

# SENATE BILL No. 955

October 28, 2009, Introduced by Senator BROWN and referred to the Committee on Agriculture and Bioeconomy.

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending the title and sections 2, 3, 4, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 19a, 20, 21, 22, 23, 25, 30, 31, 33, and 34 (MCL 431.302, 431.303, 431.304, 431.306, 431.307, 431.308, 431.309, 431.310, 431.312, 431.313, 431.314, 431.315, 431.316, 431.317, 431.318, 431.319, 431.319a, 431.320, 431.321, 431.322, 431.323, 431.325, 431.330, 431.331, 431.333, and 431.334), sections 2 and 4 as amended by 2006 PA 445, sections 7, 9, 10, and 12 as amended by 2000 PA 164, sections 14, 17, and 18 as amended and section 19a as added by 1998 PA 408, section 16 as amended by 2005 PA 7, and section 20 as amended by 2006 PA 185; and to repeal acts and parts of acts.

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

1 TITLE

2 An act to license and regulate ~~the conducting of horse race~~  
 3 meetings in this state, ~~with pari-mutuel wagering on the results of~~  
 4 horse races, and persons involved in horse racing and pari-mutuel  
 5 gaming activities; ~~at such race meetings; to create the office of~~  
 6 ~~racing commissioner; to prescribe the powers and duties of the~~  
 7 ~~racing commissioner; to prescribe certain~~ **TO PROVIDE FOR THE** powers  
 8 and duties of ~~the department of agriculture and the director of the~~  
 9 ~~department of agriculture~~ **CERTAIN STATE AND LOCAL GOVERNMENTAL**  
 10 **OFFICERS AND AGENCIES;** to provide for the promulgation of rules; to  
 11 ~~provide for the imposition of~~ **IMPOSE** taxes and fees; and **TO PROVIDE**  
 12 **FOR** the disposition of revenues; ~~to impose certain taxes;~~ to create  
 13 funds; to legalize and permit the pari-mutuel method of wagering on  
 14 the results of live and simulcast races at licensed race meetings  
 15 in this state; to appropriate ~~the funds~~ **MONEY** derived from pari-  
 16 mutuel wagering on the results of horse races at licensed race  
 17 meetings in this state; to prescribe remedies and penalties; and to  
 18 repeal acts and parts of acts.

19 Sec. 2. As used in this act:

20 (a) "Affiliate" means a person who, directly or indirectly,  
 21 controls, is controlled by, or is under common control with; is in  
 22 a partnership or joint venture relationship with; or is a co-  
 23 shareholder of a corporation, co-member of a limited liability  
 24 company, or co-partner in a limited liability partnership with a  
 25 person who holds or applies for a race meeting or track license  
 26 under this act. For purposes of this subdivision, a controlling

1 interest is a pecuniary interest of more than 15%.

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

4 (c) "Certified horsemen's organization" means an organization  
5 registered with the ~~office of racing commissioner~~ **DEPARTMENT** in a  
6 manner and form required by the ~~racing commissioner~~ **DIRECTOR**, that  
7 can demonstrate all of the following:

8 (i) The organization's capacity to supply horses.

9 (ii) The organization's ability to assist a race meeting  
10 licensee in conducting the licensee's racing program.

11 (iii) The organization's ability to monitor and improve physical  
12 conditions and controls for individuals and horses participating at  
13 licensed race meetings.

14 (iv) The organization's ability to protect the financial  
15 interests of the individuals participating at licensed race  
16 meetings.

17 (d) "City area" means a city with a population of 750,000 or  
18 more and every county located wholly or partly within 30 miles of  
19 the city limits of the city.

20 (e) "Controlled substance" means that term as defined in  
21 section 7104 of the public health code, 1978 PA 368, MCL 333.7104.

22 (f) "Day of operation" means a period of 24 hours beginning at  
23 12 noon and ending at 11:59 a.m. the following day.

24 (G) **"DEPARTMENT" MEANS THE DEPARTMENT OF AGRICULTURE.**

25 (H) **"DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT OR HIS OR**  
26 **HER AUTHORIZED REPRESENTATIVE.**

27 (I) ~~(g)~~-"Drug" means any of the following:

1           (i) A substance intended for use in the diagnosis, cure,  
2 mitigation, treatment, or prevention of disease in humans or other  
3 animals.

4           (ii) A substance, other than food, intended to affect the  
5 structure, condition, or any function of the body of humans or  
6 other animals.

7           (iii) A substance intended for use as a component of a substance  
8 specified in subparagraph (i) or (ii).

9           (J) ~~(h)~~—"Fair" means any county, district, or community fair  
10 and any state fair.

11           (K) ~~(i)~~—"Foreign substance" means a substance, or its  
12 metabolites, that does not exist naturally in an untreated horse  
13 or, if natural to an untreated horse, exists at an unnaturally high  
14 physiological concentration as a result of having been administered  
15 to the horse.

16           (L) ~~(j)~~—"Full card simulcast" means an entire simulcast racing  
17 program of 1 or more race meeting licensees located in this state,  
18 or an entire simulcast racing program of 1 or more races  
19 simulcasted from 1 or more racetracks located outside of this  
20 state.

21           (M) "INTERSTATE SIMULCAST" MEANS, DEPENDING ON THE CONTEXT,  
22 EITHER TO SIMULCAST A HORSE RACE HELD OUTSIDE THIS STATE TO A RACE  
23 MEETING IN THIS STATE OR THE PROGRAM SO SIMULCAST.

24           (N) "INTERTRACK SIMULCAST" MEANS, DEPENDING ON THE CONTEXT,  
25 EITHER TO SIMULCAST A HORSE RACE HELD IN THIS STATE TO A RACE  
26 MEETING IN THIS STATE OR THE PROGRAM SO SIMULCAST.

27           (O) ~~(k)~~—"Member of the immediate family" means the spouse,

1 child, parent, or sibling.

2 (P) ~~(I)~~—"Person" means an individual, firm, partnership,  
3 corporation, association, or other legal entity.

4 (Q) ~~(m)~~—"Purse pool" means an amount of money allocated or  
5 apportioned to pay prizes for horse races and from which payments  
6 may be made to certified horsemen's organizations pursuant to this  
7 act.

8 (R) "SIMULCAST" MEANS, DEPENDING ON THE CONTEXT, EITHER TO  
9 TRANSMIT OR RECEIVE LIVE VIDEO AND AUDIO SIGNALS CONVEYING A HORSE  
10 RACE HELD EITHER INSIDE OR OUTSIDE THIS STATE TO A LICENSED RACE  
11 MEETING IN THIS STATE OR THE PROGRAM SO TRANSMITTED OR RECEIVED.

12 (S) ~~(n)~~—"Veterinarian" means a person licensed to practice  
13 veterinary medicine under part 188 of the public health code, 1978  
14 PA 368, MCL ~~333.16101~~—333.18801 to 333.18838, or under a state or  
15 federal law applicable to that person.

16 Sec. 3. ~~The office of racing commissioner is created within~~  
17 ~~the department of agriculture. The racing commissioner~~—DIRECTOR has  
18 the powers and duties prescribed in this act and shall administer  
19 ~~the provisions of this act relating to licensing, enforcement, and~~  
20 regulation UNDER THIS ACT. The ~~racing commissioner~~—DIRECTOR also  
21 has ~~those additional~~—ANY OTHER powers necessary and proper to  
22 implement and enforce this act and to regulate and maintain  
23 jurisdiction over ~~the conduct of~~ each licensed race meeting within  
24 this state where horse ~~raees~~—RACING or pari-mutuel wagering on the  
25 results of horse ~~raees~~—RACING is permitted for a stake, purse,  
26 prize, share, or reward.

27 Sec. 4. ~~(1) The racing commissioner shall be appointed for a~~

1 ~~term of 4 years by the governor by and with the advice and consent~~  
2 ~~of the senate.~~

3 (1) ~~(2) The racing commissioner shall be a resident of this~~  
4 ~~state and during his or her term of office~~ **DIRECTOR AND ANY**  
5 **INDIVIDUAL TO WHOM THE DIRECTOR DESIGNATES DUTIES UNDER THIS ACT**  
6 shall not be a stockholder of, or be directly or indirectly  
7 connected with the conduct or management of, or have any other  
8 legal or beneficial interest in, any of the following:

9 (a) A racetrack, race meeting, or ~~a~~ racing interest,  
10 including, but not limited to, the ownership, breeding, training,  
11 or racing of horses or any vendor, supplier, or distributor of  
12 goods or services to a racetrack, race meeting, or racing  
13 participant licensed under this act.

14 (b) Any gaming activity conducted at any licensed race meeting  
15 in this state.

16 (2) ~~(3) The racing commissioner, an employee of the office of~~  
17 ~~the racing commissioner~~ **DIRECTOR AND ANY INDIVIDUAL TO WHOM THE**  
18 **DIRECTOR DESIGNATES DUTIES UNDER THIS ACT**, or a member of the  
19 immediate family of the ~~racing commissioner or of an employee of~~  
20 ~~the office of the racing commissioner~~ **DIRECTOR OR ANY INDIVIDUAL TO**  
21 **WHOM THE DIRECTOR DESIGNATES DUTIES UNDER THIS ACT**, shall not  
22 participate in wagering permitted under this act or conducted by a  
23 person or an affiliate of a person licensed or applying for a  
24 license under this act. This subsection does not apply to wagering  
25 that is part of surveillance, security, or other official duties  
26 ~~for the office of the racing commissioner~~ **RELATED TO THE**  
27 **ADMINISTRATION OF THIS ACT.**

1           Sec. 6. (1) ~~The racing commissioner shall receive an annual~~  
2 ~~salary as appropriated by the legislature. The racing commissioner~~  
3 ~~shall appoint 2 deputy commissioners and 3 state stewards of racing~~  
4 ~~as special deputies for each licensed race meeting in the state.~~  
5 ~~For the purpose of carrying out this act, the racing commissioner~~  
6 **THE DIRECTOR** may delegate the performance of his or her duties to  
7 ~~the deputy commissioners~~ **DIRECTORS** or special deputies, **KNOWN AS**  
8 **STATE STEWARDS**. A deputy ~~commissioner~~ and **DIRECTOR OR** state steward  
9 shall take the constitutional oath of office and may exercise any  
10 power granted by the rules ~~of the racing commissioner~~ promulgated  
11 ~~pursuant to~~ **UNDER** this act. A decision of a deputy ~~commissioner~~  
12 **DIRECTOR** or state steward may be appealed to the ~~racing~~  
13 ~~commissioner~~ **DIRECTOR** pursuant to the contested case provisions of  
14 the administrative procedures act of 1969, ~~Act No. 306 of the~~  
15 ~~Public Acts of 1969~~ **PA 306**, being sections ~~MCL~~ 24.201 to 24.328. ~~of~~  
16 ~~the Michigan Compiled Laws.~~

