



HOUSE BILL No. 5217

October 10, 1995, Introduced by Reps. Bullard, Law, Freeman, Griffin, Hanley, Curtis, Baade, Bankes and Profit and referred to the Committee on Regulatory Affairs.

A bill to amend sections 13 and 15 of Act No. 327 of the Public Acts of 1980, entitled as amended

"Racing law of 1980,"

section 13 as amended by Act No. 188 of the Public Acts of 1994 and section 15 as amended by Act No. 108 of the Public Acts of 1986, being sections 431.73 and 431.75 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 13 and 15 of Act No. 327 of the Public
2 Acts of 1980, section 13 as amended by Act No. 188 of the Public
3 Acts of 1994 and section 15 as amended by Act No. 108 of the
4 Public Acts of 1986, being sections 431.73 and 431.75 of the
5 Michigan Compiled Laws, are amended to read as follows:

6 Sec. 13. (1) Money received by the racing commissioner
7 under this act shall be paid promptly into the state treasury and

1 except as provided in subsections ~~(2), (9), and (10)~~ (7) AND
 2 (8) shall be credited to the general fund of the state. As used
 3 in this section, "fair" means a county, district, community, or
 4 4-H fair; the Upper Peninsula state fair; and any other state
 5 fair.

6 ~~(2) Twenty seven and one half percent of the revenue~~
 7 ~~received, but not to exceed \$800,000.00, from racing license fees~~
 8 ~~from a racetrack shall be placed in a fund under the control of~~
 9 ~~the department of agriculture and shall be returned to the city~~
 10 ~~or township in which the racetrack is located.~~

11 ~~(3) If the city or township in which the racetrack is~~
 12 ~~located has reached the monetary limitation imposed by subsection~~
 13 ~~(2) then, in addition to that revenue, 20% of the revenue~~
 14 ~~received but not to exceed \$100,000.00, from racing license fees~~
 15 ~~from a meet held before April 16 and after November 15 in a year~~
 16 ~~shall be placed in a fund under the control of the department of~~
 17 ~~agriculture and shall be returned to the city or township in~~
 18 ~~which the racetrack is located. If the track is located in more~~
 19 ~~than 1 city or township, then the revenue provided for in this~~
 20 ~~subsection shall be divided equally between the cities or~~
 21 ~~townships. Funds shall not be returned to a city or township~~
 22 ~~pursuant to this subsection or subsection (2), if a city or town-~~
 23 ~~ship fails to provide a statement as required in section 14.~~

24 (2) ~~(4) A sufficient portion, not to exceed 68 3/4% of the~~
 25 ~~revenue received from standardbred racing in this state, shall be~~
 26 ~~placed in a special fund under the control of~~ FOR EACH FISCAL
 27 YEAR BEGINNING AFTER SEPTEMBER 30, 1995, THE LEGISLATURE SHALL

1 APPROPRIATE A SUFFICIENT AMOUNT NOT TO EXCEED \$7,500,000.00 TO
2 the department of agriculture to be allotted to fairs, licensed
3 pari-mutuel racetracks, other standardbred horse programs, agri-
4 cultural commodity programs, and to pay the cost of administering
5 this section, as follows:

6 (a) A sum to pay not more than 75% of the purses for stan-
7 dardbred harness horse races offered by fairs and special races
8 at licensed pari-mutuel racetracks.

9 (b) A sum to be allotted on a matching basis, but not to
10 exceed \$8,000.00 each year to a single fair, for the purpose of
11 equipment rental during fairs; grounds improvement; constructing,
12 maintaining, and repairing buildings; and making the racetrack
13 more suitable and safe for racing at fairs.

14 (c) A sum to be allotted to be used for paying special
15 purses at fairs on 2- and 3-year-old standardbred harness horses
16 conceived after January 1, 1992, and sired by a standardbred
17 stallion registered with the Michigan department of agriculture
18 that was leased or owned by a resident or residents of this state
19 and which did not serve a mare at a location outside of this
20 state from February 1 through July 31 of the calendar year in
21 which the conception occurred. Transportation of semen from a
22 standardbred stallion registered with the Michigan department of
23 agriculture to a location outside the state of Michigan shall not
24 create eligibility for Michigan tax supported races, and shall
25 not affect the eligibility of Michigan conceived foals for the
26 purses provided for by this section. A foal conceived outside
27 the state of Michigan by means of semen from a standardbred

1 stallion registered with the Michigan department of agriculture
2 is not eligible for Michigan tax-supported races.

