

HOUSE BILL No. 5058

July 24, 2007, Introduced by Rep. Cushingberry and referred to the Committee on Regulatory Reform.

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending sections 17, 18, and 20 (MCL 431.317, 431.318, and
431.320), sections 17 and 18 as amended by 1998 PA 408 and section
20 as amended by 2006 PA 185.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

7 (2) A holder of a race meeting license may provide a place in

1 the race meeting grounds or enclosure at which he or she may
 2 conduct and supervise the pari-mutuel system of wagering on the
 3 results of horse races as permitted by this act. If the pari-mutuel
 4 system of wagering is used at a race meeting, a totalisator or
 5 other device that is equal in accuracy and clearness to a
 6 totalisator and approved by the racing commissioner shall be used.
 7 The odds display of the totalisator or other device shall be placed
 8 in full view of the patrons.

9 (3) Subject to section 18(3), each holder of a race meeting
 10 license shall retain as his or her commission on all forms of
 11 straight wagering ~~17%—20%~~ of all money wagered involving straight
 12 wagers on the results of live and simulcast horse races conducted
 13 at the licensee's race meetings. Subject to section 18(3), each
 14 holder of a race meeting license shall retain as his or her
 15 commission on all forms of multiple wagering, without the written
 16 permission of the racing commissioner not more than ~~28%—31%~~ and
 17 with the written permission of the racing commissioner not more
 18 than ~~35%—38%~~ of all money wagered involving any form of multiple
 19 wager on the results of live and simulcast horse races conducted at
 20 the licensee's race meeting. Except as otherwise provided by
 21 contract, **AND AFTER DEDUCTING PAYMENTS REQUIRED UNDER SUBSECTION**
 22 **(8)**, 50% of all commissions from wagering on the results of live
 23 racing at the racetrack where the live racing was conducted shall
 24 be paid to the horsemen's purse pool at the racetrack where the
 25 live racing was conducted. ~~As used in this subsection:~~

26 ~~—— (a) "Straight wagering" means a wager made on the finishing~~
 27 ~~position of a single specified horse in a single specified race.~~

~~(b) "Multiple wagering" means a wager made on the finishing positions of more than 1 horse in a specified race or the finishing positions of 1 or more horses in more than 1 specified race.~~

(4) All breaks shall be retained by the race meeting licensee and paid directly to the city or township in which the racetrack is located as a fee for services provided pursuant to section 21.

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

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

(7) Any act or transaction relative to pari-mutuel wagering on the results of live or simulcast horse races shall only occur or be permitted to occur within the enclosure of a licensed race meeting. A person shall not participate **IN** or be a party to any act or transaction relative to placing a wager or carrying a wager for placement outside of a race meeting ground. A person shall not provide messenger service for the placing of a bet for another person who is not a patron. However, this subsection does not

1 prevent simulcasting or intertrack or interstate common pool
2 wagering inside or outside this state as permitted by this act or
3 the rules promulgated under this act.

4 (8) FROM THE COMMISSION ALLOWED UNDER SUBSECTION (3), A RACE
5 MEETING LICENSEE SHALL PAY TO THE MICHIGAN AGRICULTURE EQUINE
6 INDUSTRY DEVELOPMENT FUND CREATED IN SECTION 20 AN AMOUNT EQUAL TO
7 2% OF ALL MONEY WAGERED ON THE RESULTS OF LIVE AND SIMULCAST HORSE
8 RACES CONDUCTED AT THE LICENSEE'S RACE MEETINGS.

9 (9) AS USED IN THIS SECTION:

10 (A) "MINUS POOL" MEANS A WIN, PLACE, OR SHOW POOL IN WHICH THE
11 PAYOUT WOULD EXCEED THE TOTAL VALUE OF THE POOL.

12 (B) "MULTIPLE WAGERING" MEANS WAGERING MADE ON THE FINISHING
13 POSITIONS OF MORE THAN 1 HORSE IN A SPECIFIED RACE OR THE FINISHING
14 POSITIONS OF 1 OR MORE HORSES IN MORE THAN 1 SPECIFIED RACE.

15 (C) "STRAIGHT WAGERING" MEANS WAGERING MADE ON THE FINISHING
16 POSITION OF A SINGLE SPECIFIED HORSE IN A SINGLE SPECIFIED RACE.