17           (2) ~~The racing commissioner shall employ other personnel~~  
18 **DIRECTOR MAY DELEGATE DUTIES TO OTHER INDIVIDUALS** as necessary for  
19 the administration of this act within the limits of the  
20 appropriations made by the legislature and subject to civil service  
21 rules. ~~The racing commissioner is entitled to the reasonable and~~  
22 ~~necessary expenses incurred in performing his or her duties~~  
23 ~~prescribed in this act.~~

24           (3) ~~(2)~~ ~~The racing commissioner~~ **DIRECTOR** shall keep a record  
25 of all proceedings and preserve all books, maps, documents, and  
26 papers belonging to ~~the racing commissioner~~ or entrusted to the  
27 care of the ~~office of racing commissioner~~ **DIRECTOR OR THE**

## 1 DEPARTMENT RELATED TO THE ADMINISTRATION OF THIS ACT.

2 ~~—— (3) The racing commissioner shall make an annual report to the~~  
3 ~~governor before April 15 for the immediately preceding calendar~~  
4 ~~year, which report shall include a statement of the racing~~  
5 ~~commissioner's receipts and disbursements and additional~~  
6 ~~information and recommendations that the racing commissioner~~  
7 ~~considers necessary or the governor requires.~~

8 Sec. 7. (1) The ~~racing commissioner~~ **DIRECTOR** may promulgate  
9 rules pursuant to the administrative procedures act of 1969, 1969  
10 PA 306, MCL 24.201 to 24.328, for conducting horse racing, pari-  
11 mutuel wagering on horse racing results, and simulcasting. The  
12 rules promulgated under this section shall be designed to  
13 accomplish all of the following:

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

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

22 (c) The licensing and regulating of each person participating  
23 in, or having to do with, pari-mutuel horse racing and wagering,  
24 and simulcasting at licensed race meetings within this state.

25 (2) Each race meeting licensee shall provide security at all  
26 times so as to reasonably ensure the safety of all persons and  
27 horses on the grounds, and to protect and preserve the integrity of



1 horse racing, pari-mutuel wagering, and simulcasting at licensed  
2 race meetings. If the ~~racing commissioner~~**DIRECTOR** determines that  
3 additional security is necessary to ensure the safety and integrity  
4 of racing, the ~~racing commissioner~~**DIRECTOR** shall provide  
5 supplemental security at each race meeting in areas where  
6 occupational licenses are required for admittance.

7 (3) The ~~racing commissioner~~**DIRECTOR** may issue sanctions  
8 including, but not limited to, revocation or suspension of a  
9 license, exclusion from racetrack grounds, or a fine of not more  
10 than \$25,000.00 for each violation of this act or a rule  
11 promulgated under this act committed by a licensee or other person  
12 under this act. A sanction issued under this section may be  
13 appealed to the ~~racing commissioner~~**DIRECTOR**. The appeal shall be  
14 heard pursuant to the contested case provisions of the  
15 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
16 24.328.

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

25 (5) The ~~racing commissioner~~**DIRECTOR** may compel the production  
26 of books, records, memoranda, electronically retrievable data, or  
27 documents that relate to horse racing, simulcasting, and pari-

1 mutuel wagering conducted at a licensed race meeting.

2 (6) The ~~racine commissioner~~**DIRECTOR** may **AT ANY**  
3 **TIME** require for cause the removal of any employee or official  
4 involved in or having to do with horse racing, simulcasting, or  
5 pari-mutuel wagering conducted at a licensed race meeting.

6 (7) The ~~racine commissioner~~**DIRECTOR** may visit, investigate,  
7 and place auditors and other persons as the ~~racine commissioner~~  
8 **DIRECTOR** considers necessary in the offices, racetracks, or places  
9 of business of a licensee under this act to ensure compliance with  
10 this act and the rules promulgated under this act.

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

26 Sec. 8. (1) The ~~racine commissioner~~**DIRECTOR** may issue the  
27 following general classes of licenses:

1 (a) Occupational licenses issued to individuals participating  
2 in, involved in, or otherwise having to do with horse racing, pari-  
3 mutuel wagering, or simulcasting at a licensed race meeting in this  
4 state.

5 (b) Race meeting licenses issued annually for the succeeding  
6 year to a person to conduct live horse racing, simulcasting, and  
7 pari-mutuel wagering on the results of live and simulcast horse  
8 races at a licensed race meeting in this state pursuant to and in  
9 accordance with the provisions of this act.

10 (c) Track licenses issued to a person to maintain or operate a  
11 racetrack at which 1 or more race meeting licensees may conduct  
12 licensed race meetings in this state.

13 (2) The ~~racetrack commissioner~~ **DIRECTOR** shall not issue a race  
14 meeting license to a person if the person is licensed to conduct a  
15 licensed race meeting at another licensed racetrack within a city  
16 area and the person has a controlling interest in or co-ownership  
17 of the other licensed racetrack within the city area.

18 Sec. 9. (1) The ~~racetrack commissioner~~ **DIRECTOR** shall issue,  
19 without further application, a track license to any person holding  
20 a valid track license under former 1980 PA 327 ~~and maintaining or~~  
21 ~~operating a licensed horse racetrack as of the effective date of~~  
22 ~~this act~~ **JANUARY 6, 1996** at which wagering by pari-mutuel methods  
23 on the results of horse racing has been conducted by a race meeting  
24 licensee.

25 (2) A track license, once issued, is valid only as long as the  
26 annual license fee is paid, or until the track license is  
27 voluntarily surrendered or is revoked as provided in this act or

1 the rules promulgated under this act.

2 (3) An applicant for a track license shall submit an  
3 application that is in writing, that demonstrates to the ~~rac~~  
4 ~~commissioner~~**DIRECTOR** that the applicant has satisfactory financial  
5 responsibility, that shows the location of the racetrack or of the  
6 proposed racetrack, and that is accompanied by substantially  
7 detailed plans and specifications for the racecourse, paddock,  
8 grandstand, stable barns, racetrack buildings, fences, electrical  
9 service and lighting, plumbing, parking, and other facilities and  
10 improvements. The application shall include the name and address of  
11 the applicant, ~~and,~~ if **THE APPLICANT IS** a corporation, the place of  
12 its incorporation, and any other information required by the rules  
13 promulgated under this act. ~~by the racing commissioner.~~ Upon the  
14 ~~applicant's~~ filing of the ~~AN~~ application and the payment of the  
15 license fee, the ~~rac~~**DIRECTOR** shall investigate the  
16 applicant and the racetrack or proposed racetrack as the ~~rac~~  
17 ~~commissioner~~**DIRECTOR** considers necessary. If the ~~rac~~  
18 ~~commissioner~~**DIRECTOR** determines that the applicant and the  
19 racetrack satisfy the requirements of this act and the rules  
20 promulgated under this act, the ~~rac~~**DIRECTOR** shall  
21 grant a license for the racetrack, designating in the license the  
22 county or other municipality in which the licensed racetrack shall  
23 be or is located. If the ~~rac~~**DIRECTOR** determines  
24 that the applicant or the racetrack, or both, do not comply with  
25 this act and the rules promulgated under this act, the ~~rac~~  
26 ~~commissioner~~**DIRECTOR** shall deny the license. The action of the  
27 ~~rac~~**DIRECTOR** in denying a track license may be

1 reviewed by the circuit court pursuant to section 631 of the  
2 revised judicature act of 1961, 1961 PA 236, MCL 600.631.

3 (4) A track license may be transferred to a new owner of a  
4 racetrack with the consent of the ~~racetrack commissioner~~ **DIRECTOR**.

5 (5) After a track license is issued under this section, the  
6 ~~racetrack commissioner~~ **DIRECTOR** may impose a fine or suspend or revoke  
7 the license if the holder of the license, after reasonable notice  
8 from the ~~racetrack commissioner~~ **DIRECTOR**, does not make necessary  
9 improvements, additions, or corrections to the licensed premises,  
10 fixtures, or equipment as determined and required by the ~~racetrack~~  
11 ~~commissioner~~ **DIRECTOR**; if the holder of the license violates or is  
12 no longer in compliance with the requirements of this act or the  
13 rules promulgated under this act; or if the licensed premises are  
14 not utilized to conduct a licensed race meeting for 2 consecutive  
15 years. In addition to the suspension or revocation of the license,  
16 the ~~racetrack commissioner~~ **DIRECTOR** may impose a fine or bring an  
17 action in circuit court seeking an order ~~of the court~~ requiring the  
18 licensee to make reasonable and necessary racetrack improvements or  
19 additions as determined by the ~~commissioner~~ **DIRECTOR** if the  
20 licensee fails to make improvements or corrections that comply with  
21 the applicable construction code or local ordinances. ~~The action of~~  
22 ~~the racetrack commissioner in~~ **IN** suspending or revoking a track  
23 license, **THE DIRECTOR** shall comply with the administrative  
24 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. ~~, and~~  
25 ~~shall be~~ **THE ACTION OF THE DIRECTOR UNDER THIS SUBSECTION IS**  
26 subject to appeal.

27 (6) ~~In a city area,~~ **THE DIRECTOR SHALL** not **ISSUE** more than 3

1 **LICENSES FOR** racetracks ~~shall be licensed~~ **IN A CITY AREA**, except  
2 that in a city with a population of 900,000 or more the ~~rac~~  
3 ~~emissioner~~ **DIRECTOR** may issue 1 additional license.

4 (7) A person shall not be issued more than 1 track license.  
5 Controlling ownership and interlocking directorates among the  
6 holders of track licenses are prohibited.

7 (8) A track license shall not be issued under this section if  
8 the new license would result in harmful competition among existing  
9 racetracks.

10 Sec. 10. (1) A person ~~desiring~~ **THAT DESIRES** to conduct a  
11 thoroughbred, standardbred, quarter horse, Appaloosa, American  
12 paint horse, or Arabian race meeting, or a combination of these  
13 race meetings, with pari-mutuel wagering on the results of live and  
14 simulcast horse races pursuant to this act shall apply each year to  
15 the ~~rac~~ ~~emissioner~~ **DIRECTOR** for a race meeting license in the  
16 manner and form required by the ~~rac~~ ~~emissioner~~ **DIRECTOR**. The  
17 application shall be filed with the ~~rac~~ ~~emissioner~~ **DIRECTOR**  
18 before September 1 of the preceding year. ~~except that applications~~  
19 ~~for 1999 racing dates may be filed at any time.~~ The application,  
20 after being filed, shall be made available for public inspection  
21 during regular business hours. The application shall be in writing  
22 and shall give the name and address of the applicant, and, if the  
23 applicant is a corporation or partnership, shall state the place of  
24 the applicant's incorporation or partnership and the names and  
25 addresses of all corporate directors, officers, shareholders, and  
26 partners. The application shall also do all of the following:

27 (a) Specify the licensed racetrack at which the proposed race

1 meeting will be held.