3 (d) A sum to pay 75% or more of an eligible cash premium
4 paid by a fair or exposition. The commission of agriculture
5 shall promulgate rules establishing which premiums are eligible
6 for payment, and a dollar limit for all eligible payments.

7 (e) A sum to pay breeders' awards in the amount of 10% of
8 the gross purse to breeders of Michigan bred standardbred harness
9 horses for each time the horse wins at a licensed racetrack or
10 fair in this state. As used in this subdivision, "Michigan bred
11 standardbred harness horse" means a horse from a mare owned by a
12 resident or residents of this state at the time of conception,
13 that was conceived after January 1, 1992, and sired by a stan-
14 dardbred stallion registered with the Michigan department of
15 agriculture that was leased or owned by a resident or residents
16 of this state and which did not serve a mare at a location out-
17 side of this state from February 1 through July 31 of the calen-
18 dar year in which the conception occurred. To be eligible, each
19 mare shall be registered with the Michigan department of
20 agriculture. Transportation of semen from a standardbred stal-
21 lion registered with the Michigan department of agriculture to a
22 location outside the state of Michigan shall not create eligibil-
23 ity for Michigan tax supported races, and shall not affect the
24 eligibility of Michigan conceived foals for the purses provided
25 for by this section. A foal conceived outside the state of
26 Michigan by means of semen from a standardbred stallion

1 registered with the Michigan department of agriculture is not
2 eligible for Michigan tax-supported races.

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

6 (g) A sum to be allotted to fairs to pay the presiding
7 judges and clerks of the course at fairs. Presiding judges and
8 clerks of the course shall be hired by the department of
9 agriculture. A person hired as a judge shall be approved by the
10 racing commissioner. The director of the department of agricul-
11 ture may allot funds for a photo finish system and a mobile
12 starting gate. The director of the department of agriculture
13 shall allot funds for the conducting of tests, the collection and
14 laboratory analysis of urine, saliva, blood, and other samples
15 from horses, and the taking of blood alcohol tests on drivers,
16 jockeys, and starting gate employees, for those races described
17 in this subsection. The department may require a driver, jockey,
18 or starting gate employee to submit to a breathalyzer test, urine
19 test, or other noninvasive fluid test to detect the presence of
20 alcohol or a controlled substance as defined in section 7104 of
21 the public health code, Act No. 368 of the Public Acts of 1978,
22 being section 333.7104 of the Michigan Compiled Laws. If the
23 results of a test show that a person has more than 0.05% of alco-
24 hol in his or her blood, or has present in his or her body a con-
25 trolled substance, the person shall not be permitted to continue
26 in his or her duties on that race day and until he or she can
27 produce, at his or her own expense, a negative test result.

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

3 (3) ~~(5) A sufficient portion not to exceed 27 1/2% of the~~
4 ~~revenue received from thoroughbred racing shall be placed in a~~
5 ~~special fund under the control of~~ FOR EACH FISCAL YEAR BEGINNING
6 AFTER SEPTEMBER 30, 1995, THE LEGISLATURE SHALL APPROPRIATE A
7 SUFFICIENT AMOUNT NOT TO EXCEED \$2,500,000.00 TO the department
8 of agriculture ~~and shall~~ TO be allotted to thoroughbred racing
9 associations to supplement the purses for races to be conducted
10 exclusively for Michigan bred horses; to pay not more than 75% of
11 the purses for registered light horse races offered by fairs; to
12 pay the cost of administering this subsection; and to pay
13 breeders' awards in the amount of 10% of the gross purse to the
14 breeders of Michigan bred horses for each time Michigan bred
15 horses win at a licensed racetrack in this state. In addition to
16 the sums allotted for purse supplements and breeders' awards, the
17 department of agriculture may allot sufficient funds from the
18 revenue received from thoroughbred racing to create a fund not to
19 exceed 1% of the revenue received from the thoroughbred racing in
20 this state which may be allotted to provide training and stabling
21 facilities for thoroughbred horses. The department shall also
22 allot sufficient funds from the revenue received from thorough-
23 bred racing to pay for the collection and laboratory analysis of
24 urine, saliva, blood, and other samples from horses and for the
25 conducting of tests described in section 11(3)(b).

