

SENATE BILL No. 611

June 27, 2007, Introduced by Senator THOMAS and referred to the Committee on Appropriations.

A bill to amend 1995 PA 279, entitled
 "Horse racing law of 1995,"
 by amending the title and section 20 (MCL 431.320), section 20 as
 amended by 2006 PA 185.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act to license and regulate the conducting of horse race
 meetings in this state, ~~with~~ pari-mutuel wagering on the results of
 horse races, and persons involved in horse racing and pari-mutuel
 gaming activities at ~~such~~ race meetings; to create the office of
 racing commissioner; to ~~prescribe~~ **PROVIDE FOR** the powers and duties
 of the racing commissioner; to ~~prescribe certain~~ **PROVIDE FOR** powers
 and duties of the department of agriculture and the director of the
 department of agriculture; to provide for the promulgation of

1 rules; to provide for the imposition of taxes and fees and the
2 disposition of revenues; to impose ~~certain~~ taxes; to create funds;
3 **TO MAKE CERTAIN APPROPRIATIONS;** to legalize and permit the pari-
4 mutuel method of wagering on the results of live and simulcast
5 races at licensed race meetings in this state; to appropriate the
6 funds derived from pari-mutuel wagering on the results of horse
7 races at licensed race meetings in this state; to prescribe
8 remedies and penalties; and to repeal acts and parts of acts.

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

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

27 (3) The Michigan agriculture equine industry development fund

1 is created in the department of treasury. The Michigan agriculture
2 equine industry development fund shall be administered by the
3 director of the department of agriculture with the assistance and
4 advice of the racing commissioner.

5 (4) Money shall not be expended from the Michigan agriculture
6 equine industry development fund except as appropriated by the
7 legislature. Money appropriated by the legislature for the Michigan
8 agriculture equine industry development fund shall be expended by
9 the director of the department of agriculture with the advice and
10 assistance of the racing commissioner to provide funding ~~for the~~
11 ~~general fund~~ as provided in subsection (17) and **FOR** agriculture and
12 equine industry development programs as provided in subsections (5)
13 to (11).

14 (5) The following amounts shall be paid to standardbred and
15 fair programs:

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

25 (b) A sum to be allotted on a matching basis, but not to
26 exceed \$15,000.00 each year to a single fair, for the purpose of
27 equipment rental during fairs; ground improvement; constructing,

1 maintaining, and repairing buildings; and making the racetrack more
2 suitable and safe for racing at fairs.

3 (c) A sum to be allotted for paying special purses at fairs on
4 2-year-old and 3-year-old standardbred harness horses conceived
5 after January 1, 1992, and sired by a standardbred stallion
6 registered with the Michigan department of agriculture that was
7 leased or owned by a resident or residents of this state and that
8 did not serve a mare at a location outside of this state from
9 February 1 through July 31 of the calendar year in which the
10 conception occurred. A foal that is born on or after January 1,
11 2002 of a mare owned by a nonresident of this state and that is
12 conceived outside of this state from transported semen of a
13 stallion registered with the Michigan department of agriculture is
14 eligible for Michigan tax-supported races only if, in the year that
15 the foal is conceived, the Michigan department of agriculture's
16 agent for receiving funds as the holding agent for stakes and
17 futurities is paid a transport fee as determined by the Michigan
18 department of agriculture and administered by the Michigan harness
19 horsemen's association.

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

24 (e) A sum to pay breeders' awards in an amount not to exceed
25 10% of the gross purse to breeders of Michigan bred standardbred
26 harness horses for each time the horse wins a race at a licensed
27 race meeting or fair in this state. As used in this subdivision,

1 "Michigan bred standardbred harness horse" means a horse from a
2 mare owned by a resident or residents of this state at the time of
3 conception, that was conceived after January 1, 1992, and sired by
4 a standardbred stallion registered with the Michigan department of
5 agriculture that was leased or owned by a resident or residents of
6 this state and that did not serve a mare at a location outside of
7 this state from February 1 through July 31 of the calendar year in
8 which the conception occurred. To be eligible, each mare shall be
9 registered with the Michigan department of agriculture. A foal that
10 is born on or after January 1, 2002 of a mare owned by a
11 nonresident of this state and that is conceived outside of this
12 state from transported semen of a stallion registered with the
13 Michigan department of agriculture is eligible for Michigan tax-
14 supported races only if, in the year that the foal is conceived,
15 the Michigan department of agriculture's agent for receiving funds
16 as the holding agent for stakes and futurities is paid a transport
17 fee as determined by the Michigan department of agriculture and
18 administered by the Michigan harness horsemen's association.