2 (b) Specify whether the applicant requests or will request to  
3 conduct simulcasting at the proposed race meeting and, if so,  
4 demonstrate the applicant's ability to conduct simulcasting in  
5 accordance with this act.

6 (c) Specify the horse breed for which the applicant desires to  
7 conduct live racing at the proposed race meeting, and the days on  
8 which the applicant proposes to conduct live horse racing at the  
9 race meeting.

10 (d) Specify the time period during which the applicant  
11 requests to be licensed during the calendar year immediately  
12 following the date of application.

13 (e) Demonstrate to the ~~racing commissioner~~ **DIRECTOR** that the  
14 applicant and all persons associated with the applicant who hold  
15 any beneficial or ownership interest in the business activities of  
16 the applicant or who have power or ability to influence or control  
17 the business decisions or actions of the applicant satisfy all of  
18 the following requirements:

19 (i) Are persons of good character, honesty, and integrity.

20 (ii) Possess sufficient financial resources and business  
21 ability and experience to conduct the proposed race meeting.

22 (iii) Do not pose a threat to the public interest of ~~the~~ **THIS**  
23 state or to the security and integrity of horse racing or pari-  
24 mutuel wagering on the results of horse races in ~~the~~ **THIS** state.

25 (f) Provide any other information required by the rules  
26 promulgated under this act or by the ~~racing commissioner~~ **DIRECTOR**.

27 (2) Upon the filing of the application for a race meeting

1 license, the ~~racing commissioner~~**DIRECTOR** shall conduct an  
2 investigation of the applicant and the application to determine  
3 whether the applicant, application, and proposed race meeting  
4 comply with the licensing requirements under this act and the rules  
5 promulgated under this act. Unless a different agreement is reached  
6 by all the race meeting licensees in a city area, a race meeting  
7 licensee shall not conduct a live thoroughbred horse race after  
8 6:45 p.m. on any day except Sunday. Unless a different agreement is  
9 reached by all the race meeting licensees in a city area, a race  
10 meeting licensee shall not conduct a live standardbred horse race  
11 before 6:45 p.m. on any day except Sunday. Notwithstanding the 6:45  
12 p.m. time restrictions, the ~~commissioner~~**DIRECTOR**, upon request by  
13 a race meeting licensee, may grant to the race meeting licensee a  
14 race meeting license authorizing any of the following:

15 (a) The licensee to conduct live horse racing programs that  
16 would otherwise be prevented by the 6:45 p.m. time restriction, if  
17 no other race meeting in a city area is licensed or authorized to  
18 conduct live horse racing at the same time the licensee proposes to  
19 conduct the requested live horse racing programs.

20 (b) Waiver of the 6:45 p.m. time restriction pursuant to the  
21 written agreement of all race meeting licensees in the city area.

22 (c) The licensee to conduct live horse racing programs after  
23 6:45 p.m., if the licensee is not in a city area and is 75 miles or  
24 more from the nearest race meeting licensee authorized to conduct  
25 live horse racing.

26 Sec. 12. (1) Each applicant for a thoroughbred, quarter horse,  
27 Appaloosa, American paint horse, or Arabian license in a county



1 located outside of a city area shall apply to conduct at least 45  
2 days of live thoroughbred, quarter horse, Appaloosa, American paint  
3 horse, or Arabian horse racing during its race meeting. Except  
4 during the opening and closing week of a race meeting, the  
5 applicant shall apply to conduct live racing at least 3 days per  
6 week, including Saturdays and Sundays, with ~~not less than~~ **AT LEAST**  
7 9 live horse races programmed, and shall conduct live racing  
8 programs on ~~such~~ **THE** days allocated by the ~~racing commissioner~~  
9 **DIRECTOR**.

10 (2) Each applicant for a thoroughbred, quarter horse,  
11 Appaloosa, American paint horse, or Arabian race meeting license in  
12 a city area shall apply to conduct at least 160 days of live  
13 thoroughbred, quarter horse, Appaloosa, American paint horse, or  
14 Arabian horse racing during its proposed race meeting. Except  
15 during the opening and closing week of a race meeting, the  
16 applicant shall apply to conduct live racing at least 5 days per  
17 week, including Saturdays and Sundays, with ~~not less than~~ **AT LEAST**  
18 9 live horse races programmed, and shall conduct live racing  
19 programs on ~~such~~ **THE** days allocated by the ~~racing commissioner~~  
20 **DIRECTOR**.

21 (3) Each applicant for a standardbred race meeting license in  
22 a county ~~having~~ **WITH** a population of less than 250,000 and that is  
23 not part of a city area shall apply to conduct at least 75 days of  
24 live standardbred harness horse racing during its proposed race  
25 meeting. Except during the opening and closing week of a race  
26 meeting, the applicant shall apply to conduct live horse racing at  
27 least 4 days per week, including Saturdays, with ~~not less than~~ **AT**

1 **LEAST** 9 live horse races programmed, and shall conduct live racing  
2 programs on ~~such~~-**THE** days awarded.

3 (4) Each applicant for a standardbred race meeting license in  
4 a county ~~having~~-**WITH** a population greater than 250,000 but less  
5 than 750,000 and that is not part of a city area shall apply to  
6 conduct at least 100 days of live standardbred harness horse racing  
7 during its proposed race meeting. Except during the opening and  
8 closing week of a race meeting, the applicant shall apply to  
9 conduct live racing at least 4 days per week, including Saturdays,  
10 with ~~not less than~~-**AT LEAST** 9 live horse races programmed, and  
11 shall conduct live racing programs on ~~such~~-**THE** days awarded.

12 (5) Each applicant for a standardbred race meeting license in  
13 a city area shall apply to conduct during its race meeting ~~no less~~  
14 ~~than~~-**AT LEAST** the following number of live racing days:

15 (a) The race meeting applicant with the highest pari-mutuel  
16 handle in the previous calendar year shall apply for ~~no less than~~  
17 **AT LEAST** 140 days of live racing and the applicant shall apply to  
18 conduct live racing at least 5 days per week, including Saturdays,  
19 with ~~not less than~~-**AT LEAST** 9 live horse races programmed and shall  
20 conduct live racing programs on the days awarded.

21 (b) All other applicants shall apply for ~~not less than~~-an  
22 aggregate total of at least 120 days of live racing and the  
23 applicants shall apply to conduct live racing at least 5 days per  
24 week, including Saturdays, with ~~not less than~~-**AT LEAST** 9 live horse  
25 races programmed and shall conduct live racing programs on the days  
26 awarded.

27 (6) If a race meeting licensee is unable to program and

1 conduct 9 live horse races on any racing date that the ~~commissioner~~  
2 **DIRECTOR** allocates to the licensee because there are ~~less~~-**FEWER**  
3 than 5 entries in any race, the licensee shall not conduct any  
4 simulcasting on that day without the written consent of the  
5 certified horsemen's organization with which it has a contract.

6 (7) If a race meeting licensee is unable to conduct racing on  
7 any live racing dates allocated to the licensee by the ~~racing~~  
8 ~~commissioner~~-**DIRECTOR** or ~~less~~-**FEWER** than 9 live horse races on any  
9 allocated live racing dates because of a labor dispute, fire,  
10 adverse weather conditions, or other causes beyond the race meeting  
11 licensee's control, then the race meeting licensee is considered to  
12 have conducted those races or race days for purposes of this act  
13 and is not precluded from conducting any simulcasts because of the  
14 licensee's inability to conduct those live races or race dates.

15 (8) Intertrack simulcast races that a race meeting licensee  
16 contracts to receive from other racetracks that are canceled for  
17 any of the reasons described in subsection (7) shall be considered  
18 to be offered to the public for purposes of this act.

19 (9) If an entire race meeting or the balance of a race meeting  
20 and racing dates allocated to a licensee cannot be raced ~~due to~~  
21 **BECAUSE OF** an act of God or significant physical damage to the  
22 licensed racetrack at which the race meeting was licensed to be  
23 conducted caused by fire or some other catastrophe, the ~~racing~~  
24 ~~commissioner~~-**DIRECTOR** may transfer those dates to another race  
25 meeting licensee upon application of the substitute licensee if the  
26 substitute licensee satisfies the requirements for licensure under  
27 this act and demonstrates that it has or will have a legal or

1 contractual right to the use of a different licensed racetrack  
2 facility on the racing dates, in question, and **IF** all race meeting  
3 licensees that will be conducting live racing on such ~~such~~ **THOSE** dates  
4 within 50 miles of the substitute racetrack consent to the  
5 transfer.

6 Sec. 13. ~~(1)~~ A race meeting licensee shall have a current  
7 written contract with a certified horsemen's organization before it  
8 may **NOT** conduct live or simulcast horse races with pari-mutuel  
9 wagering on the results of the races pursuant to its license **UNLESS**  
10 **IT HAS A CURRENT WRITTEN CONTRACT WITH A CERTIFIED HORSEMEN'S**  
11 **ORGANIZATION.**

12 ~~—— (2) The racing commissioner shall register and certify all~~  
13 ~~certified horsemen's organizations that had contracts with race~~  
14 ~~meeting licensees in this state in 1995 or 1994 for the conduct of~~  
15 ~~pari mutuel racing at race meetings in this state during 1994 or~~  
16 ~~1995, and their successors or assigns as certified horsemen's~~  
17 ~~organizations for purposes of this act. The racing commissioner~~  
18 ~~shall also accept any current contracts that these certified~~  
19 ~~horsemen's organizations have with race meeting licensees as~~  
20 ~~complying with the requirements of subsection (1) for the term of~~  
21 ~~the contract.~~

22 Sec. 14. (1) ~~Except as provided in subsection (8), before~~ **BY**  
23 November 1 of the year ~~preceeding~~ **BEFORE** the year for which  
24 ~~applications are~~ **AN APPLICATION FOR A RACE MEETING LICENSE IS** made,  
25 the racing commissioner ~~DIRECTOR~~ shall grant or deny each ~~THE~~  
26 application, for a race meeting license, allocate or deny the dates  
27 ~~, for which~~ **THE** application has been ~~IS~~ made ~~, on which~~ **TO CONDUCT**

1 pari-mutuel wagering on live races, ~~may be conducted at each~~  
2 ~~licensed race meeting in this state,~~ and shall also determine  
3 whether the applicant may simulcast under section 18 during the  
4 calendar year for which the license is issued. The ~~racineg~~  
5 ~~commissioner~~**DIRECTOR** may grant a race meeting license for any time  
6 period up to 1 year during which the licensee may conduct live and  
7 simulcast horse races with pari-mutuel wagering on the results of  
8 ~~such~~**THE** races.