17 Sec. 18. (1) Simulcasting by race meeting licensees may be
18 authorized by the racing commissioner subject to the limitations of
19 this section. ~~As used in this section, "simulcast" means the live~~
20 ~~transmission of video and audio signals conveying a horse race held~~
21 ~~either inside or outside this state to a licensed race meeting in~~
22 ~~this state. A simulcast from 1 racetrack in this state to another~~
23 ~~racetrack in this state shall be called an "intertrack simulcast".~~
24 ~~A simulcast from a racetrack outside this state to a racetrack~~
25 ~~inside this state shall be called an "interstate simulcast".~~

26 (2) The holder of a race meeting license may apply to the
27 racing commissioner, in the manner and form required by the

1 commissioner, for a permit to televise simulcasts of horse races to
2 viewing areas within the enclosure of the licensed racetrack at
3 which the applicant is licensed to conduct its race meeting. The
4 commissioner may issue a permit for individual race and full card
5 simulcasts televised during, between, before, or after programmed
6 live horse races on any day that live racing is conducted by the
7 applicant, and also on other days during the term of the
8 applicant's license when the applicant does not conduct live horse
9 racing, subject to the following conditions:

10 (a) The applicant shall have a current contract with a
11 certified horsemen's organization.

12 (b) The applicant shall have applied for and been allocated
13 the minimum number of live racing dates required by section 12(1)
14 to (5), subject to the availability of adequate horse supply as
15 determined by the racing commissioner.

16 (c) The applicant shall make a continuing good faith effort
17 throughout the duration of its race meeting to program and conduct
18 ~~not less than 9~~ **OR MORE** live horse races on each live racing date
19 allocated to the applicant.

20 (d) The certified horsemen's organization with which the
21 applicant has contracted shall have consented to the requested
22 simulcasts on any live racing day when the applicant is unable to
23 program and conduct ~~not less than 9~~ **OR MORE** live horse races, if
24 required by section 12(6).

25 (e) If the requested simulcasts are interstate, the applicant
26 shall waive in writing any right that the applicant may have under
27 the interstate horse racing act of 1978, ~~Public Law 95-515,~~ 15

1 ~~U.S.C.~~ **USC** 3001 to 3007, to restrict interstate simulcasts by other
2 race meeting licensees in this state.

3 (f) If the applicant conducts its race meeting in a city area,
4 the applicant shall make the video and audio signals of its live
5 horse races available for intertrack simulcasting to all licensed
6 race meetings in this state located more than 12 miles from the
7 applicant's race meeting. The applicant shall charge each race
8 meeting licensee the same fee to receive its live signals for
9 intertrack simulcasting. The fee shall not exceed 3% of the total
10 amount wagered on the intertrack simulcast at each race meeting
11 that receives the simulcast.

12 (g) Except as otherwise agreed by the race meeting licensees
13 in a city area and the respective certified horsemen's
14 organizations with which they contract, ~~a-IF THE~~ licensee **IS** in a
15 city area, **THE LICENSEE** shall receive all available intertrack
16 simulcasts from licensed race meetings in the city area located
17 more than 12 miles from the licensee's race meeting.

18 (h) ~~A-licensed-IF THE LICENSEE CONDUCTS ITS~~ race meeting
19 outside a city area, **THE LICENSEE** shall not conduct interstate
20 simulcasts unless it also receives all intertrack simulcasts from
21 licensed race meetings in a city area that are available.

22 (i) ~~All applicants conducting licensed-IF THE APPLICANT~~
23 **CONDUCTS ITS** race meetings in a city area, **THE APPLICANT** shall
24 authorize all other race meeting licensees in the state to conduct
25 simulcasts of **RACES OF** the breed for which the applicant is
26 licensed to conduct live horse racing. ~~An-THE~~ applicant ~~may~~ **SHALL**
27 not conduct interstate simulcasts unless **THE APPLICANT GIVES**

1 authorization, ~~to do so is given by the applicant,~~ in accordance
2 with subdivision (j), permitting all other race meeting licensees
3 to receive interstate simulcasts of a different breed than they are
4 licensed to race live.