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

22 (g) A sum to be allotted to pay the presiding judges and
23 clerks of the course at fairs. Presiding judges and clerks of the
24 course shall be hired by the fair's administrative body with the
25 advice and approval of the racing commissioner. The director of the
26 department of agriculture may allot funds for a photo finish system
27 and a mobile starting gate. The director of the department of

1 agriculture shall allot funds for the conducting of tests, the
2 collection and laboratory analysis of urine, saliva, blood, and
3 other samples from horses, and the taking of blood alcohol tests on
4 drivers, jockeys, and starting gate employees, for those races
5 described in this subdivision. The department may require a driver,
6 jockey, or starting gate employee to submit to a breathalyzer test,
7 urine test, or other noninvasive fluid test to detect the presence
8 of alcohol or a controlled substance. If the results of a test show
9 that a person has more than .05% of alcohol in his or her blood, or
10 has present in his or her body a controlled substance, the person
11 shall not be permitted to continue in his or her duties on that
12 race day and until he or she can produce, at his or her own
13 expense, a negative test result.

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

17 (i) A sum not to exceed 0.25% of all money wagered on live and
18 simulcast horse races in Michigan shall be placed in a special
19 standardbred sire stakes fund each year, 100% of which shall be
20 used to provide purses for races run exclusively for 2-year-old and
21 3-year-old Michigan sired standardbred horses at licensed harness
22 race meetings in this state. As used in this subdivision, "Michigan
23 sired standardbred horses" means standardbred horses conceived
24 after January 1, 1992 and sired by a standardbred stallion
25 registered with the Michigan department of agriculture that was
26 leased or owned by a resident or residents of this state and that
27 did not serve a mare at a location outside of this state from

1 February 1 through July 31 of the calendar year in which the
2 conception occurred. A foal that is born on or after January 1,
3 2002 of a mare owned by a nonresident of this state and that is
4 conceived outside of this state from transported semen of a
5 stallion registered with the Michigan department of agriculture is
6 eligible for Michigan tax-supported races only if, in the year that
7 the foal is conceived, the Michigan department of agriculture's
8 agent for receiving funds as the holding agent for stakes and
9 futurities is paid a transport fee as determined by the Michigan
10 department of agriculture and administered by the Michigan harness
11 horsemen's association.

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

14 (a) A sum to be allotted thoroughbred race meeting licensees
15 to supplement the purses for races to be conducted exclusively for
16 Michigan bred horses.

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

20 (c) A sum to pay breeders' awards in an amount not to exceed
21 10% of the gross purse to the breeders of Michigan bred
22 thoroughbred horses for each time Michigan bred thoroughbred horses
23 win at a licensed race meeting in this state.

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

27 (e) A sum not to exceed 0.25% of all money wagered on live and

1 simulcast horse races in Michigan shall be placed in a special
2 thoroughbred sire stakes fund each year, 100% of which shall be
3 used to provide purses for races run exclusively for 2-year-old and
4 3-year-old and older Michigan sired thoroughbred horses at licensed
5 thoroughbred race meetings in this state and awards for owners of
6 Michigan sired horses or stallions. As used in this subdivision,
7 "Michigan sired thoroughbred horses" means thoroughbred horses
8 sired by a stallion registered with the department of agriculture
9 that was leased or owned exclusively by a resident or residents of
10 this state and that did not serve a mare at a location outside of
11 this state during the calendar year in which the service occurred.