9 (2) Subject to section 12(7), all simulcasting authorized by  
10 the ~~racineg commissioner~~**DIRECTOR** shall be conditioned upon the  
11 holder of the license conducting at least 9 live horse races on  
12 each live racing date allocated in the holder's race meeting  
13 license, unless this requirement is waived in writing by both the  
14 ~~racineg commissioner~~**DIRECTOR** and the certified horsemen's  
15 organization with which the licensee has contracted.

16 (3) The ~~racineg commissioner~~**DIRECTOR** shall not issue a race  
17 meeting license to an organization organized for a charitable  
18 purpose or organized for the purpose of distributing its profits or  
19 income to charitable organizations.

20 (4) Except as provided in section 12(7), (8), and (9), if  
21 after the issuance of a race meeting license, ~~the racineg~~  
22 ~~commissioner~~**DIRECTOR** determines upon further investigation that  
23 the holder of a ~~race meeting~~**THE** license has not met, or will be  
24 unable to meet, the requirements of the license, the ~~racineg~~  
25 ~~commissioner~~**DIRECTOR** may impose a fine or suspend or revoke the  
26 ~~race meeting~~ license, or both, for all or part of the remainder of  
27 the time period for which the license was granted. Before making

1 the required determination to impose a fine or suspend or revoke a  
2 ~~race meeting~~ license under this subsection, the ~~rac~~ing ~~com~~missioner  
3 **DIRECTOR** shall consider whether the race meeting licensee's  
4 inability or failure to meet the requirements of its license is due  
5 to a cause beyond the control of the race meeting licensee.

6 (5) Any action taken by the ~~rac~~ing ~~com~~missioner **DIRECTOR** under  
7 subsection (4) ~~shall become~~ **IS** effective 10 days after the holder  
8 of the race meeting license has received written notice unless the  
9 ~~com~~missioner **DIRECTOR** finds that the public health, safety, or  
10 welfare requires emergency action and immediate effect of the  
11 ~~com~~missioner's **DIRECTOR'S** order.

12 (6) A denial of a race meeting license under subsection (3)  
13 may be appealed to the circuit court for judicial review pursuant  
14 to section 631 of the revised judicature act of 1961, 1961 PA 236,  
15 MCL 600.631. A suspension or revocation of a race meeting license  
16 may be appealed pursuant to the administrative procedures act of  
17 1969, 1969 PA 306, MCL 24.201 to 24.328.

18 (7) Each applicant issued a race meeting license shall  
19 maintain an interest bearing account ~~used~~ exclusively for **THE**  
20 deposit of all ~~funds due~~ **MONEY REQUIRED TO BE PAID TO** horsemen's  
21 purse pools under this act. ~~All funds due to~~ **A RACE MEETING**  
22 **LICENSEE SHALL DEPOSIT ALL MONEY REQUIRED TO BE DEPOSITED INTO** this  
23 account ~~shall be deposited~~ within a reasonable time after receipt  
24 by the race meeting licensee. The name of the depository and the  
25 identification number of the account shall be designated in each  
26 race meeting license application and all interest earned by the  
27 account shall be credited to the purse pool and deposited in the

1 account.

2 ~~—— (8) The November 1 deadline provided in subsection (1) does~~  
3 ~~not apply to 1999 thoroughbred race meeting dates. The racing~~  
4 ~~commissioner may issue 1999 thoroughbred race meeting dates at any~~  
5 ~~time.~~

6 Sec. 15. (1) Before March 31 of each year, each holder of a  
7 race meeting or track license shall file with the ~~racing~~  
8 ~~commissioner~~**DIRECTOR** a certified statement of receipts from all  
9 sources during the previous calendar year and of all expenses and  
10 disbursements, itemized in a manner and on a standardized form as  
11 directed by the state treasurer, showing the net revenue from all  
12 sources derived by the holder of the license. These certified  
13 financial statements shall be considered public records and made  
14 available for public inspection during regular business hours. The  
15 certified financial statements submitted shall be prepared by a  
16 certified public accountant in accordance with generally accepted  
17 accounting and auditing standards as promulgated by the American  
18 institute of certified public accountants. The working papers and  
19 other records pertaining to preparation of the financial statements  
20 may be reviewed by the state treasurer ~~and~~**OR** the ~~racing~~  
21 ~~commissioner~~**DIRECTOR** and shall be promptly provided to **EITHER OF**  
22 them by the holders of the race meeting license upon their request.

23 (2) On the first day other than Sunday after each day of  
24 operation, each holder of a race meeting license shall remit the  
25 money ~~due~~**REQUIRED TO BE PAID** to ~~the~~**THIS** state or other entities  
26 under this act at the close of the day of operation with a detailed  
27 statement of that money as required by this act and the rules

1 promulgated under this act.

2 (3) A person shall not hold or conduct, or assist, aid, or  
3 abet in holding or conducting a race meeting within ~~the~~**THIS** state  
4 ~~where~~**AT WHICH** live or simulcast horse races with pari-mutuel  
5 wagering on the results of horse racing for a stake, purse, prize,  
6 share, or reward ~~is~~**ARE** conducted, unless the person and the  
7 racetrack at which the gaming activity is conducted are licensed by  
8 the ~~racing commissioner~~**DIRECTOR**.

9 Sec. 16. (1) Each person participating in or having to do with  
10 pari-mutuel horse racing or pari-mutuel wagering on the results of  
11 horse races at a licensed race meeting, including, but not limited  
12 to, all racing officials, veterinarians, pari-mutuel clerks or  
13 tellers, totalisator company employees, security guards, timers,  
14 horse owners, jockeys, drivers, apprentices, exercise riders,  
15 authorized agents, trainers, grooms, valets, owners of stables  
16 operating under an assumed name, jockey agents, pony riders, hot  
17 walkers, blacksmiths, starting gate employees, owners and operators  
18 of off-track training centers, farms or stables where racehorses  
19 are kept, and vendors operating within the barn area of a licensed  
20 racetrack or off-track training center, farm, or stable where  
21 racehorses are kept may be licensed by the ~~racing commissioner~~  
22 **DIRECTOR** pursuant to rules promulgated ~~by the racing commissioner~~  
23 under this act. The ~~racing commissioner~~**DIRECTOR** shall not issue an  
24 occupational license to a person who, within the 6 years  
25 immediately preceding the date of the person's application for the  
26 occupational license, was convicted of a felony involving theft,  
27 dishonesty, misrepresentation, fraud, corruption, drug possession,



1 delivery, or use, or other criminal misconduct that is related to  
2 the person's ability to and the likelihood that the person will  
3 perform the functions and duties of the racing related occupation  
4 for which the person seeks to be licensed and participate in pari-  
5 mutuel horse racing in that licensed occupation in a fair, honest,  
6 open, and lawful manner. The ~~racing commissioner~~**DIRECTOR** shall not  
7 issue a pari-mutuel occupational license to a person who, within 2  
8 years immediately preceding the date of the person's application  
9 for the occupational license, was convicted of a misdemeanor  
10 involving theft, dishonesty, misrepresentation, fraud, corruption,  
11 drug possession, delivery, or use, or other criminal misconduct  
12 that is related to the person's ability to and the likelihood that  
13 the person will perform the functions and duties of the racing  
14 related occupation for which the person seeks to be licensed and  
15 participate in pari-mutuel horse racing in that licensed occupation  
16 in a fair, honest, open, and lawful manner.

17 (2) A veterinarian is not required to be licensed under this  
18 act to provide necessary and appropriate emergency veterinary care  
19 or treatment to any horse that is intended to be entered, is  
20 entered, or participates in a race with wagering by pari-mutuel  
21 methods or a nonbetting race or workout conducted at a licensed  
22 race meeting in this state. ~~For purposes of this section,~~  
23 ~~"emergency veterinary care or treatment" means care or treatment~~  
24 ~~necessary and appropriate to save the life of a horse or prevent~~  
25 ~~permanent physical injury or damage to a horse in a situation~~  
26 ~~requiring immediate veterinary action.~~ Only veterinarians licensed  
27 under this act may provide nonemergency veterinary care or

1 treatment to a horse in this state that is intended to be entered,  
2 is entered, or participates in races at licensed race meetings in  
3 this state. Only persons licensed under this act or otherwise  
4 authorized by the ~~racine commissioner~~**DIRECTOR** may enter the  
5 restricted grounds of a licensed race meeting where horses ~~are kept~~  
6 that are eligible to race at the race meeting **ARE KEPT**. For the  
7 purposes of this section and sections 30 and 31, a horse that is  
8 intended to be entered is a horse that has its name put into the  
9 draw for a specific race, and a horse that is entered in a race is  
10 a horse that has been drawn into a specific race.

11 (3) As conditions precedent to being issued and holding a  
12 valid pari-mutuel occupational license, a license applicant shall  
13 disclose, in writing, any ownership interest that the applicant has  
14 in a racehorse and provide any other information the ~~racine~~  
15 ~~commissioner~~**DIRECTOR** considers necessary and proper and proof of  
16 compliance with the worker's disability compensation act of 1969,  
17 1969 PA 317, MCL 418.101 to 418.941, except that the proof of  
18 compliance requirement does not apply to horse owners and trainers  
19 not covered under section 115 of the worker's disability  
20 compensation act of 1969, 1969 PA 317, MCL 418.115.

21 (4) In addition to the requirements of subsection (3), an  
22 applicant for a pari-mutuel occupational license shall consent,  
23 upon application and for the duration of the occupational license,  
24 if issued, to all of the following:

25 (a) Personal inspections, inspections of the applicant's  
26 personal property, and inspections of premises and property related  
27 to his or her participation in a race meeting by persons authorized

1 by the ~~rac~~ing commissioner **DIRECTOR**.

2 (b) If the applicant is applying for a racing official,  
3 jockey, driver, trainer, or groom license, or for any other license  
4 for an occupation that involves contact with or access to the  
5 racehorses or the barn areas or stables where racehorses are kept,  
6 a breathalyzer test, urine test, or other noninvasive fluid test to  
7 detect the presence of alcohol or a controlled substance, if  
8 directed to do so by the ~~rac~~ing commissioner or his or her  
9 ~~representative~~ **DIRECTOR**. If the results of a test show that an  
10 occupational licensee has more than .05% of alcohol in his or her  
11 blood, or has present in his or her body a controlled substance,  
12 the person shall not be permitted to continue in his or her duties  
13 or participate in horse racing until he or she can produce, at his  
14 or her own expense, a negative test result. The licensee may be  
15 penalized by the ~~rac~~ing commissioner **DIRECTOR** for his or her  
16 positive test results, which may include any disciplinary action  
17 authorized by this act or rules promulgated under this act. This  
18 subsection does not apply to a controlled substance obtained  
19 directly from, or pursuant to a valid prescription from, a licensed  
20 health care provider, except that the ~~rac~~ing commissioner **DIRECTOR**  
21 may consider the person's medical need for prescribed controlled  
22 substances in determining the person's fitness to be licensed to  
23 participate in pari-mutuel horse racing. The ~~rac~~ing commissioner  
24 **DIRECTOR** shall suspend for not less than 1 year the license of a  
25 person who for the third time in a period of not more than 6  
26 consecutive years is relieved of his or her duties because of this  
27 subsection.

