or pari-mutuel wagering on the results of horse races  
8 is permitted for a stake, purse, prize, share, or reward.

9 (2) THE POWERS OF THE RACING COMMISSIONER INCLUDE, BUT ARE  
10 NOT LIMITED TO, CONTROLLING ACCESS TO ALL HORSE RACETRACK GROUNDS  
11 LICENSED UNDER THIS ACT. ACCESS TO A RESTRICTED AREA SHALL BE  
12 STRICTLY GUARDED. A PERSON SHALL BE GIVEN ACCESS TO A RESTRICTED  
13 AREA ONLY UPON THE APPROVAL AND AUTHORIZATION OF THE RACING  
14 COMMISSIONER. IF THE RACING COMMISSIONER DOES NOT APPROVE AND  
15 AUTHORIZE A PERSON'S ACCESS TO A RESTRICTED AREA, BOTH OF THE  
16 FOLLOWING APPLY:

17 (A) THE DENIAL OF ACCESS IS NOT REQUIRED TO BE IN WRITING.

18 (B) A DENIAL OF ACCESS DOES NOT CONSTITUTE A RULING-OFF,  
19 EXCLUSION, EJECTION, OR EXPULSION.

20 Sec. 6. (1) The racing commissioner shall receive an annual  
21 salary as appropriated by the legislature. The racing commis-  
22 sioner shall appoint 2 deputy commissioners and 3 state stewards  
23 of racing as special deputies for each licensed race meeting in  
24 the state. For the purpose of carrying out this act, the racing  
25 commissioner may delegate the performance of his or her duties to  
26 the deputy commissioners or special deputies. A deputy  
27 commissioner and state steward shall take the constitutional oath

1 of office and may exercise any power granted by the rules of the  
2 racing commissioner promulgated ~~pursuant to~~ UNDER this act. A  
3 decision of a deputy commissioner or state steward may be  
4 appealed to the racing commissioner pursuant to the contested  
5 case provisions of the administrative procedures act of 1969,  
6 ~~Act No. 306 of the Public Acts of 1969, being sections 24.201 to~~  
7 ~~24.328 of the Michigan Compiled Laws~~ 1969 PA 306, MCL 24.201 TO  
8 24.328. The racing commissioner shall employ other personnel as  
9 necessary for the administration of this act within the limits of  
10 the appropriations made by the legislature and subject to civil  
11 service rules. The racing commissioner is entitled to the rea-  
12 sonable and necessary expenses incurred in performing his or her  
13 duties prescribed in this act.

14 (2) The racing commissioner shall keep a record of all pro-  
15 ceedings and preserve all books, maps, documents, and papers  
16 belonging to the racing commissioner or entrusted to the care of  
17 the office of racing commissioner.

18 (3) The racing commissioner shall make an annual report to  
19 the governor before April 15 for the immediately preceding calen-  
20 dar year, which report shall include a statement of the racing  
21 commissioner's receipts and disbursements and additional informa-  
22 tion and recommendations that the racing commissioner considers  
23 necessary or the governor requires.

24 (4) THE RACING COMMISSIONER SHALL PROMOTE THE GROWING OF  
25 HORSE RACING AND FOR THAT PURPOSE MAY CONDUCT EVENTS AND EXHIBI-  
26 TIONS RELATED TO THE HORSE RACING INDUSTRY.

1       Sec. 7. (1) The racing commissioner may promulgate rules  
2 pursuant to the administrative procedures act of 1969, ~~Act~~  
3 ~~No. 306 of the Public Acts of 1969, being sections 24.201 to~~  
4 ~~24.328 of the Michigan Compiled Laws 1969 PA 306, MCL 24.201 TO~~  
5 24.328, for conducting horse racing, pari-mutuel wagering on  
6 horse racing results, and simulcasting. The rules promulgated  
7 under this section shall be designed to accomplish all of the  
8 following:

9       (a) The governing, restricting, approving, or regulating of  
10 horse racing, pari-mutuel wagering on the results of horse races,  
11 and simulcasting conducted at licensed race meetings within this  
12 state.