26 (4) ~~(6) A sufficient portion of the revenue received from~~
27 ~~quarter horse racing in this state shall be placed in a special~~

~~1 fund under the control of-~~ FOR EACH FISCAL YEAR BEGINNING AFTER
2 SEPTEMBER 30, 1995, THE LEGISLATURE SHALL APPROPRIATE A SUFFI-
3 CIENT AMOUNT NOT TO EXCEED \$20,000.00 TO the department of agri-
4 culture ~~and shall~~ TO be allotted to quarter horse racing asso-
5 ciations to supplement the purses for races to be conducted
6 exclusively for Michigan bred horses; to pay not more than 75% of
7 the purses for registered light horse races offered by fairs; to
8 pay the cost of administering this subsection; and to pay
9 breeders' awards in the amount of 10% of a gross purse to breed-
10 ers of Michigan bred quarter horses for each time a Michigan bred
11 quarter horse wins at a county fair or licensed racetrack in this
12 state. The department shall also allot sufficient funds from the
13 revenue received from quarter horse racing to pay for the collec-
14 tion and laboratory analysis of urine, saliva, blood, and other
15 samples from horses and the taking of blood alcohol tests on
16 jockeys for those races described in this subsection and for the
17 conducting of tests described in section 11(3)(b). As used in
18 this subsection, "Michigan bred quarter horse" means a horse from
19 a mare owned by a resident of this state, at the time of breeding
20 and sired by a registered stallion owned exclusively by a resi-
21 dent of this state and which did not serve a mare at a location
22 outside of this state during the calendar year in which the serv-
23 ice occurred. Each mare and stallion shall be registered with
24 the director of the department of agriculture.

25 (5) ~~(7) A sufficient portion of the revenue received from~~
26 ~~Appaloosa horses racing in this state shall be placed in a~~
27 ~~special fund under the control of-~~ FOR EACH FISCAL YEAR BEGINNING

1 AFTER SEPTEMBER 30, 1995, THE LEGISLATURE SHALL APPROPRIATE A
2 SUFFICIENT AMOUNT NOT TO EXCEED \$20,000.00 TO the department of
3 agriculture ~~and shall~~ TO be allotted to Appaloosa horse racing
4 associations to supplement the purses for races to be conducted
5 exclusively for Michigan bred horses; to pay not more than 75% of
6 the purses for registered light horse races offered by fairs; to
7 pay the cost of administering this subsection; and to pay
8 breeders' awards in the amount of 10% of the gross purse to the
9 breeders of Michigan bred horses for each time Michigan bred
10 horses win at a fair or licensed racetrack in this state. The
11 department shall also allot sufficient funds from the revenue
12 received from Appaloosa horse racing to pay for the collection
13 and laboratory analysis of urine, saliva, blood, or other samples
14 from horses and the taking of blood alcohol tests on jockeys for
15 those races described in this subsection and for the conducting
16 of tests described in section 11(3)(b). Each mare and stallion
17 shall be registered with the director of the department of
18 agriculture.