1 (5) When applying for an occupational license, an applicant  
2 shall provide the ~~racine commissioner~~**DIRECTOR** with 1 or more sets  
3 of his or her fingerprints and the appropriate fees as requested by  
4 the ~~racine commissioner~~**DIRECTOR**. The ~~racine commissioner~~**DIRECTOR**  
5 shall send the applicant's fingerprints and the appropriate fees to  
6 either the department of state police or the federal bureau of  
7 investigation in a manner acceptable to the federal bureau of  
8 investigation. If the fingerprints and fees are sent to the  
9 department of state police, the department of state police shall  
10 forward the fingerprints and the fees to the federal bureau of  
11 investigation for a criminal history check. Information obtained  
12 under this subsection shall only be used to determine the character  
13 and fitness of the applicant for licensing purposes.

14 (6) A person who is issued a pari-mutuel occupational license  
15 as a trainer is responsible for and absolute insurer of the  
16 condition, fitness, eligibility, and qualification of the horses  
17 entered to race for the person by whom the trainer is employed,  
18 except as prescribed by the rules promulgated ~~by the racine~~  
19 ~~commissioner~~ under this act. This subsection shall not be construed  
20 or interpreted to determine civil tort liability of any racehorse  
21 owner or trainer but ~~shall be for purposes of~~**PERTAINS ONLY TO**  
22 enforcement of this act. ~~only.~~ A trainer shall not start a horse  
23 that has in its body a drug or foreign substance unless permitted  
24 pursuant to section 30 and the rules promulgated under that  
25 section. A trainer is strictly liable and subject to disciplinary  
26 action if a horse under the trainer's actual or apparent care and  
27 control as trainer has a drug or foreign substance in its body, in

1 violation of section 30 and the rules promulgated under that  
2 section.

3 (7) Upon the filing of a written complaint, under oath, ~~in the~~  
4 ~~office of the racing commissioner~~ **WITH THE DEPARTMENT**, or upon the  
5 written motion of the ~~racing commissioner~~ **DIRECTOR** regarding the  
6 actions or omissions of a person issued a pari-mutuel occupational  
7 license, the ~~racing commissioner~~ **DIRECTOR** may summarily suspend the  
8 occupational license of the person for a period of not more than 90  
9 days pending a hearing and final determination by the ~~racing~~  
10 ~~commissioner~~ **DIRECTOR** regarding the acts or omissions complained of  
11 in the written complaint or motion, if the ~~commissioner~~ **DIRECTOR**  
12 determines from the complaint or motion that the public health,  
13 safety, or welfare requires emergency action. The ~~racing~~  
14 ~~commissioner~~ **DIRECTOR** shall schedule the complaint or motion to be  
15 heard within 14 business days after the occupational license is  
16 summarily suspended and notify the holder of the occupational  
17 license of the date, time, and place of the hearing not less than 5  
18 days before the date of the hearing. The hearing shall be conducted  
19 in accordance with the contested case provisions of the  
20 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
21 24.328. The action of the ~~racing commissioner~~ **DIRECTOR** in revoking  
22 or suspending a pari-mutuel occupational license may be appealed to  
23 the circuit court pursuant to the administrative procedures act of  
24 1969, 1969 PA 306, MCL 24.201 to 24.328. If the ~~racing~~  
25 ~~commissioner's~~ **DIRECTOR'S** order is predicated upon a series of  
26 acts, the review by the circuit court may be in the county in which  
27 any of the alleged acts or failures to act took place.

1 (8) A decision by the ~~racine commissioner~~**DIRECTOR** or a deputy  
2 ~~commissioner~~**DIRECTOR** or state steward of racing to deny an  
3 application for an occupational license may be appealed to the  
4 circuit court and reviewed pursuant to section 631 of the revised  
5 judicature act of 1961, 1961 PA 236, MCL 600.631. A suspension or  
6 revocation of an occupational license may be appealed and reviewed  
7 pursuant to the administrative procedures act of 1969, 1969 PA 306,  
8 MCL 24.201 to 24.328.

9 (9) Each pari-mutuel occupational licensee shall pay a license  
10 fee of not less than \$10.00 or more than \$100.00 as determined by  
11 the ~~racine commissioner~~**DIRECTOR**.

12 (10) **AS USED IN THIS SECTION, "EMERGENCY VETERINARY CARE OR**  
13 **TREATMENT" MEANS CARE OR TREATMENT NECESSARY AND APPROPRIATE TO**  
14 **SAVE THE LIFE OF A HORSE OR PREVENT PERMANENT PHYSICAL INJURY OR**  
15 **DAMAGE TO A HORSE IN A SITUATION REQUIRING IMMEDIATE VETERINARY**  
16 **ACTION.**

17 Sec. 17. (1) The pari-mutuel system of wagering upon the  
18 results of horse races as permitted by this act shall not be held  
19 or construed to be unlawful. All forms of pari-mutuel wagering  
20 conducted at a licensed race meeting shall be preapproved by the  
21 ~~racine commissioner~~**DIRECTOR** pursuant to rule or written order of  
22 the ~~commissioner~~**DIRECTOR**.

23 (2) A holder of a race meeting license may provide a place in  
24 the race meeting grounds or enclosure at which ~~he or she~~**THE**  
25 **LICENSE HOLDER** may conduct and supervise the pari-mutuel system of  
26 wagering on the results of horse races as permitted by this act. If  
27 the pari-mutuel system of wagering is used at a race meeting, a

1 totalisator or other device that is equal in accuracy and clearness  
2 to a totalisator and approved by the ~~racing commissioner~~ **DIRECTOR**  
3 shall be used. The odds display of the totalisator or other device  
4 shall be placed in full view of the patrons.

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

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

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

27 (4) All breaks shall be retained by the race meeting licensee

1 and paid directly to the city or township in which the racetrack is  
2 located as a fee for services provided pursuant to section 21.

3 (5) Payoff prices of tickets of a higher denomination shall be  
4 calculated as even multiples of the payoff price for a \$1.00 wager.  
5 Each holder of a race meeting license shall distribute to the  
6 persons holding winning tickets, as a minimum, a sum not less than  
7 \$1.10 calculated on the basis of each \$1.00 deposited in a pool,  
8 except that each race meeting licensee may distribute a sum of not  
9 less than \$1.05 to persons holding winning tickets for each \$1.00  
10 deposited in a minus pool. ~~As used in this subsection, "minus pool"~~  
11 ~~means any win, place, or show pool in which the payout would exceed~~  
12 ~~the total value of the pool.~~

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

16 (7) Any act or transaction relative to pari-mutuel wagering on  
17 the results of live or simulcast horse races shall only occur or be  
18 permitted to occur within the enclosure of a licensed race meeting.  
19 A person shall not participate or be a party to any act or  
20 transaction relative to placing a wager or carrying a wager for  
21 placement outside of a race meeting ground. A person shall not  
22 provide messenger service for the placing of a bet for another  
23 person who is not a patron. However, this subsection does not  
24 prevent simulcasting or intertrack or interstate common pool  
25 wagering inside or outside this state as permitted by this act or  
26 the rules promulgated under this act.

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



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

3 (B) "MULTIPLE WAGERING" MEANS A WAGER MADE ON THE FINISHING  
4 POSITIONS OF MORE THAN 1 HORSE IN A SPECIFIED RACE OR THE FINISHING  
5 POSITIONS OF 1 OR MORE HORSES IN MORE THAN 1 SPECIFIED RACE.

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

8 Sec. 18. (1) ~~Simulcasting by~~ THE DIRECTOR MAY AUTHORIZE A race  
9 meeting licensees may be authorized by the racing commissioner  
10 LICENSEE TO SIMULCAST subject to the limitations of this section.  
11 ~~As used in this section, "simulcast" means the live transmission of~~  
12 ~~video and audio signals conveying a horse race held either inside~~  
13 ~~or outside this state to a licensed race meeting in this state. A~~  
14 ~~simulcast from 1 racetrack in this state to another racetrack in~~  
15 ~~this state shall be called an "intertrack simulcast". A simulcast~~  
16 ~~from a racetrack outside this state to a racetrack inside this~~  
17 ~~state shall be called an "interstate simulcast".~~

18 (2) The holder of a race meeting license may apply to the  
19 ~~racing commissioner~~ DIRECTOR, in the manner and form required by  
20 the ~~commissioner~~ DIRECTOR, for a permit to televise simulcasts of  
21 horse races to viewing areas within the enclosure of the licensed  
22 racetrack at which the applicant is licensed to conduct its race  
23 meeting. The ~~commissioner~~ DIRECTOR may issue a permit for  
24 individual race and full card simulcasts televised during, between,  
25 before, or after programmed live horse races on any day that live  
26 racing is conducted by the applicant, and also on other days during  
27 the term of the applicant's license when the applicant does not

1 conduct live horse racing, ~~subject to~~ **IF** the following conditions  
2 **ARE MET:**

3 (a) The applicant ~~shall have~~ **HAS** a current contract with a  
4 certified horsemen's organization.

5 (b) The applicant ~~shall have~~ **HAS** applied for and been  
6 allocated the minimum number of live racing dates required by  
7 section 12(1) to (5), subject to the availability of adequate horse  
8 supply as determined by the ~~racing commissioner~~ **DIRECTOR**.

9 (c) The applicant ~~shall make~~ **MAKES** a continuing good faith  
10 effort throughout the duration of its race meeting to program and  
11 conduct ~~not less than~~ **AT LEAST** 9 live horse races on each live  
12 racing date allocated to the applicant.

13 (d) The certified horsemen's organization with which the  
14 applicant has contracted ~~shall have~~ **HAS** consented to the requested  
15 simulcasts on any live racing day when the applicant is unable to  
16 program and conduct ~~not less than~~ **AT LEAST** 9 live horse races, if  
17 required by section 12(6).

18 (e) If the requested simulcasts are interstate, the applicant  
19 ~~shall waive~~ **HAS WAIVED** in writing any right that the applicant may  
20 have under the interstate horse racing act of 1978, ~~Public Law 95-~~  
21 ~~515,~~ 15 U.S.C. **USC** 3001 to 3007, to restrict interstate simulcasts  
22 by other race meeting licensees in this state.