13       (b) The promoting of the safety, security, growth, and  
14 integrity of all horse racing, pari-mutuel wagering on the  
15 results of horse races, and simulcasting conducted at licensed  
16 race meetings within this state.

17       (c) The licensing and regulating of each person participat-  
18 ing in, or having to do with, pari-mutuel horse racing and wager-  
19 ing, and simulcasting at licensed race meetings within this  
20 state.

21       (2) Each race meeting licensee shall provide security at all  
22 times so as to reasonably ensure the safety of all persons and  
23 horses on the grounds, and to protect and preserve the integrity  
24 of horse racing, pari-mutuel wagering, and simulcasting at  
25 licensed race meetings. If the racing commissioner determines  
26 that additional security is necessary to ensure the safety and  
27 integrity of racing, the racing commissioner shall provide

1 supplemental security at each race meeting in areas where  
2 occupational licenses are required for admittance.

3 (3) The racing commissioner may issue sanctions including,  
4 but not limited to, revocation or suspension of a license, exclu-  
5 sion from racetrack grounds, or a fine of not more than  
6 \$25,000.00 for each violation of this act or a rule promulgated  
7 under this act committed by a licensee or other person under this  
8 act. A sanction issued under this section may be appealed to the  
9 racing commissioner. The appeal shall be heard pursuant to the  
10 contested case provisions of ~~Act No. 306 of the Public Acts of~~  
11 ~~1969~~ THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL  
12 24.201 TO 24.328.

13 (4) All proposed extensions, additions, modifications, or  
14 improvements to the racecourse, roadways, parking lots, build-  
15 ings, stables, lighting and electrical service, plumbing, public  
16 utilities, drainage, totalisator system and equipment, hardware  
17 and software for all approved methods of conducting pari-mutuel  
18 wagering, and security on the grounds of a licensed racetrack  
19 owned or leased by a person licensed under this act are subject  
20 to the approval of the racing commissioner.

21 (5) The racing commissioner may compel the production of  
22 books, records, memoranda, electronically retrievable data, or  
23 documents that relate to horse racing, simulcasting, and  
24 pari-mutuel wagering conducted at a licensed race meeting.

25 (6) The racing commissioner at any time may require for  
26 cause the removal of ~~any employee or official involved in or~~  
27 ~~having to do with horse racing, simulcasting, or pari-mutuel~~



1 ~~wagering conducted at a licensed race meeting~~ AN OFFICIAL OR ANY  
2 OTHER PERSON FROM A RESTRICTED AREA OR FROM THE HORSE RACETRACK  
3 GROUNDS IN THEIR ENTIRETY.

4 (7) The racing commissioner may visit, investigate, and  
5 place auditors and other persons as the racing commissioner con-  
6 siders necessary in the offices, racetracks, or places of busi-  
7 ness of a licensee under this act to ensure compliance with this  
8 act and the rules promulgated under this act. THE INVESTIGATIVE  
9 RECORDS OF THE RACING COMMISSIONER AND HIS OR HER STAFF THAT ARE  
10 PREPARED OR COMPILED FOR REGULATORY PURPOSES ARE EXEMPT FROM DIS-  
11 CLOSURE UNDER SECTION 13 OF THE FREEDOM OF INFORMATION ACT, 1976  
12 PA 442, MCL 15.243.

13 (8) The racing commissioner may summon witnesses and admin-  
14 ister oaths or affirmations to exercise and discharge his or her  
15 powers and duties under this act. A person failing to appear  
16 before the racing commissioner at the time and place specified in  
17 a summons from the racing commissioner or refusing to testify,  
18 without just cause, in answer to a summons from the racing com-  
19 missioner is guilty of a misdemeanor punishable by a fine of not  
20 more than \$1,000.00, or imprisonment for not more than 6 months,  
21 or both, and may also be sanctioned by the racing commissioner.  
22 A person testifying falsely to the racing commissioner or his or  
23 her authorized representative while under oath is guilty of a  
24 felony punishable by a fine of not more than \$10,000.00 or  
25 imprisonment for not more than 4 years, or both, and may also be  
26 sanctioned by the racing commissioner.