19 (6) ~~(8) A sufficient portion of the revenue received from~~
20 ~~Arabian horses racing in this state shall be placed in a special~~
21 ~~fund under the control of~~ FOR EACH FISCAL YEAR BEGINNING AFTER
22 SEPTEMBER 30, 1995, THE LEGISLATURE SHALL APPROPRIATE A SUFFI-
23 CIENT AMOUNT NOT TO EXCEED \$20,000.00 TO the department of agri-
24 culture ~~and shall~~ TO be allotted to Arabian horse racing asso-
25 ciations to supplement the purses for races to be conducted
26 exclusively for Michigan bred horses; to pay not more than 75% of
27 the purses for registered light horse races offered by fairs; to

1 pay the cost of administering this subsection; and to pay
2 breeders' awards in the amount of 10% of the gross purse to the
3 breeders of Michigan bred horses for each time Michigan bred
4 horses win at a fair or licensed racetrack in this state. The
5 department shall also allot sufficient funds from the revenue
6 received from Arabian horse racing to pay for the collection and
7 laboratory analysis of urine, saliva, blood, and other samples
8 from horses and the taking of blood alcohol tests on jockeys for
9 those races described in this subsection and for the conducting
10 of tests described in section 11(3)(b). Each mare and stallion
11 shall be registered with the director of the department of
12 agriculture.

13 (7) ~~(9) Three tenths~~ A SUM EQUAL TO 3/10 of 1% OR LESS of
14 all money wagered on standardbred races shall be placed in a spe-
15 cial fund pursuant to subsections ~~(12) and (13)~~ (10) AND (11),
16 100% of which shall be used to provide purses for races to be
17 conducted exclusively for 2- and 3-year-old Michigan sired stan-
18 dardbred horses at licensed harness racetracks in this state. As
19 used in this section, "Michigan sired standardbred horses" means
20 a horse conceived after January 1, 1992 and sired by a stallion
21 registered with the Michigan department of agriculture that was
22 leased or owned by a resident or residents of this state and
23 which did not serve a mare at a location outside of this state
24 from February 1 through July 31 of the calendar year in which the
25 conception occurred. Transportation of semen from a standardbred
26 stallion registered with the Michigan department of agriculture
27 to a location outside the state of Michigan shall not create

1 eligibility for Michigan tax supported races, and shall not
 2 affect the eligibility of Michigan conceived foals for the purses
 3 provided for by this section. A foal conceived outside the state
 4 of Michigan by means of semen from a standardbred stallion regis-
 5 tered with the Michigan department of agriculture is not eligible
 6 for Michigan tax-supported races.

7 (8) ~~-(10) Three tenths~~ A SUM EQUAL TO 3/10 of 1% OR LESS of
 8 all money wagered on thoroughbred races shall be placed in a spe-
 9 cial fund pursuant to subsections ~~-(12) and (13)~~ (10) AND (11),
 10 100% of which shall be used to provide purses for races to be
 11 conducted exclusively for 2- and 3-year-old Michigan sired thor-
 12 oughbred horses at licensed thoroughbred racetracks in this
 13 state. As used in this section, "Michigan sired thoroughbred
 14 horses" means a horse sired by a registered stallion that was
 15 leased or owned exclusively by a resident or residents of this
 16 state and which did not serve a mare at a location outside of
 17 this state during the calendar year in which the service
 18 occurred.

19 (9) ~~-(11)~~ A sum equal to 2% or less, but not more than
 20 \$2,500,000.00, of the principal amount of bonds issued for a sta-
 21 dium, and appurtenant parking, and other facilities by an author-
 22 ity organized pursuant to state law before December 1, 1971, from
 23 the revenue received from thoroughbred and harness racing, shall
 24 be returned to a county in which or adjoining which a licensed
 25 racetrack is located or to a city in that county, if that county
 26 or city has obligated itself to pay more than 1/2 of the annual
 27 rental for a stadium, appurtenant parking, and other facilities

1 for the conduct of sporting events, exhibitions, and other
 2 general recreational purposes. The sum returned shall only be
 3 used by that county or city, along with other available funds to
 4 the extent necessary, only to pay the annual rental to the
 5 authority organized pursuant to state law which acquired the sta-
 6 dium and facilities and leased the stadium and facilities to that
 7 county or city. A sum returned pursuant to this subsection shall
 8 not be specifically pledged for the payment of the rental or for
 9 the payment of bonds issued in anticipation of the rental.
 10 Pari-mutuel wagering shall not be conducted in the stadium,
 11 appurtenant parking area, or other facilities.