23 (f) If the applicant conducts its race meeting in a city area,  
24 the applicant ~~shall make~~ **MAKES** the video and audio signals of its  
25 live horse races available for intertrack simulcasting to all  
26 licensed race meetings in this state located more than 12 miles  
27 from the applicant's race meeting. The applicant shall charge each

1 race meeting licensee the same fee to receive its live signals for  
2 intertrack simulcasting. The fee shall not exceed 3% of the total  
3 amount wagered on the intertrack simulcast at each race meeting  
4 that receives the simulcast.

5 (g) Except as otherwise agreed by the race meeting licensees  
6 in a city area and the respective certified horsemen's  
7 organizations with which they contract, ~~a-IF THE licensee CONDUCTS~~  
8 **ITS RACE MEETINGS** in a city area, ~~shall receive-**THE LICENSEE**~~  
9 **RECEIVES** all available intertrack simulcasts from licensed race  
10 meetings in the city area located more than 12 miles from the  
11 licensee's race meeting.

12 (h) ~~A-licensed-IF THE LICENSEE CONDUCTS ITS~~ race meeting  
13 **MEETINGS** outside a city area, **THE LICENSEE** shall not conduct  
14 interstate simulcasts unless it also receives all intertrack  
15 simulcasts from licensed race meetings in a city area that are  
16 available.

17 (i) ~~All applicants conducting licensed-IF THE LICENSEE~~  
18 **CONDUCTS ITS** race meetings in a city area, ~~shall authorize-**THE**~~  
19 **LICENSEE AUTHORIZES** all other race meeting licensees in ~~the-THIS~~  
20 state to conduct simulcasts of the breed for which the applicant is  
21 licensed to conduct live horse racing. An applicant ~~may-**SHALL**~~ not  
22 conduct interstate simulcasts unless authorization to do so is  
23 given by the applicant, in accordance with subdivision (j),  
24 permitting all other race meeting licensees to receive interstate  
25 simulcasts of a different breed than they are licensed to race  
26 live.

27 (j) ~~A-**THE**~~ race meeting licensee shall not conduct an

1 interstate simulcast of a different breed than it is licensed to  
2 race live at its race meeting, unless the licensee has the written  
3 permission of all race meeting licensees in a city area that are  
4 licensed to race that breed live at their race meetings.

5 (k) All authorized simulcasts ~~shall be~~ **ARE** conducted in  
6 compliance with the written permit and related orders issued by the  
7 ~~racing commissioner~~ **DIRECTOR** and all other requirements and  
8 conditions of this act and the rules ~~of the racing commissioner~~  
9 promulgated under this act.

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

13 (3) All forms of wagering by pari-mutuel methods provided for  
14 under this act for live racing shall be allowed on simulcast horse  
15 races authorized under this section. All money wagered on simulcast  
16 horse races at a licensed race meeting shall be included in  
17 computing the total amount of all money wagered at the licensed  
18 race meeting for purposes of section 17. ~~When~~ **IF** the simulcast is  
19 an interstate simulcast, the money wagered on that simulcast shall  
20 form a separate pari-mutuel pool at the receiving track unless 2 or  
21 more licensees receive the same interstate simulcast signals or the  
22 ~~racing commissioner~~ **DIRECTOR** permits the receiving track to combine  
23 its interstate simulcast pool with the pool created at the out-of-  
24 state sending track on the same race. If 2 or more licensees  
25 receive the same interstate simulcast signals, the money wagered on  
26 the simulcasts shall be combined in a common pool and the licensees  
27 shall jointly agree and designate at which race meeting the common

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

15 (4) Each race meeting licensee that receives an interstate  
16 simulcast shall pay to the horsemen's simulcast purse pool  
17 established under section 19 a sum equal to 40% of the licensee's  
18 net commission from all money wagered on the interstate simulcast,  
19 as determined by section 17(3) after first deducting from the  
20 licensee's statutory commission the applicable state tax on  
21 wagering due and payable under section 22 and the actual verified  
22 fee paid by the licensee to the sending host track to receive the  
23 interstate simulcast signal. The licensee shall retain the  
24 remaining balance of its net commission and shall be responsible  
25 for paying all other capital and operational expenses related to  
26 receiving interstate simulcasts at its race meeting. Any subsequent  
27 rebate of a fee paid by a licensee to receive interstate simulcast

1 signals shall be shared equally by the licensee and the horsemen's  
2 simulcast purse pool established under section 19.

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

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

16 (b) Each race meeting licensee that receives an intertrack  
17 simulcast shall pay to the horsemen's simulcast purse pool  
18 established pursuant to section 19 a sum equal to 40% of the  
19 receiving track's net commission from wagering on the intertrack  
20 simulcast under section 17(3) after first deducting from the  
21 licensee's statutory commission the applicable state tax on  
22 wagering due and owing under section 22 and the actual verified fee  
23 paid by the receiving track to the sending host track to receive  
24 the intertrack simulcast signal.

25 (6) The ~~racine commissioner~~ **DIRECTOR** may authorize a race  
26 meeting licensee to transmit simulcasts of live horse races  
27 conducted at its racetrack to locations outside of this state in

1 accordance with the interstate horse racing act of 1978, ~~Public Law~~  
2 ~~95-515, 15 U.S.C. USC~~ 3001 to 3007, or any other applicable laws,  
3 and may permit pari-mutuel pools on ~~such~~**THE** simulcast races  
4 created under the laws of the jurisdiction in which the receiving  
5 track is located to be combined in a common pool with pari-mutuel  
6 pools on the same races created in this state. A race meeting  
7 licensee that transmits simulcasts of its races to locations  
8 outside this state shall pay 50% of the fee that it receives for  
9 sending the simulcast signal to the horsemen's purse pool at the  
10 sending track after first deducting the actual verified cost of  
11 sending the signal out of state.

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

14 Sec. 19a. If a thoroughbred track license is surrendered,  
15 revoked, or escrowed, or after January 1, 1998, a licensed  
16 thoroughbred track is closed, the ~~racing commissioner~~**DIRECTOR**  
17 shall order the deposit of horsemen's purse pool money deposited  
18 and distributed pursuant to section 19 to a depository designated  
19 by a race meeting licensee upon written direction of the affected  
20 certified horsemen's organization regardless of whether there was  
21 racing at the race meeting licensee's location during the previous  
22 year.

23 Sec. 20. (1) It is the policy of this state to encourage the  
24 breeding of horses of all breeds in this state and the ownership of  
25 such horses by residents of this state to provide for sufficient  
26 numbers of high quality race horses of all breeds to participate in  
27 licensed race meetings in this state; to promote the positive

1 growth and development of high quality horse racing and other  
2 equine competitions in this state as a business and entertainment  
3 activity for residents of this state; and to establish and preserve  
4 the substantial agricultural and commercial benefits of the horse  
5 racing and breeding industry to the state of Michigan. It is the  
6 intent of the legislature to further this policy by the provisions  
7 of this act and annual appropriations to administer this act and  
8 adequately fund the agriculture and equine industry programs  
9 established by this section.

10 (2) Money received by the ~~racing commissioner and DEPARTMENT~~  
11 ~~OR~~ the state treasurer under this act shall be paid promptly into  
12 the state treasury and placed in the Michigan agriculture equine  
13 industry development fund created in subsection (3).

14 (3) The Michigan agriculture equine industry development fund  
15 is created in the department of treasury. The Michigan agriculture  
16 equine industry development fund shall be administered by the  
17 director. ~~of the department of agriculture with the assistance and~~  
18 ~~advice of the racing commissioner.~~

19 (4) Money shall not be expended from the Michigan agriculture  
20 equine industry development fund except as appropriated by the  
21 legislature. Money appropriated by the legislature for the Michigan  
22 agriculture equine industry development fund shall be expended by  
23 the director ~~of the department of agriculture with the advice and~~  
24 ~~assistance of the racing commissioner~~ to provide funding for the  
25 general fund as provided in subsection (17) and agriculture and  
26 equine industry development programs as provided in subsections (5)  
27 to (11).



1 (5) The following amounts shall be paid to standardbred and  
2 fair programs:

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

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

17 (c) A sum to be allotted for paying special purses at fairs on  
18 2-year-old and 3-year-old standardbred harness horses conceived  
19 after January 1, 1992, and sired by a standardbred stallion  
20 registered with the ~~Michigan department of agriculture~~ that was  
21 leased or owned by a resident or residents of this state and that  
22 did not serve a mare at a location outside of this state from  
23 February 1 through July 31 of the calendar year in which the  
24 conception occurred. A foal that is born on or after January 1,  
25 2002 of a mare owned by a nonresident of this state and that is  
26 conceived outside of this state from transported semen of a  
27 stallion registered with the ~~Michigan department of agriculture~~ is

1 eligible for Michigan tax-supported races only if, in the year that  
2 the foal is conceived, the ~~Michigan department of agriculture's~~  
3 **DEPARTMENT'S** agent for receiving funds as the holding agent for  
4 stakes and futurities is paid a transport fee as determined by the  
5 ~~Michigan department of agriculture~~ and administered by the Michigan  
6 harness horsemen's association.

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

11 (e) A sum to pay breeders' awards in an amount not to exceed  
12 10% of the gross purse to breeders of Michigan bred standardbred  
13 harness horses for each time the horse wins a race at a licensed  
14 race meeting or fair in this state. As used in this subdivision,  
15 "Michigan bred standardbred harness horse" means a horse from a  
16 mare owned by a resident or residents of this state at the time of  
17 conception, that was conceived after January 1, 1992, and sired by  
18 a standardbred stallion registered with the ~~Michigan department of~~  
19 ~~agriculture~~ that was leased or owned by a resident or residents of  
20 this state and that did not serve a mare at a location outside of  
21 this state from February 1 through July 31 of the calendar year in  
22 which the conception occurred. To be eligible, each mare shall be  
23 registered with the ~~Michigan department. of agriculture.~~ A foal  
24 that is born on or after January 1, 2002 of a mare owned by a  
25 nonresident of this state and that is conceived outside of this  
26 state from transported semen of a stallion registered with the  
27 ~~Michigan department of agriculture~~ is eligible for Michigan tax-

1 supported races only if, in the year that the foal is conceived,  
2 the ~~Michigan department of agriculture's~~ **DEPARTMENT'S** agent for  
3 receiving funds as the holding agent for stakes and futurities is  
4 paid a transport fee as determined by the ~~Michigan department of~~  
5 ~~agriculture~~ and administered by the Michigan harness horsemen's  
6 association.