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

16 (7) The following amounts shall be paid for quarter horse
17 programs:

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

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

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

26 (d) A sum to pay for the collection and laboratory analysis of
27 urine, saliva, blood, and other samples from horses and licensed

1 persons and the taking of blood alcohol tests on jockeys for those
2 races described in this subsection and for the conducting of tests
3 described in section 16(4)(b).

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

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

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

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

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

18 (d) The department shall also allot sufficient funds from the
19 revenue received from Appaloosa horse racing to pay for the
20 collection and laboratory analysis of urine, saliva, blood, or
21 other samples from horses and licensed persons and the taking of
22 blood alcohol tests on jockeys for those races described in this
23 subsection and for the conducting of tests described in section
24 16(4)(b).

25 (e) As used in this subsection, "Michigan bred Appaloosa
26 horse" means that term as defined in R 285.819.1 of the Michigan
27 administrative code. Each mare and stallion shall be registered

1 with the director of the department of agriculture.

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

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

5 (b) A sum to pay not more than 75% of the purses for
6 registered Arabian 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 Arabian
9 horses for each time Michigan bred horses win at a fair or licensed
10 racetrack in this state.

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

17 (e) As used in this subsection, "Michigan bred Arabian horse"
18 means a Michigan-bred horse as that term is defined in R
19 285.822.1(i) of the Michigan administrative code. Each mare and
20 stallion shall be registered with the director of the department of
21 agriculture.

22 (10) The following sums shall be paid for American paint horse
23 programs:

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

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

1 (c) A sum to pay breeders' awards in an amount not to exceed
2 10% of the gross purse to the breeders of Michigan bred American
3 paint horses for each time a Michigan bred American paint horse
4 wins at a county fair or licensed race meeting in this state.

5 (d) A sum 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 American paint
11 horse" means a Michigan-bred paint horse as that term is defined in
12 R 285.823.1 of the Michigan administrative code.

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

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

20 (b) A sum to fund the development, implementation, and
21 administration of new programs that promote the proper growth and
22 development of the horse racing and breeding industry in this state
23 and other valuable equine-related commercial and recreational
24 activities in this state.

25 (12) As used in subsection (11), "equine industry research"
26 means the 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; prevention
3 of equine illness and disease, and performance-related accidents
4 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 of
7 the industry in this state; and strategic planning for the
8 effective promotion, growth, and development of the industry in
9 this state.

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

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

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

26 (a) Prescribe the conditions under which the Michigan
27 agriculture equine industry development fund and related programs

1 described in subsections (1) to ~~(13)~~ **(12)** shall be funded.

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

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

6 (16) Funds under the control of the department of agriculture
7 in this section shall be disbursed under the rules promulgated
8 pursuant to subsection (15). All funds under the control of the
9 department of agriculture approved for purse supplements and
10 breeders' awards shall be paid by the state treasurer not later
11 than 45 days from the date of the race.

12 (17) ~~Two million dollars shall be transferred from the~~
13 ~~Michigan agriculture equine industry development fund to the~~
14 ~~general fund in the fiscal year ending September 30, 2006. MONEY IN~~
15 **THE MICHIGAN AGRICULTURE EQUINE INDUSTRY DEVELOPMENT FUND SHALL BE**
16 **TRANSFERRED IN THE FISCAL YEAR ENDING SEPTEMBER 30, 2007 AS**
17 **FOLLOWS:**

18 (A) TWO MILLION DOLLARS TO THE CITY OF DETROIT TO BE USED ONLY
19 FOR CRIME REDUCTION PROGRAMS CONDUCTED BY THE DETROIT POLICE
20 DEPARTMENT.

21 (B) ONE MILLION DOLLARS TO THE DEPARTMENT OF STATE POLICE TO
22 BE USED ONLY FOR TRAFFIC CONTROL IN RELATION TO MOTORSPORTS EVENTS
23 HELD AT A MOTORSPORTS ENTERTAINMENT COMPLEX THAT HAS A SEATING
24 CAPACITY OF 100,000 OR MORE.