5 (j) ~~A-**THE**~~ race meeting licensee shall not conduct an
6 interstate simulcast of a different breed than it is licensed to
7 race live at its race meeting, unless the licensee has the written
8 permission of all race meeting licensees in a city area that are
9 licensed to race that breed live at their race meetings.

10 (k) All authorized simulcasts shall be conducted in compliance
11 with the written permit and related orders issued by the racing
12 commissioner and all other requirements and conditions of this act
13 and the rules of the racing commissioner promulgated under this
14 act.

15 (l) All authorized interstate simulcasts shall ~~also~~ comply with
16 the interstate horse racing act of 1978, ~~Public Law 95-15,~~ 15
17 ~~U.S.C.—USC~~ 3001 to 3007.

18 (3) All forms of wagering by pari-mutuel methods provided for
19 under this act for live racing shall be allowed on simulcast horse
20 races authorized under this section. All money wagered on simulcast
21 horse races at a licensed race meeting shall be included in
22 computing the total amount of all money wagered at the licensed
23 race meeting for purposes of section 17. When the simulcast is an
24 interstate simulcast, the money wagered on that simulcast shall
25 form a separate pari-mutuel pool at the receiving track unless 2 or
26 more licensees receive the same interstate simulcast signals or the
27 racing commissioner permits the receiving track to combine its

1 interstate simulcast pool with the pool created at the out-of-state
2 sending track on the same race. If 2 or more licensees receive the
3 same interstate simulcast signals, the money wagered on the
4 simulcasts shall be combined in a common pool and the licensees
5 shall jointly agree and designate at which race meeting the common
6 pool will be located. However, if the law of the jurisdiction in
7 which the sending racetrack is located permits interstate common
8 pools at the sending racetrack, the racing commissioner may permit
9 pari-mutuel pools on interstate simulcast races in this state to be
10 combined with pari-mutuel pools on the same races created at the
11 out-of-state sending racetrack. If the pari-mutuel pools on the
12 interstate simulcast races in this state are combined in a common
13 pool at the out-of-state sending track, then the commissions
14 described in section 17 on the pool created in this state shall be
15 adjusted to equal the commissions in effect at the sending track
16 under the laws of its jurisdiction. If the simulcast is an
17 intertrack simulcast, the money wagered on that simulcast at the
18 receiving racetrack shall be added to the pari-mutuel pool at the
19 sending racetrack.

20 (4) Each race meeting licensee that receives an interstate
21 simulcast shall pay to the horsemen's simulcast purse pool
22 established under section 19 a sum equal to 40% of the licensee's
23 net commission from all money wagered on the interstate simulcast,
24 as determined by section 17(3) after first deducting from the
25 licensee's statutory commission **THE PAYMENT REQUIRED UNDER SECTION**
26 **17(8)**, the applicable state tax on wagering ~~due and payable under~~
27 section 22, and the actual verified fee paid by the licensee to the

1 sending host track to receive the interstate simulcast signal. The
2 licensee shall retain the remaining balance of its net commission
3 and ~~shall be~~ **IS** responsible for paying all other capital and
4 operational expenses related to receiving interstate simulcasts at
5 its race meeting. Any subsequent rebate of a fee paid by a licensee
6 to receive interstate simulcast signals shall be shared equally by
7 the licensee and the horsemen's simulcast purse pool established
8 under section 19.

9 (5) A race meeting licensee licensed to conduct pari-mutuel
10 horse racing in a city area shall provide the necessary equipment
11 to send intertrack simulcasts of the live horse races conducted at
12 its race meeting to all other race meeting licensees in this state,
13 and shall send its intertrack simulcast signals to those licensees
14 upon request for an agreed fee, which shall not exceed 3% of the
15 total amount wagered on the race at the receiving track. Race
16 meeting licensees that send or receive intertrack simulcasts shall
17 make the following payments to the horsemen's purse pools:

18 (a) Each race meeting licensee that sends an intertrack
19 simulcast shall pay 50% of the simulcast fee that it receives for
20 sending the simulcast signal to the horsemen's purse pool at the
21 sending track.