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

10 (g) A sum to be allotted to pay the presiding judges and  
11 clerks of the course at fairs. Presiding judges and clerks of the  
12 course shall be hired by the fair's administrative body with the  
13 advice and approval of the ~~racing commissioner~~ **DIRECTOR**. The  
14 director ~~of the department of agriculture~~ may allot funds for a  
15 photo finish system and a mobile starting gate. The director ~~of the~~  
16 ~~department of agriculture~~ shall allot funds for the conducting of  
17 tests, the collection and laboratory analysis of urine, saliva,  
18 blood, and other samples from horses, and the taking of blood  
19 alcohol tests on drivers, jockeys, and starting gate employees, for  
20 those races described in this subdivision. The ~~department~~ **DIRECTOR**  
21 may require a driver, jockey, or starting gate employee to submit  
22 to a breathalyzer test, urine test, or other noninvasive fluid test  
23 to detect the presence of alcohol or a controlled substance. If the  
24 results of a test show that a person has more than .05% of alcohol  
25 in his or her blood, or has present in his or her body a controlled  
26 substance, the person shall not be permitted to continue in his or  
27 her duties on that race day and until he or she can produce, at his

1 or her own expense, a negative test result.

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

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

27 (6) The following amounts shall be paid to thoroughbred

1 programs:

2 (a) A sum to be allotted thoroughbred race meeting licensees  
3 to supplement the purses for races to be conducted exclusively for  
4 Michigan bred horses.

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

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

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

15 (e) A sum not to exceed 0.25% of all money wagered on live and  
16 simulcast horse races in ~~Michigan~~ **THIS STATE** shall be placed in a  
17 special thoroughbred sire stakes fund each year, 100% of which  
18 shall be used to provide purses for races run exclusively for 2-  
19 year-old and 3-year-old and older Michigan sired thoroughbred  
20 horses at licensed thoroughbred race meetings in this state and  
21 awards for owners of Michigan sired horses or stallions. As used in  
22 this subdivision, "Michigan sired thoroughbred horses" means  
23 thoroughbred horses sired by a stallion registered with the  
24 department ~~of agriculture~~ that was leased or owned exclusively by a  
25 resident or residents of this state and that did not serve a mare  
26 at a location outside of this state during the calendar year in  
27 which the service occurred.

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

5 (7) The following amounts shall be paid for quarter horse  
6 programs:

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

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

11 (c) A sum to pay breeders' awards in an amount not to exceed  
12 10% of a gross purse to breeders of Michigan bred quarter horses  
13 for each time a Michigan bred quarter horse wins at a county fair  
14 or licensed race meeting in this state.

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

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

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

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

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

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

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

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

18 (9) The following amounts shall be paid for Arabian 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  
22 registered 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 licensed  
26 racetrack in this state.

27 (d) A sum allotted from the revenue received from Arabian

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

6 (e) As used in this subsection, "Michigan bred Arabian horse"  
7 means a Michigan-bred horse as that term is defined in R  
8 285.822.1(i) of the Michigan administrative code. Each mare and  
9 stallion shall be registered with the director. ~~of the department~~  
10 ~~of agriculture.~~

11 (10) The following sums shall be paid for American paint horse  
12 programs:

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

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

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

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

26 (e) As used in this subsection, "Michigan bred American paint  
27 horse" means a Michigan-bred paint horse as that term is defined in



1 R 285.823.1 of the Michigan administrative code.

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

4 (a) A sum to fund grants for research projects conducted by  
5 persons affiliated with a university or governmental research  
6 agency or institution or other private research entity approved by  
7 the ~~racing commissioner~~ **DIRECTOR**, which are beneficial to the horse  
8 racing and breeding industry in this state.

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

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

26 (13) Subject to subsection (17), money appropriated and  
27 allotted to the Michigan agriculture equine industry development

1 fund shall not revert to the general fund and shall be carried  
2 forward from year to year until disbursed to fund grants for  
3 research projects beneficial to the industry.

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

10 (15) The director ~~of the department of agriculture~~ shall  
11 promulgate rules pursuant to the administrative procedures act of  
12 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this section.  
13 The rules promulgated under this subsection shall do all of the  
14 following:

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

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

20 (c) Develop and maintain informational programs related to  
21 this section.

22 (16) ~~Funds~~ **MONEY** under the control of the department ~~of~~  
23 ~~agriculture in~~ **UNDER** this section shall be disbursed under the  
24 rules promulgated pursuant to subsection (15). All ~~funds~~ **MONEY**  
25 under the control of the department ~~of agriculture~~ approved for  
26 purse supplements and breeders' awards shall be paid by the state  
27 treasurer not later than 45 days from the date of the race.

1 ~~———— (17) Two million dollars shall be transferred from the~~  
2 ~~Michigan agriculture equine industry development fund to the~~  
3 ~~general fund in the fiscal year ending September 30, 2006.~~

4       Sec. 21. Local units of government participating in the  
5 distribution of ~~funds~~ **MONEY** under section 17(4) shall provide for  
6 adequate police, fire, and traffic protection of persons and  
7 property at and near each race meet, including areas where  
8 occupational licenses are required. Each local unit of government  
9 participating in the distribution of ~~funds~~ **MONEY** under this act  
10 shall show by a statement submitted annually on February 1 of each  
11 year to the ~~racine commissioner~~ **DIRECTOR** the ~~amounts of funds~~  
12 **AMOUNT OF MONEY** received and shall detail the expenditure of ~~these~~  
13 ~~amounts~~ **THE MONEY** during the previous calendar year. The ~~racine~~  
14 ~~commissioner~~ **DIRECTOR** shall report annually to the governor and the  
15 legislature regarding these statements.

16       Sec. 22. (1) Each licensed racetrack located in a city area  
17 shall pay a license fee to the ~~racine commissioner~~ **DIRECTOR** of  
18 \$1,000.00 annually, and any other licensed racetrack shall pay a  
19 license fee of \$200.00 annually.

20       (2) ~~During calendar year 1996, each~~ **EACH CALENDAR YEAR, IN A**  
21 **MANNER AND TIME AS REQUIRED BY THE DIRECTOR, A** holder of a race  
22 meeting license shall pay to the state treasurer, from the holder's  
23 commission, a tax in the amount of ~~2.5%~~ **3.5%** of all money wagered  
24 on interstate and intertrack simulcast races conducted at the  
25 holder's licensed race meetings in ~~1996 in a manner and time as the~~  
26 ~~racine commissioner requires. For calendar year 1997 and each year~~  
27 ~~thereafter, the tax rate shall increase to 3.5% of all money~~

1 ~~wagered on interstate and intertrack simulcast races conducted at~~  
2 ~~the holder's licensed race meetings each calendar year. Not later~~  
3 ~~than 4 years after the effective date of this act, the racing~~  
4 ~~commissioner shall report to the chairpersons of the senate and~~  
5 ~~house committees responsible for legislation concerning horse~~  
6 ~~racing as to the effect on the horse racing industry of the~~  
7 ~~reduction in the tax pursuant to subsection (2).~~ **THE YEAR.**

8 (3) By eliminating the pari-mutuel wagering tax on live racing  
9 programs, it is not the intent of the legislature to diminish the  
10 funding and appropriations for the Michigan agriculture equine  
11 industry fund and related programs described in section 20. The  
12 pari-mutuel tax reduction effected by this section is intended to  
13 generally allow for the improvement of the pari-mutuel horse racing  
14 and breeding industry in this state by increasing purses at  
15 licensed race meetings and making additional pari-mutuel revenues  
16 available for capital improvements at licensed racetracks in this  
17 state.

18 Sec. 23. (1) ~~The auditing of pari-mutuel~~ **PARI-MUTUEL**  
19 operations at each race meeting shall be ~~performed~~ **AUDITED** by a  
20 private auditing firm appointed by the state treasurer and approved  
21 by the ~~racing commissioner~~ **DIRECTOR**. The expense of pari-mutuel  
22 audits shall be paid by the state as a part of the state  
23 treasurer's budget. Daily audit reports on each day of pari-mutuel  
24 racing shall be forwarded to the ~~racing commissioner~~ **DIRECTOR** and  
25 the holder of the race meeting license not later than 2 business  
26 days after the day for which the report is made. Within 60 days  
27 following each race meeting, at least 3 copies of the pari-mutuel

1 audit report for the entire race meeting shall be forwarded to the  
2 ~~raciing commissioner~~**DIRECTOR** and additional copies shall be  
3 supplied to the state treasurer and the holder of the race meeting  
4 license. The scope of the pari-mutuel audits shall be established  
5 in specifications prepared by the state treasurer and approved by  
6 the ~~raciing commissioner~~**DIRECTOR**.

7 (2) The auditors representing ~~the~~**THIS** state **UNDER SUBSECTION**  
8 **(1)** shall have free and full access to the space or enclosure where  
9 the payoff prices are calculated, to the rooms and enclosures where  
10 the totalisator equipment is operated, and to the money rooms and  
11 cashier terminals, and shall be responsible for verifying the  
12 accuracy of the calculations on which are based the payoff prices  
13 to the public and amount of racetrack commission, state tax and  
14 breakage, and for the amounts withheld by the holder of the race  
15 meeting license for payment of uncashed tickets. The auditors at  
16 all times shall have full and free access to all pari-mutuel  
17 records and all aspects, areas, and functions of the totalisator  
18 system, including but not limited to, all hardware, software, input  
19 and output data, documents, and files. The auditors may audit  
20 internally and externally any or all parts and elements of the  
21 totalisator system whether on or off the site of the race meeting  
22 grounds. If the records are maintained in a machine-readable form,  
23 such as computer tapes or disks, copies shall be made available to  
24 the auditors on request. The auditors, in addition to their regular  
25 reports, shall make prompt report to the ~~raciing commissioner~~  
26 **DIRECTOR**, the state treasurer, and the holder of the race meeting  
27 license of any irregularities or discrepancies which they may

1 encounter during their auditing.

2 (3) In addition to auditing the pari-mutuel operations, the  
3 auditors **DESCRIBED IN SUBSECTION (1)** shall include in their final  
4 reports the daily attendance figures as supplied by the holder of  
5 the race meeting license.