1 (9) AN OFFICIAL SHALL NOT WAGER MONEY OR ANY OTHER THING OF  
2 VALUE ON THE OUTCOME OF A LIVE OR SIMULCAST RACE DURING HIS OR  
3 HER WORK SHIFT OR WHILE IN THE PERFORMANCE OF HIS OR HER DUTIES.

4 Sec. 17. (1) The pari-mutuel system of wagering upon the  
5 results of horse races as permitted by this act shall not be held  
6 or construed to be unlawful. All forms of pari-mutuel wagering  
7 conducted at a licensed race meeting shall be preapproved by the  
8 racing commissioner pursuant to rule or written order of the  
9 commissioner.

10 (2) A holder of a race meeting license may provide a place  
11 in the race meeting grounds or enclosure at which he or she may  
12 conduct and supervise the pari-mutuel system of wagering on the  
13 results of horse races as permitted by this act. If the  
14 pari-mutuel system of wagering is used at a race meeting, a  
15 totalisator or other device that is equal in accuracy and clear-  
16 ness to a totalisator and approved by the racing commissioner  
17 shall be used. The odds display of the totalisator or other  
18 device shall be placed in full view of the patrons.

19 (3) Subject to section 18(3), each holder of a race meeting  
20 license shall retain as his or her commission on all forms of  
21 straight wagering 17% of all money wagered involving straight  
22 wagers on the results of live and simulcast horse races conducted  
23 at the licensee's race meetings. Subject to section 18(3), each  
24 holder of a race meeting license shall retain as his or her com-  
25 mission on all forms of multiple wagering, without the written  
26 permission of the racing commissioner not more than 28% and with  
27 the written permission of the racing commissioner not more than

1 35% of all money wagered involving any form of multiple wager on  
2 the results of live and simulcast horse races conducted at the  
3 licensee's race meeting. Except as otherwise provided by con-  
4 tract, 50% of all commissions from wagering on the results of  
5 live racing at the racetrack where the live racing was conducted  
6 shall be paid to the horsemen's purse pool at the racetrack where  
7 the live racing was conducted. As used in this subsection:

8 (a) "Straight wagering" means a wager made on the finishing  
9 position of a single specified horse in a single specified race.

10 (b) "Multiple wagering" means a wager made on the finishing  
11 positions of more than 1 horse in a specified race or the finish-  
12 ing positions of 1 or more horses in more than 1 specified race.

13 (4) All breaks shall be retained by the race meeting  
14 licensee and paid directly to the ~~city or township in which the~~  
15 ~~racetrack is located as a fee for services provided pursuant to~~  
16 OFFICE OF THE RACING COMMISSIONER FOR USE AS PROVIDED UNDER sec-  
17 tion 21.

18 (5) 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 (6) 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 (7) Any act or transaction relative to pari-mutuel wagering  
5 on the results of live or simulcast horse races shall only occur  
6 or be permitted to occur within the enclosure of a licensed race  
7 meeting. A person shall not participate or be a party to any act  
8 or transaction relative to placing a wager or carrying a wager  
9 for placement outside of a race meeting ground. A person shall  
10 not provide messenger service for the placing of a bet for  
11 another person who is not a patron. However, this subsection  
12 does not prevent simulcasting or intertrack or interstate common  
13 pool wagering inside or outside this state as permitted by this  
14 act or the rules promulgated under this act.

15 Sec. 20. (1) It is the policy of this state to encourage  
16 the breeding of horses of all breeds in this state and the owner-  
17 ship of such horses by residents of this state to provide for  
18 sufficient numbers of high quality race horses of all breeds to  
19 participate in licensed race meetings in this state; to promote  
20 the positive growth and development of high quality horse racing  
21 and other equine competitions in this state as a beneficial busi-  
22 ness and entertainment activity for residents of this state; and  
23 to establish and preserve the substantial agricultural and com-  
24 mercial benefits of the horse racing and breeding industry to the  
25 state of Michigan. It is the intent and purpose of the legisla-  
26 ture to further this policy by the provisions of the act and  
27 annual appropriations to administer this act and adequately fund

1 the agriculture and equine industry programs established by this  
2 section.