22 (b) Each race meeting licensee that receives an intertrack
23 simulcast shall pay to the horsemen's simulcast purse pool
24 established pursuant to section 19 a sum equal to 40% of the
25 receiving track's net commission from wagering on the intertrack
26 simulcast under section 17(3) after first deducting from the
27 licensee's statutory commission **THE PAYMENT REQUIRED UNDER SECTION**

1 17(8), the applicable state tax on wagering ~~due and owing~~ under
2 section 22, and the actual verified fee paid by the receiving track
3 to the sending host track to receive the intertrack simulcast
4 signal.

5 (6) The racing commissioner may authorize a race meeting
6 licensee to transmit simulcasts of live horse races conducted at
7 its racetrack to locations outside of this state in accordance with
8 the interstate horse racing act of 1978, ~~Public Law 95-515~~, 15
9 ~~U.S.C.~~ **USC** 3001 to 3007, or any other applicable laws, and may
10 permit pari-mutuel pools on ~~such~~ **THE** simulcast races created under
11 the laws of the jurisdiction in which the receiving track is
12 located to be combined in a common pool with pari-mutuel pools on
13 the ~~same~~ races created in this state. A race meeting licensee that
14 transmits simulcasts of its races to locations outside this state
15 shall pay 50% of the fee that it receives for sending the simulcast
16 signal to the horsemen's purse pool at the sending track after
17 first deducting the actual verified cost of sending the signal out
18 of state.

19 (7) Simulcasting of events other than horse races for purposes
20 of pari-mutuel wagering is prohibited.

21 **(8) AS USED IN THIS SECTION:**

22 **(A) "INTERSTATE SIMULCAST" MEANS A SIMULCAST FROM A RACETRACK**
23 **OUTSIDE THIS STATE TO A RACETRACK INSIDE THIS STATE.**

24 **(B) "INTERTRACK SIMULCAST" MEANS A SIMULCAST FROM 1 RACETRACK**
25 **IN THIS STATE TO ANOTHER RACETRACK IN THIS STATE.**

26 **(C) "SIMULCAST" MEANS THE LIVE TRANSMISSION OF VIDEO AND AUDIO**
27 **SIGNALS CONVEYING A HORSE RACE HELD EITHER INSIDE OR OUTSIDE THIS**

1 **STATE TO A LICENSED RACE MEETING IN THIS STATE.**

2 Sec. 20. (1) It is the policy of this state to encourage the
3 breeding of horses of all breeds in this state and the ownership of
4 such horses by residents of this state to provide for sufficient
5 numbers of high quality race horses of all breeds to participate in
6 licensed race meetings in this state; to promote the positive
7 growth and development of high quality horse racing and other
8 equine competitions in this state as a business and entertainment
9 activity for residents of this state; and to establish and preserve
10 the substantial agricultural and commercial benefits of the horse
11 racing and breeding industry to the state of Michigan. It is the
12 intent of the legislature to further this policy by the provisions
13 of this act and annual appropriations to administer this act and
14 adequately fund the agriculture and equine industry programs
15 established by this section.

16 (2) Money received by the racing commissioner and the state
17 treasurer under this act shall be paid promptly into the state
18 treasury and placed in the Michigan agriculture equine industry
19 development fund created in subsection (3).

20 (3) The Michigan agriculture equine industry development fund
21 is created in the department of treasury. The Michigan agriculture
22 equine industry development fund shall be administered by the
23 director of the department of agriculture with the assistance and
24 advice of the racing commissioner.

25 (4) Money shall not be expended from the Michigan agriculture
26 equine industry development fund except as appropriated by the
27 legislature. Money appropriated by the legislature for the Michigan

1 agriculture equine industry development fund shall be expended by
2 the director of the department of agriculture with the advice and
3 assistance of the racing commissioner to **MAKE THE PAYMENTS REQUIRED**
4 **BY SUBSECTION (18) AND TO** provide funding for the general fund as
5 provided in subsection (17) and **FOR** agriculture and equine industry
6 development programs as provided in subsections (5) to (11).

7 (5) The following amounts shall be paid to standardbred and
8 fair programs:

9 (a) A sum not to exceed 75% of the purses for standardbred
10 harness horse races offered by fairs and races at licensed pari-
11 mutuel racetracks. Purse supplements for overnight races at fairs
12 paid pursuant to this subsection shall be \$1,000.00. However, if
13 the average purse offered for maiden overnight races of the same
14 breed at any licensed race meeting in this state during the
15 previous year as calculated by the department of agriculture was
16 less than \$1,000.00, purse supplements for overnight races at fairs
17 paid under this subsection shall not exceed that average purse.