6 Sec. 25. To the extent information is disclosed by any race  
7 meeting licensee under this act regarding the name, address, or any  
8 other personal information, including financial information, of any  
9 patron of the licensee, neither the ~~office of the racing~~  
10 ~~commissioner~~ **DEPARTMENT** nor any other governmental authority to  
11 ~~whom~~ **WHICH** disclosure has been made shall disclose that  
12 information. All information provided to the ~~office of racing~~  
13 ~~commissioner~~ **DEPARTMENT** or any other governmental authority by a  
14 race meeting licensee that in any manner discloses the name,  
15 address, or any other personal information, including financial  
16 information, of any patron of the licensee is ~~considered~~  
17 confidential, and is not subject to disclosure under the freedom of  
18 information act, ~~Act No. 442 of the Public Acts of 1976, being~~  
19 ~~sections 1976 PA 442, MCL 15.231 to 15.246. of the Michigan~~  
20 ~~Compiled Laws.~~

21 Sec. 30. (1) A drug or painkiller that is a stimulant to a  
22 horse or depressant to a horse shall not be administered to a horse  
23 or be present in a horse that is intended to be entered, is  
24 entered, or participates in a race with wagering by pari-mutuel  
25 methods or any nonbetting race or workout that is conducted at a  
26 licensed race meeting in this state. Any drug or foreign substance,  
27 other than a stimulant or depressant, may be administered to a

1 horse or present in a horse that is intended to be entered, is  
2 entered, or participates in a race with wagering by pari-mutuel  
3 methods or any nonbetting race or workout that is conducted at a  
4 licensed race meeting in this state only if authorized by the  
5 ~~racing commissioner~~**DIRECTOR** by rule or written order for use in  
6 the care or treatment of the horse. A veterinarian is not  
7 prohibited by this section from administering to a horse any drug  
8 or foreign substance that is necessary and appropriate for the  
9 emergency veterinary care and treatment of the horse under accepted  
10 standards of veterinary practice in this state. The treating  
11 veterinarian and the horse's trainer shall report immediately to  
12 the ~~racing commissioner~~**DIRECTOR**, the state veterinarian, or the  
13 state steward any unauthorized or emergency administration of an  
14 unauthorized drug or foreign substance to a horse that is intended  
15 to be entered, is entered, or participates in a race or workout at  
16 a licensed race meeting in this state, before the running of the  
17 race or workout, in the manner and form prescribed by the ~~racing~~  
18 ~~commissioner~~**DIRECTOR** and the stewards shall scratch the horse from  
19 the race. A veterinarian who administers a drug or foreign  
20 substance to any horse that is intended to be entered, is entered,  
21 or participates in a race or workout that is to be conducted at a  
22 licensed race meeting in this state shall keep and maintain a true  
23 and complete written record of the veterinarian's examination,  
24 examination findings, diagnosis and treatment of the horse, and all  
25 drugs or foreign substances administered to the horse by the  
26 veterinarian, in the manner and form prescribed by the ~~racing~~  
27 ~~commissioner~~**DIRECTOR**, and shall provide the record to the

1 ~~commissioner~~ **DIRECTOR** for review upon request.

2 (2) The ~~racine commissioner or his or her designee~~ **DIRECTOR**  
3 shall conduct random testing to detect the presence of a drug or  
4 foreign substance in all winning horses and in any other horse in  
5 each pari-mutuel horse race and may conduct individual testing for  
6 the presence of a drug or foreign substance in any specific horse  
7 within the racetrack.

8 (3) The ~~racine commissioner~~ **DIRECTOR** shall issue written  
9 orders or promulgate rules pursuant to the administrative  
10 procedures act of 1969, Act No. 306 of the Public Acts of 1969,  
11 being sections 24.201 to 24.328 of the Michigan Compiled Laws 1969  
12 **PA 306, MCL 24.201 TO 24.328**, that specify the ~~WHAT~~ condition of  
13 the ~~A~~ horse that must exist in order to permit authorization of  
14 **PERMITS AUTHORIZING** the use and possession of a foreign substance  
15 or a permissible drug for the intended care or treatment of a ~~THE~~  
16 horse and that specify the procedures that must be followed in  
17 administering the ~~AN~~ authorized ~~drugs~~ **DRUG**. Any written order  
18 issued by the ~~racine commissioner pursuant to~~ **DIRECTOR UNDER** this  
19 section shall be available for review in the office of ~~racine~~  
20 ~~commissioner~~ **THE DIRECTOR** at each licensed race meeting in this  
21 state.

22 (4) Except as authorized by the ~~racine commissioner~~ **DIRECTOR**  
23 or as provided in this section, a person who ~~administers~~ **DOES**  
24 **EITHER OF THE FOLLOWING IS GUILTY OF A FELONY PUNISHABLE BY A FINE**  
25 **OF NOT MORE THAN \$10,000.00 OR IMPRISONMENT FOR NOT MORE THAN 5**  
26 **YEARS, OR BOTH:**

27 (A) **ADMINISTERS** or conspires to administer **TO A HORSE THAT IS**



1 INTENDED TO BE ENTERED, IS ENTERED, OR PARTICIPATES IN A RACE OR  
 2 WORKOUT AT A LICENSED RACE MEETING IN THIS STATE a drug or foreign  
 3 substance  ~~, that could affect the racing condition or performance~~  
 4 of a horse.  ~~, THIS SUBDIVISION APPLIES REGARDLESS OF WHETHER THE~~  
 5 DRUG OR SUBSTANCE IS ADMINISTERED OR INTENDED TO BE ADMINISTERED  
 6 internally, externally, by hypodermic method, or by any other  
 7 method.  ~~, to a horse that is intended to be entered, is entered, or~~  
 8  ~~participates in a race or workout at a licensed race meeting in~~  
 9  ~~this state, or who knowingly~~

10 (B) KNOWINGLY starts a horse in  ~~any~~ A race or workout at a  
 11 licensed race meeting in this state knowing that the horse was  
 12 administered a drug or foreign substance, by any method, after the  
 13 horse was entered or intended to be entered in the race or workout.  
 14  ~~is guilty of a felony punishable by a fine of not more than~~  
 15  ~~\$10,000.00 or by imprisonment for not more than 5 years, or both.~~

16 (5) A postmortem examination shall be performed on every horse  
 17 that dies at a racetrack. A postmortem examination shall be a  
 18 complete autopsy unless the  ~~racing commissioner~~ DIRECTOR, on the  
 19 advice of the veterinarian, is satisfied as to the cause of death  
 20 without  ~~the~~ A complete autopsy being performed. A complete autopsy  
 21 shall be ordered and performed if the presence of a drug or foreign  
 22 substance in the horse is suspected.

23 Sec. 31. (1) Except as provided in subsection (3), a person  
 24 who does any of the following, or who aids or abets another in  
 25 doing any of the following, is guilty of a misdemeanor punishable  
 26 by a fine of not more than \$10,000.00 or by imprisonment for not  
 27 more than 1 year, or both:

1 (a) Introduces an object or foreign substance into the  
2 nostrils or windpipe of a horse that is entered or intended to be  
3 entered in a race or workout at a licensed race meeting in this  
4 state for the purpose of affecting the racing condition or  
5 performance of the horse in a race or workout, without  
6 authorization of the ~~racing commissioner~~ **DIRECTOR**.

7 (b) Has in his or her possession within the confines of a  
8 racetrack, stable, shed, building, or grounds of a licensed race  
9 meeting, or within the confines of an off-track stable, shed,  
10 building, or grounds where horses are kept ~~which~~ **THAT** are eligible  
11 to race over the racetrack of the holder of a race meeting license,  
12 ~~any~~ **A** drug **THAT IS** not authorized by the ~~racing commissioner~~  
13 **DIRECTOR** for use at those locations, ~~or~~ **A** battery or buzzer,  
14 **WHETHER** electrical or mechanical, or **A** syringe, hypodermic needle,  
15 or other appliance **OR** device, other than the ordinary whip, ~~which~~  
16 **THAT** may or can be used for the purpose of affecting a horse's  
17 racing condition or performance in a race or workout at a licensed  
18 race meeting in this state.

19 (c) Has in his or her possession within the confines of a  
20 racetrack, stable, shed, building, or grounds of a licensed race  
21 meeting or within the confines of an off-track stable, shed,  
22 building, or grounds where horses are kept that are eligible to  
23 race over the racetrack of the holder of a race meeting license a  
24 controlled substance ~~as defined in section 7104 of the public~~  
25 ~~health code, Act No. 368 of the Public Acts of 1978, being section~~  
26 ~~333.7104 of the Michigan Compiled Laws,~~ or a hypodermic needle or  
27 other instrument that can be used to administer a controlled

1 substance, unless the controlled substance was obtained directly  
2 from or pursuant to a prescription from ~~—~~a licensed physician ~~—~~  
3 and the person notifies the ~~racing commissioner or racing~~  
4 ~~commissioner's designee~~ **DIRECTOR** that the person possesses the  
5 controlled substance or instrument.

6 (2) ~~In~~ **AFTER A PERSON WHO IS A LICENSEE UNDER THIS ACT IS**  
7 **CONVICTED OF AN OFFENSE UNDER SUBSECTION (1), IN** addition to the  
8 penalties prescribed in subsection (1), ~~a~~ **THE DIRECTOR SHALL**  
9 **SUSPEND THE LICENSE OF THE** person ~~who is a licensee under this act~~  
10 ~~and who does any of the acts described in subsection (1) shall have~~  
11 ~~his or her license suspended by the racing commission for a period~~  
12 ~~of not less than 5 years. after being convicted.~~

13 (3) Subsections (1) and (2) do not prohibit the possession and  
14 use of drugs, foreign substances, controlled substances, hypodermic  
15 needles and syringes, nasogastric tubes, endotracheal tubes,  
16 endoscopes, or other instruments or equipment by a veterinarian  
17 within the confines of a racetrack, stable, shed, building, or  
18 grounds of a licensed race meeting or within the confines of an  
19 off-track stable, shed, building, or grounds where horses are kept  
20 that are eligible to race over the racetrack of the holder of a  
21 race meeting license, if the drugs and equipment are recognized and  
22 accepted in veterinary medicine for use in the care and treatment  
23 of horses and are possessed and used by the veterinarian in  
24 accordance with accepted standards of veterinary practice in this  
25 state and applicable state and federal laws and not in violation of  
26 other provisions of this act.

27 Sec. 33. A person who has information regarding a violation or

1 attempted violation of ~~sections~~**SECTION** 30, 31, or 32 shall  
2 immediately report that information to the ~~racing commissioner~~  
3 **DIRECTOR** or an agent of the ~~racing commissioner~~**DIRECTOR**. A person  
4 who violates this section is guilty of a misdemeanor punishable by  
5 a fine of not more than \$10,000.00 or imprisonment for not more  
6 than 1 year, or both.

7       Sec. 34. In addition to the penalties provided in sections 29,  
8 30, 31, 32, and 33, the holder of a license who violates section  
9 29, 30, 31, 32, or 33 is subject to penalties prescribed by the  
10 ~~racing commissioner~~**DIRECTOR** that may include the suspension or  
11 revocation of the person's license.

12       Enacting section 1. Section 5 of the horse racing law of 1995,  
13 1995 PA 279, MCL 431.305, is repealed.

14       Enacting section 2. This amendatory act does not take effect  
15 unless all of the following bills of the 95th Legislature are  
16 enacted into law:

17       (a) Senate Bill No. 958.

18

19       (b) Senate Bill No. 956.

20

21       (c) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
22 02648'09 c).

23       (d) Senate Bill No. 957.

24