3 (2) ~~Money~~ EXCEPT AS PROVIDED IN SECTION 21, MONEY received  
4 by the racing commissioner and the state treasurer under this act  
5 shall be paid promptly into the state treasury and placed in the  
6 Michigan agriculture equine industry development fund created in  
7 subsection (3).

8 (3) The Michigan agriculture equine industry development  
9 fund is created in the department of treasury. The Michigan  
10 agriculture equine industry development fund shall be adminis-  
11 tered by the director of the department of agriculture with the  
12 assistance and advice of the racing commissioner.

13 (4) Money shall not be expended from the Michigan agricul-  
14 ture equine industry development fund except as appropriated by  
15 the legislature. Money appropriated by the legislature for the  
16 Michigan agriculture equine industry development fund shall be  
17 expended by the director of the department of agriculture with  
18 the advice and assistance of the racing commissioner to provide  
19 funding for agriculture and equine industry development programs  
20 as provided in subsections (5) to (11).

21 (5) The following amounts shall be paid to standardbred and  
22 fair programs:

23 (a) A sum not to exceed 75% of the purses for standardbred  
24 harness horse races offered by fairs and races at licensed  
25 pari-mutuel racetracks. Purse supplements for overnight races at  
26 fairs paid pursuant to this subsection may not exceed the lowest

1 purse offered for overnight races of the same breed at any  
2 licensed race meeting in this state during the previous year.

3 (b) A sum to be allotted on a matching basis, but not to  
4 exceed \$15,000.00 each year to a single fair, for the purpose of  
5 equipment rental during fairs; ground improvement; constructing,  
6 maintaining, and repairing buildings; and making the racetrack  
7 more suitable and safe for racing at fairs.

8 (c) A sum to be allotted for paying special purses at fairs  
9 on 2-year-old and 3-year-old standardbred harness horses con-  
10 ceived after January 1, 1992, and sired by a standardbred stal-  
11 lion registered with the Michigan department of agriculture that  
12 was leased or owned by a resident or residents of this state and  
13 which did not serve a mare at a location outside of this state  
14 from February 1 through July 31 of the calendar year in which the  
15 conception occurred. Transportation of semen from a standardbred  
16 stallion registered with the Michigan department of agriculture  
17 to a location outside the state of Michigan does not create eli-  
18 gibility for Michigan tax supported races, and does not affect  
19 the eligibility of Michigan conceived foals for the purses pro-  
20 vided for by this section. A foal conceived outside the state of  
21 Michigan by means of semen from a standardbred stallion regis-  
22 tered with the Michigan department of agriculture is not eligible  
23 for Michigan tax-supported races.

24 (d) A sum to pay not more than 75% of an eligible cash pre-  
25 mium paid by a fair or exposition. The commission of agriculture  
26 shall promulgate rules establishing which premiums are eligible  
27 for payment and a dollar limit for all eligible payments.

1 (e) A sum to pay breeders' awards in an amount not to exceed  
2 10% of the gross purse to breeders of Michigan bred standardbred  
3 harness horses for each time the horse wins a race at a licensed  
4 race meeting or fair in this state. As used in this subdivision,  
5 "Michigan bred standardbred harness horse" means a horse from a  
6 mare owned by a resident or residents of this state at the time  
7 of conception, that was conceived after January 1, 1992, and  
8 sired by a standardbred stallion registered with the Michigan  
9 department of agriculture that was leased or owned by a resident  
10 or residents of this state and that did not serve a mare at a  
11 location outside of this state from February 1 through July 31 of  
12 the calendar year in which the conception occurred. To be eligi-  
13 ble, each mare shall be registered with the Michigan department  
14 of agriculture. Transportation of semen from a standardbred  
15 stallion registered with the Michigan department of agriculture  
16 to a location outside the state of Michigan does not create eli-  
17 gibility for Michigan tax-supported races, and does not affect  
18 the eligibility of Michigan conceived foals for the purses pro-  
19 vided for by this section. A foal conceived outside the state of  
20 Michigan by means of semen from a standardbred stallion regis-  
21 tered with the Michigan department of agriculture is not eligible  
22 for Michigan tax-supported races.