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

23 (c) A sum to be allotted for paying special purses at fairs on
24 2-year-old and 3-year-old standardbred harness horses conceived
25 after January 1, 1992, and sired by a standardbred stallion
26 registered with the Michigan department of agriculture that was
27 leased or owned by a resident or residents of this state and that

1 did not serve a mare at a location outside of this state from
2 February 1 through July 31 of the calendar year in which the
3 conception occurred. A foal that is born on or after January 1,
4 2002 of a mare owned by a nonresident of this state and that is
5 conceived outside of this state from transported semen of a
6 stallion registered with the Michigan department of agriculture is
7 eligible for Michigan tax-supported races only if, in the year that
8 the foal is conceived, the Michigan department of agriculture's
9 agent for receiving funds as the holding agent for stakes and
10 futurities is paid a transport fee as determined by the Michigan
11 department of agriculture and administered by the Michigan harness
12 horsemen's association.

13 (d) A sum to pay not more than 75% of an eligible cash premium
14 paid by a fair or exposition. The commission of agriculture shall
15 promulgate rules establishing which premiums are eligible for
16 payment and a dollar limit for all eligible payments.

17 (e) A sum to pay breeders' awards in an amount not to exceed
18 10% of the gross purse to breeders of Michigan bred standardbred
19 harness horses for each time the horse wins a race at a licensed
20 race meeting or fair in this state. As used in this subdivision,
21 "Michigan bred standardbred harness horse" means a horse from a
22 mare owned by a resident or residents of this state at the time of
23 conception, that was conceived after January 1, 1992, and sired by
24 a standardbred stallion registered with the Michigan department of
25 agriculture that was leased or owned by a resident or residents of
26 this state and that did not serve a mare at a location outside of
27 this state from February 1 through July 31 of the calendar year in

1 which the conception occurred. To be eligible, each mare shall be
2 registered with the Michigan department of agriculture. A foal that
3 is born on or after January 1, 2002 of a mare owned by a
4 nonresident of this state and that is conceived outside of this
5 state from transported semen of a stallion registered with the
6 Michigan department of agriculture is eligible for Michigan tax-
7 supported races only if, in the year that the foal is conceived,
8 the Michigan department of agriculture's agent for receiving funds
9 as the holding agent for stakes and futurities is paid a transport
10 fee as determined by the Michigan department of agriculture and
11 administered by the Michigan harness horsemen's association.

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

15 (g) A sum to be allotted to pay the presiding judges and
16 clerks of the course at fairs. Presiding judges and clerks of the
17 course shall be hired by the fair's administrative body with the
18 advice and approval of the racing commissioner. The director of the
19 department of agriculture may allot funds for a photo finish system
20 and a mobile starting gate. The director of the department of
21 agriculture shall allot funds for the conducting of tests, the
22 collection and laboratory analysis of urine, saliva, blood, and
23 other samples from horses, and the taking of blood alcohol tests on
24 drivers, jockeys, and starting gate employees, for those races
25 described in this subdivision. The department may require a driver,
26 jockey, or starting gate employee to submit to a breathalyzer test,
27 urine test, or other noninvasive fluid test to detect the presence

1 of alcohol or a controlled substance. If the results of a test show
2 that a person has more than .05% of alcohol in his or her blood, or
3 has present in his or her body a controlled substance, the person
4 shall not be permitted to continue in his or her duties on that
5 race day and until he or she can produce, at his or her own
6 expense, a negative test result.