12 (10) ~~-(+2)-~~ The director of the department of agriculture
 13 shall promulgate rules pursuant to THE ADMINISTRATIVE PROCEDURES
 14 ACT OF 1969, Act No. 306 of the Public Acts of 1969, ~~as~~
 15 ~~amended,~~ being sections 24.201 to 24.328 of the Michigan
 16 Compiled Laws, to implement this section. The rules promulgated
 17 under this subsection shall do all of the following:

18 (a) Prescribe the conditions under which the revenue
 19 described in subsections (2) to ~~-(+)+-~~ (9) shall be disbursed.

20 (b) Establish conditions and penalties regarding the pro-
 21 grams described in subsections (4) to ~~-(+)+-~~ (9).

22 (c) Develop and maintain informational programs related to
 23 this section.

24 (11) ~~-(+3)-~~ Funds under the control of the department of
 25 agriculture in this section shall be disbursed under the rules
 26 promulgated pursuant to subsection ~~-(+2)-~~ (10). All funds under
 27 the control of the department of agriculture approved for purse

1 supplements and breeders' awards shall be paid by the state
2 treasurer not later than 30 days from the date of the race.

3 (12) ~~-(14)-~~ The department shall report to the legislature
4 by March 30, 1990 on the effect on the horse racing industry of
5 the practice of restricting premiums, purses, breeders' awards or
6 other payments to Michigan sired horses, including an analysis of
7 which sectors of the horse racing industry benefit from the pay-
8 ments and which are placed at a disadvantage. The report shall
9 recommend extensions or elimination of such payments and regula-
10 tory restrictions.

11 Sec. 15. (1) Each licensed racetrack located in a city area
12 AS DEFINED IN SECTION 8(5) shall pay \$1,000.00 annually, and any
13 other licensed racetrack shall pay \$200.00 annually.

14 (2) Each holder of a race meeting license shall pay ~~a tax~~
15 ~~in accordance with the following schedule and in a manner and~~
16 ~~time as the racing commissioner requires: (a) Each holder of a~~
17 ~~race meeting license shall pay to the state treasurer, DIRECTLY~~
18 ~~TO THE CITY OR TOWNSHIP IN WHICH THE LICENSED RACE MEETING IS~~
19 ~~LOCATED A FEE from the holder's commission ~~4 1/2%~~ OF 0.5% of~~
20 ~~all money wagered on LIVE pari-mutuel HORSE RACES AS PAYMENT FOR~~
21 ~~SERVICES PROVIDED PURSUANT TO SECTION 14 OF THIS ACT. ~~wagering,~~~~
22 ~~plus 1/2 the breaks, except that each holder of a race meeting~~
23 ~~license in a county having a population of less than 300,000~~
24 ~~shall pay to the state treasurer, from the holder's commission,~~
25 ~~3 1/2% of all money wagered on pari-mutuel wagering, plus 1/2 the~~
26 ~~breaks. The reduction in a licensee's payment from 6% to 4 1/2%~~
27 ~~effected by this 1986 amendatory act is intended to allow~~

~~1 generally for the improvement of the pari mutuel racing industry
2 in this state and to encourage capital improvements at racetracks
3 in this state. Not later than 4 years after the effective date
4 of this 1986 amendatory act, the racing commissioner shall report
5 to the chairpersons of the senate and house committees responsi-
6 ble for legislation concerning horse racing as to the effect on
7 the horse racing industry of the reduction from 6% to 4 1/2%.~~

~~8 (b) Each holder of a license for thoroughbred, harness,
9 quarter horse, Appaloosa, or Arabian horse racing shall pay to
10 the state treasurer from the commission of the holder on special
11 sweepstakes pari mutuel pool wagering as defined in section
12 12(6), 6% of the daily amount wagered on the special sweepstakes
13 pari mutuel pool plus 1/2 the breaks.~~

14 Section 2. Section 15 of Act No. 327 of the Public Acts of
15 1980, as amended by this amendatory act, being section 431.75 of
16 the Michigan Compiled Laws, shall take effect January 1, 1996.