23 (f) A sum not to exceed \$4,000.00 each year to be allotted  
24 to fairs to provide training and stabling facilities for stan-  
25 dardbred harness horses.

26 (g) A sum to be allotted to pay the presiding judges and  
27 clerks of the course at fairs. Presiding judges and clerks of

1 the course shall be hired by the fair's administrative body with  
2 the advice and approval of the racing commissioner. The director  
3 of the department of agriculture may allot funds for a photo  
4 finish system and a mobile starting gate. The director of the  
5 department of agriculture shall allot funds for the conducting of  
6 tests, the collection and laboratory analysis of urine, saliva,  
7 blood, and other samples from horses, and the taking of blood  
8 alcohol tests on drivers, jockeys, and starting gate employees,  
9 for those races described in this subdivision. The department  
10 may require a driver, jockey, or starting gate employee to submit  
11 to a breathalyzer test, urine test, or other ~~nonevasive~~  
12 NONINVASIVE fluid test to detect the presence of alcohol or a  
13 controlled substance as defined in section 7104 of the public  
14 health code, 1978 PA 368, MCL 333.7104. If the results of a test  
15 show that a person has more than .05% of alcohol in his or her  
16 blood, or has present in his or her body a controlled substance,  
17 the person shall not be permitted to continue in his or her  
18 duties on that race day and until he or she can produce, at his  
19 or her own expense, a negative test result.

20 (h) A sum to pay purse supplements to licensed pari-mutuel  
21 harness race meetings for special 4-year-old filly and colt horse  
22 races.

23 (i) A sum not to exceed 0.25% of all money wagered on live  
24 and simulcast horse races in Michigan shall be placed in a spe-  
25 cial standardbred sire stakes fund each year, 100% of which shall  
26 be used to provide purses for races run exclusively for  
27 2-year-old and 3-year-old Michigan sired standardbred horses at



1 licensed harness race meetings in this state. As used in this  
2 subdivision, "Michigan sired standardbred horses" means standard-  
3 bred horses conceived after January 1, 1992 and sired by a stan-  
4 dardbred stallion registered with the Michigan department of  
5 agriculture that was leased or owned by a resident or residents  
6 of this state and which did not serve a mare at a location out-  
7 side of this state from February 1 through July 31 of the calen-  
8 dar year in which the conception occurred. Transportation of  
9 semen from a standardbred stallion registered with the Michigan  
10 department of agriculture to a location outside the state of  
11 Michigan does not create eligibility for Michigan tax-supported  
12 races, and does not affect the eligibility of Michigan conceived  
13 foals for the purses provided for by this section. A foal con-  
14 ceived outside the state of Michigan by means of semen from a  
15 standardbred stallion registered with the Michigan department of  
16 agriculture is not eligible for Michigan tax-supported races.

17 (6) The following amounts shall be paid to thoroughbred  
18 programs:

19 (a) A sum to be allotted thoroughbred race meeting licensees  
20 to supplement the purses for races to be conducted exclusively  
21 for Michigan bred horses.

22 (b) A sum to pay awards to owners of Michigan bred horses  
23 that finish first, second, or third in races open to non-Michigan  
24 bred horses.

25 (c) A sum to pay breeders' awards in an amount not to exceed  
26 10% of the gross purse to the breeders of Michigan bred

1 thoroughbred horses for each time Michigan bred thoroughbred  
2 horses win at a licensed race meeting in this state.

3 (d) A sum to pay purse supplements to licensed thoroughbred  
4 race meetings for special 4-year-old and older filly and colt  
5 horse races.