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

10 (i) A sum not to exceed 0.25% of all money wagered on live and
11 simulcast horse races in Michigan shall be placed in a special
12 standardbred sire stakes fund each year, 100% of which shall be
13 used to provide purses for races run exclusively for 2-year-old and
14 3-year-old Michigan sired standardbred horses at licensed harness
15 race meetings in this state. As used in this subdivision, "Michigan
16 sired standardbred horses" means standardbred horses conceived
17 after January 1, 1992 and sired by a standardbred stallion
18 registered with the Michigan department of agriculture that was
19 leased or owned by a resident or residents of this state and that
20 did not serve a mare at a location outside of this state from
21 February 1 through July 31 of the calendar year in which the
22 conception occurred. A foal that is born on or after January 1,
23 2002 of a mare owned by a nonresident of this state and that is
24 conceived outside of this state from transported semen of a
25 stallion registered with the Michigan department of agriculture is
26 eligible for Michigan tax-supported races only if, in the year that
27 the foal is conceived, the Michigan department of agriculture's

1 agent for receiving funds as the holding agent for stakes and
2 futurities is paid a transport fee as determined by the Michigan
3 department of agriculture and administered by the Michigan harness
4 horsemen's association.

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

7 (a) A sum to be allotted thoroughbred race meeting licensees
8 to supplement the purses for races to be conducted exclusively for
9 Michigan bred horses.

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

13 (c) A sum to pay breeders' awards in an amount not to exceed
14 10% of the gross purse to the breeders of Michigan bred
15 thoroughbred horses for each time Michigan bred thoroughbred horses
16 win at a licensed race meeting in this state.

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

20 (e) A sum not to exceed 0.25% of all money wagered on live and
21 simulcast horse races in Michigan shall be placed in a special
22 thoroughbred sire stakes fund each year, 100% of which shall be
23 used to provide purses for races run exclusively for 2-year-old and
24 3-year-old and older Michigan sired thoroughbred horses at licensed
25 thoroughbred race meetings in this state and awards for owners of
26 Michigan sired horses or stallions. As used in this subdivision,
27 "Michigan sired thoroughbred horses" means thoroughbred horses

1 sired by a stallion registered with the department of agriculture
2 that was leased or owned exclusively by a resident or residents of
3 this state and that did not serve a mare at a location outside of
4 this state during the calendar year in which the service occurred.

5 (f) A sum to be allotted sufficient to pay for the collection
6 and laboratory analysis of urine, saliva, blood, and other samples
7 from horses and licensed persons and for the conducting of tests
8 described in section 16(4)(b).

9 (7) The following amounts shall be paid for quarter horse
10 programs:

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

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

15 (c) A sum to pay breeders' awards in an amount not to exceed
16 10% of a gross purse to breeders of Michigan bred quarter horses
17 for each time a Michigan bred quarter horse wins at a county fair
18 or licensed race meeting in this state.

19 (d) A sum to pay for the collection and laboratory analysis of
20 urine, saliva, blood, and other samples from horses and licensed
21 persons and the taking of blood alcohol tests on jockeys for those
22 races described in this subsection and for the conducting of tests
23 described in section 16(4)(b).

24 (e) As used in this subsection, "Michigan bred quarter horse"
25 means that term as defined in R 285.817.1 of the Michigan
26 administrative code. Each mare and stallion shall be registered
27 with the director of the department of agriculture.

1 (8) The following amounts shall be paid for Appaloosa
2 programs:

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

5 (b) A sum to pay not more than 75% of the purses for
6 registered Appaloosa horse races offered by fairs.

7 (c) A sum to pay breeders' awards in an amount not to exceed
8 10% of the gross purse to the breeders of Michigan bred Appaloosa
9 horses for each time Michigan bred horses win at a fair or licensed
10 race meeting in this state.

11 (d) The department shall also allot sufficient funds from the
12 revenue received from Appaloosa horse racing to pay for the
13 collection and laboratory analysis of urine, saliva, blood, or
14 other samples from horses and licensed persons and the taking of
15 blood alcohol tests on jockeys for those races described in this
16 subsection and for the conducting of tests described in section
17 16(4)(b).

18 (e) As used in this subsection, "Michigan bred Appaloosa
19 horse" means that term as defined in R 285.819.1 of the Michigan
20 administrative code. Each mare and stallion shall be registered
21 with the director of the department of agriculture.

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

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

25 (b) A sum to pay not more than 75% of the purses for
26 registered Arabian horse races offered by fairs.

27 (c) A sum to pay breeders' awards in an amount not to exceed

1 10% of the gross purse to the breeders of Michigan bred Arabian
2 horses for each time Michigan bred horses win at a fair or licensed
3 racetrack in this state.