6 (e) A sum not to exceed 0.25% of all money wagered on live  
7 and simulcast horse races in Michigan shall be placed in a spe-  
8 cial thoroughbred sire stakes fund each year, 100% of which shall  
9 be used to provide purses for races run exclusively for  
10 2-year-old and 3-year-old and older Michigan sired thoroughbred  
11 horses at licensed thoroughbred race meetings in this state and  
12 awards for owners of Michigan sired horses or stallions. As used  
13 in this subdivision, "Michigan sired thoroughbred horses" means  
14 thoroughbred horses sired by a stallion registered with the  
15 department of agriculture that was leased or owned exclusively by  
16 a resident or residents of this state and that did not serve a  
17 mare at a location outside of this state during the calendar year  
18 in which the service occurred.

19 (f) A sum to be allotted sufficient to pay for the collec-  
20 tion and laboratory analysis of urine, saliva, blood, and other  
21 samples from horses and licensed persons and for the conducting  
22 of tests described in section ~~16(3)(b)~~ 16(4)(B).

23 (7) The following amounts shall be paid for quarter horse  
24 programs:

25 (a) A sum to supplement the purses for races to be conducted  
26 exclusively for Michigan bred quarter horses.

1 (b) A sum to pay not more than 75% of the purses for  
2 registered quarter horse races offered by fairs.

3 (c) A sum to pay breeders' awards in an amount not to exceed  
4 10% of a gross purse to breeders of Michigan bred quarter horses  
5 for each time a Michigan bred quarter horse wins at a county fair  
6 or licensed race meeting in this state.

7 (d) A sum to pay for the collection and laboratory analysis  
8 of urine, saliva, blood, and other samples from horses and  
9 licensed persons and the taking of blood alcohol tests on jockeys  
10 for those races described in this subsection and for the conduct-  
11 ing of tests described in section ~~16(3)(b)~~ 16(4)(B).

12 (e) As used in this subsection, "Michigan bred quarter  
13 horse" means a horse from a mare owned by a resident of this  
14 state at the time of breeding, sired by a registered stallion  
15 owned exclusively by a resident of this state, and which did not  
16 serve a mare at a location outside of this state during the cal-  
17 endar year in which the service occurred. Each mare and stallion  
18 shall be registered with the director of the department of  
19 agriculture.

20 (8) The following amounts shall be paid for Appaloosa  
21 programs:

22 (a) A sum to supplement the purses for races to be conducted  
23 exclusively for Michigan bred Appaloosa horses.

24 (b) A sum to pay not more than 75% of the purses for regis-  
25 tered Appaloosa horse races offered by fairs.

26 (c) A sum to pay breeders' awards in an amount not to exceed  
27 10% of the gross purse to the breeders of Michigan bred Appaloosa

1 horses for each time Michigan bred horses win at a fair or  
2 licensed race meeting in this state.

3 (d) The department shall also allot sufficient funds from  
4 the revenue received from Appaloosa horse racing to pay for the  
5 collection and laboratory analysis of urine, saliva, blood, or  
6 other samples from horses and licensed persons and the taking of  
7 blood alcohol tests on jockeys for those races described in this  
8 subsection and for the conducting of tests described in section  
9 ~~16(3)(b)~~ 16(4)(B).

10 (e) As used in this subsection, "Michigan bred Appaloosa"  
11 means a horse from a mare owned by a resident of this state at  
12 the time of breeding, sired by a registered stallion owned exclu-  
13 sively by a resident of this state, and which did not serve a  
14 mare at a location outside of this state during the calendar year  
15 in which the service occurred. Each mare and stallion shall be  
16 registered with the director of the department of agriculture.

17 (9) The following amounts shall be paid for Arabian  
18 programs:

19 (a) A sum to supplement the purses for races to be conducted  
20 exclusively for Michigan bred Arabian horses.

21 (b) A sum to pay not more than 75% of the purses for regis-  
22 tered Arabian horse races offered by fairs.

23 (c) A sum to pay breeders' awards in an amount not to exceed  
24 10% of the gross purse to the breeders of Michigan bred Arabian  
25 horses for each time Michigan bred horses win at a fair or  
26 licensed racetrack in this state.

1 (d) A sum allotted from the revenue received from Arabian  
2 horse racing to pay for the collection and laboratory analysis of  
3 urine, saliva, blood, and other samples from horses and licensed  
4 persons and the taking of blood alcohol tests on jockeys for  
5 those races described in this subsection and for the conducting  
6 of tests described in section ~~16(3)(b)~~ 16(4)(B).

7 (e) As used in this subsection, "Michigan bred Arabian"  
8 means a horse from a mare owned by a resident of this state at  
9 the time of breeding, sired by a registered stallion owned exclu-  
10 sively by a resident of this state, and which did not serve a  
11 mare at a location outside of this state during the calendar year  
12 in which the service occurred. Each mare and stallion shall be  
13 registered with the director of the department of agriculture.

14 (10) The following amounts shall be paid for the equine  
15 industry research, planning, and development grant fund program:

16 (a) A sum to fund grants for research projects conducted by  
17 persons affiliated with a university or governmental research  
18 agency or institution or other private research entity approved  
19 by the racing commissioner, which are beneficial to the horse  
20 racing and breeding industry in this state.

21 (b) Money appropriated and allotted to this fund shall not  
22 revert to the general fund and shall be carried forward from year  
23 to year until disbursed to fund grants for research projects ben-  
24 eficial to the industry.

25 (c) As used in this subsection, "equine research" means the  
26 study, discovery and generation of accurate and reliable  
27 information, findings, conclusions, and recommendations that are

1 useful or beneficial to the horse racing and breeding industry in  
2 this state through improvement of the health of horses; preven-  
3 tion of equine illness and disease, and performance-related acci-  
4 dents and injuries; improvement of breeding technique and racing  
5 performance; and compilation and study of valuable and reliable  
6 statistical data regarding the size, organization, and economics  
7 of the industry in this state; and strategic planning for the  
8 effective promotion, growth, and development of the industry in  
9 this state.

10 (11) A sum to fund the development, implementation, and  
11 administration of new programs that promote the proper growth and  
12 development of the horse racing and breeding industry in this  
13 state and other valuable equine related commercial and recrea-  
14 tional activities in this state.

15 (12) A percentage of the Michigan agriculture equine indus-  
16 try development fund that is equal to 1/10 of 1% of the gross  
17 wagers made each year in each of the racetracks licensed under  
18 this act shall be deposited in the compulsive gaming prevention  
19 fund created in the compulsive gaming prevention act.

20 (13) The director of the department of agriculture shall  
21 promulgate rules pursuant to the administrative procedures act of  
22 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this  
23 section. The rules promulgated under this subsection shall do  
24 all of the following:

25 (a) Prescribe the conditions under which the Michigan agri-  
26 culture equine industry development fund and related programs  
27 described in subsections (1) to (11) shall be funded.

1 (b) Establish conditions and penalties regarding the  
2 programs described in subsections (5) to (11).

3 (c) Develop and maintain informational programs related to  
4 this section.

5 (14) Funds under the control of the department of agricul-  
6 ture in this section shall be disbursed under the rules promul-  
7 gated pursuant to subsection (13). All funds under the control  
8 of the department of agriculture approved for purse supplements  
9 and breeders' awards shall be paid by the state treasurer not  
10 later than 45 days from the date of the race.

11 Sec. 21. ~~Local units of government participating in the~~  
12 ~~distribution of funds under section 17(4) shall provide for ade-~~  
13 ~~quate police, fire, and traffic protection of persons and prop-~~  
14 ~~erty at and near each race meet, including areas where occupa-~~  
15 ~~tional licenses are required. Each local unit of government par-~~  
16 ~~ticipating in the distribution of funds under this act shall show~~  
17 ~~by a statement submitted annually on February 1 of each year to~~  
18 ~~the racing commissioner the amounts of funds received and shall~~  
19 ~~detail the expenditure of those amounts during the previous cal-~~  
20 ~~endar year. The racing commissioner shall report annually to the~~  
21 ~~governor and the legislature regarding these statements.~~

22 (1) THE BREAKS ESCROW FUND IS CREATED IN THE DEPARTMENT OF  
23 TREASURY. THE BREAKS ESCROW FUND SHALL BE ADMINISTERED BY THE  
24 RACING COMMISSIONER.