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

10 (e) As used in this subsection, "Michigan bred Arabian horse"
11 means a Michigan-bred horse as that term is defined in R
12 285.822.1(i) of the Michigan administrative code. Each mare and
13 stallion shall be registered with the director of the department of
14 agriculture.

15 (10) The following sums shall be paid for American paint horse
16 programs:

17 (a) A sum to supplement the purses for races to be conducted
18 exclusively for Michigan bred American paint horses.

19 (b) A sum to pay not more than 75% of the purses for
20 registered American paint horse races offered by fairs.

21 (c) A sum to pay breeders' awards in an amount not to exceed
22 10% of the gross purse to the breeders of Michigan bred American
23 paint horses for each time a Michigan bred American paint horse
24 wins at a county fair or licensed race meeting in this state.

25 (d) A sum to pay for the collection and laboratory analysis of
26 urine, saliva, blood, and other samples from horses and licensed
27 persons and the taking of blood alcohol tests on jockeys for those

1 races described in this subsection and for the conducting of tests
2 described in section 16(4)(b).

3 (e) As used in this subsection, "Michigan bred American paint
4 horse" means a Michigan-bred paint horse as that term is defined in
5 R 285.823.1 of the Michigan administrative code.

6 (11) The following amounts shall be paid for the equine
7 industry research, planning, and development grant fund program:

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

13 (b) A sum to fund the development, implementation, and
14 administration of new programs that promote the proper growth and
15 development of the horse racing and breeding industry in this state
16 and other valuable equine-related commercial and recreational
17 activities in this state.

18 (12) As used in subsection (11), "equine industry research"
19 means the study, discovery and generation of accurate and reliable
20 information, findings, conclusions, and recommendations that are
21 useful or beneficial to the horse racing and breeding industry in
22 this state through improvement of the health of horses; prevention
23 of equine illness and disease, and performance-related accidents
24 and injuries; improvement of breeding technique and racing
25 performance; and compilation and study of valuable and reliable
26 statistical data regarding the size, organization, and economics of
27 the industry in this state; and strategic planning for the

1 effective promotion, growth, and development of the industry in
2 this state.

3 (13) Subject to subsection (17), money appropriated and
4 allotted to the Michigan agriculture equine industry development
5 fund shall not revert to the general fund and shall be carried
6 forward from year to year until disbursed to fund grants for
7 research projects beneficial to the industry.

8 (14) A percentage of the Michigan agriculture equine industry
9 development fund that is equal to 1/100 of 1% of the gross wagers
10 made each year in each of the racetracks licensed under this act
11 shall be deposited in the compulsive gaming prevention fund created
12 in section 3 of the compulsive gaming prevention act, 1997 PA 70,
13 MCL 432.253.

14 (15) The director of the department of agriculture shall
15 promulgate rules pursuant to the administrative procedures act of
16 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this section.
17 The rules promulgated under this subsection shall do all of the
18 following:

19 (a) Prescribe the conditions under which the Michigan
20 agriculture equine industry development fund and related programs
21 described in subsections (1) to (13) shall be funded.

22 (b) Establish conditions and penalties regarding the programs
23 described in subsections (5) to (12).

24 (c) Develop and maintain informational programs related to
25 this section.

26 (16) Funds under the control of the department of agriculture
27 in this section shall be disbursed under the rules promulgated

1 pursuant to subsection (15). All funds under the control of the
2 department of agriculture approved for purse supplements and
3 breeders' awards shall be paid by the state treasurer not later
4 than 45 days from the date of the race.

5 (17) Two million dollars shall be transferred from the
6 Michigan agriculture equine industry development fund to the
7 general fund in the fiscal year ending September 30, 2006.

8 (18) BEGINNING WITH THE FISCAL YEAR ENDING SEPTEMBER 30, 2008,
9 \$750,000.00 SHALL BE PAID ANNUALLY FROM THE MICHIGAN AGRICULTURE
10 EQUINE INDUSTRY DEVELOPMENT FUND TO THE DEPARTMENT OF STATE POLICE
11 TO BE USED ONLY FOR TRAFFIC CONTROL IN RELATION TO MOTORSPORTS
12 EVENTS HELD AT A MOTORSPORTS ENTERTAINMENT COMPLEX THAT HAS A
13 SEATING CAPACITY OF 100,000 OR MORE.