25 (2) THE MONEY RECEIVED BY THE RACING COMMISSIONER UNDER  
26 SECTION 17(4) SHALL BE PAID PROMPTLY TO THE STATE TREASURY AND  
27 PLACED IN THE BREAKS ESCROW FUND CREATED IN SUBSECTION (1). THE

1 RACING COMMISSIONER SHALL EXPEND MONEY FROM THE BREAKS ESCROW  
2 FUND TO PAY EXPENSES RELATED TO POLICE, SECURITY, SAFETY, FIRE,  
3 AND EMERGENCY SERVICES PROVIDED TO A HORSE RACETRACK LICENSED  
4 UNDER THIS ACT. A MUNICIPALITY OR COUNTY THAT PROVIDES A SERVICE  
5 UNDER THIS SECTION MAY REQUEST, AND THE RACING COMMISSIONER MAY  
6 PAY, AN ADMINISTRATIVE FEE OF NOT MORE THAN 10% OF THE COST OF  
7 THE SERVICES RENDERED.

8 (3) THE HOLDER OF A RACETRACK LICENSE OR A RACE MEETING  
9 LICENSE ISSUED UNDER THIS ACT MAY OBTAIN SERVICES DESCRIBED IN  
10 SUBSECTION (2) FROM THE MUNICIPALITY OR COUNTY IN WHICH THE  
11 LICENSED HORSE RACETRACK IS LOCATED.

12 (4) THE RACING COMMISSIONER MAY EXPEND MONEY FROM THE BREAKS  
13 ESCROW FUND TO PAY EXPENSES RELATED TO THE FOLLOWING:

14 (A) CAPITAL IMPROVEMENTS TO A HORSE RACETRACK LICENSED UNDER  
15 THIS ACT.

16 (B) IMPROVEMENTS TO A LOCAL COMMUNITY WHERE THERE IS LOCATED  
17 A HORSE RACETRACK LICENSED UNDER THIS ACT, IN THE VICINITY OF THE  
18 HORSE RACETRACK, INCLUDING, BUT NOT LIMITED TO, PUBLIC UTILITIES  
19 ENHANCEMENTS, ROAD IMPROVEMENTS, PICNIC AND PARK AREAS, LIGHTING,  
20 AND WALKWAYS, AND RELATED ADMINISTRATIVE COSTS, IF THE PROPOSED  
21 IMPROVEMENT DIRECTLY SERVICES THE RACETRACK AND WAS APPROVED BY  
22 THE RACING COMMISSIONER PRIOR TO THE IMPROVEMENT BEING MADE.

23 (C) PROMOTION OF GROWTH OF HORSE RACING THROUGH EVENTS,  
24 EXHIBITIONS, AND ADVERTISEMENT.

25 (5) A PERSON MAY APPLY TO THE RACING COMMISSIONER FOR MONEY  
26 FROM THE BREAKS ESCROW FUND IN THE MANNER AND ON A FORM  
27 PRESCRIBED BY THE RACING COMMISSIONER. AN APPLICANT WHO RECEIVES



1 FUNDS UNDER THIS SECTION SHALL SUBMIT A WRITTEN ACCOUNTING  
2 STATEMENT CONCERNING THOSE FUNDS TO THE RACING COMMISSIONER IN  
3 JANUARY, MARCH, JUNE, AND SEPTEMBER OF EACH YEAR, WHICH ACCOUNT-  
4 ING STATEMENT SHALL DETAIL THE PERSON'S EXPENDITURES AND PROVIDE  
5 RECEIPTS FOR THOSE EXPENDITURES.

6 (6) ANY FUNDS THAT REMAIN UNEXPENDED IN THE BREAKS ESCROW  
7 FUND ON SEPTEMBER 30 OF EACH YEAR SHALL BE DEPOSITED INTO THE  
8 PURSE POOL.

9 (7) THE RACING COMMISSIONER SHALL REPORT ANNUALLY TO THE  
10 GOVERNOR AND THE LEGISLATURE REGARDING THE DISTRIBUTION AND  
11 EXPENDITURE OF MONEY FROM THE BREAKS ESCROW FUND.