

HOUSE BILL No. 5078

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November 2, 1999, Introduced by Reps. Caul and Stamas and referred to the Committee on Agriculture and Resource Management.

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995,"

by amending sections 10, 12, 16, 20, 30, and 31 (MCL 431.310, 431.312, 431.316, 431.320, 431.330, and 431.331), section 10 as amended by 1998 PA 408 and section 20 as amended by 1997 PA 73.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 10. (1) A person desiring to conduct a thoroughbred,
 standardbred, quarter horse, Appaloosa, AMERICAN PAINT HORSE, or
 Arabian race meeting, or a combination of these race meetings,
 with pari-mutuel wagering on the results of live and simulcast
 horse races pursuant to this act shall apply each year to the
 racing commissioner for a race meeting license in the manner and
 form required by the racing commissioner. The application shall
 be filed with the racing commissioner before September 1 of the
 preceding year except that applications for 1999 racing dates may

1 be filed at any time. The application, after being filed, shall 2 be made available for public inspection during regular business 3 hours. The application shall be in writing and shall give the 4 name and address of the applicant, and, if the applicant is a 5 corporation or partnership, shall state the place of the 6 applicant's incorporation or partnership and the names and 7 addresses of all corporate directors, officers, shareholders, and 8 partners. The application shall also do all of the following:

9 (a) Specify the licensed racetrack at which the proposed10 race meeting will be held.

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

15 (c) Specify the horse breed for which the applicant desires 16 to conduct live racing at the proposed race meeting, and the days 17 on which the applicant proposes to conduct live horse racing at 18 the race meeting.

19 (d) Specify the time period during which the applicant
20 requests to be licensed during the calendar year immediately fol21 lowing the date of application.

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

(i) Are persons of good character, honesty, and integrity.
 (ii) Possess sufficient financial resources and business
 ability and experience to conduct the proposed race meeting.

4 (*iii*) Do not pose a threat to the public interest of the
5 state or to the security and integrity of horse racing or
6 pari-mutuel wagering on the results of horse races in the state.

7 (f) Provide any other information required by the rules8 promulgated under this act or by the racing commissioner.

9 (2) Upon the filing of the application for a race meeting 10 license, the racing commissioner shall conduct an investigation 11 of the applicant and the application to determine whether the 12 applicant, application, and proposed race meeting comply with the 13 licensing requirements under this act and the rules promulgated 14 under this act. Unless a different agreement is reached by all 15 the race meeting licensees in a city area, a race meeting 16 licensee shall not conduct a live thoroughbred horse race after 17 6:45 p.m. on any day except Sunday. Unless a different agreement 18 is reached by all the race meeting licensees in a city area, a 19 race meeting licensee shall not conduct a live standardbred horse 20 race before 6:45 p.m. on any day except Sunday. Notwithstanding 21 the 6:45 p.m. time restrictions, the commissioner, upon request 22 by a race meeting licensee, may grant to the race meeting 23 licensee a race meeting license authorizing any of the 24 following:

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

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to conduct live horse racing at the same time the licensee
 proposes to conduct the requested live horse racing programs.

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

6 (c) The licensee to conduct live horse racing programs after
7 6:45 p.m., if the licensee is not in a city area and is 75 miles
8 or more from the nearest race meeting licensee authorized to con9 duct live horse racing.

Sec. 12. (1) Each applicant for a thoroughbred, quarter horse, Appaloosa, AMERICAN PAINT HORSE, or Arabian license in a county located outside of a city area shall apply to conduct at least 45 days of live thoroughbred, quarter horse, Appaloosa, AMERICAN PAINT HORSE, or Arabian horse racing during its race meeting. Except during the opening and closing week of a race meeting, the applicant shall apply to conduct live racing at least 3 days per week, including Saturdays and Sundays, with not less than 9 live horse races programmed, and shall conduct live racing programs on such days allocated by the racing commissioner.

(2) Each applicant for a thoroughbred, quarter horse,
Appaloosa, AMERICAN PAINT HORSE, or Arabian race meeting license
in a city area shall apply to conduct at least 160 days of live
thoroughbred, quarter horse, Appaloosa, AMERICAN PAINT HORSE, or
Arabian horse racing during its proposed race meeting. Except
during the opening and closing week of a race meeting, the
applicant shall apply to conduct live racing at least 5 days per

week, including Saturdays and Sundays, with not less than 9 live
 horse races programmed, and shall conduct live racing programs on
 such days allocated by the racing commissioner.

4 (3) Each applicant for a standardbred race meeting license
5 in a county having a population of less than 250,000 and that is
6 not part of a city area shall apply to conduct at least 75 days
7 of live standardbred harness horse racing during its proposed
8 race meeting. Except during the opening and closing week of a
9 race meeting, the applicant shall apply to conduct live horse
10 racing at least 4 days per week, including Saturdays, with not
11 less than 9 live horse races programmed, and shall conduct live
12 racing programs on such days awarded.

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

(5) Each applicant for a standardbred race meeting license
in a city area shall apply to conduct during its race meeting no
less than the following number of live racing days:

(a) The race meeting applicant with the highest pari-mutuel
handle in the previous calendar year shall apply for no less than
140 days of live racing and the applicant shall apply to conduct

live racing at least 5 days per week, including Saturdays, with
 not less than 9 live horse races programmed and shall conduct
 live racing programs on the days awarded.

4 (b) All other applicants shall apply for not less than an
5 aggregate total of at least 120 days of live racing and the
6 applicants shall apply to conduct live racing at least 5 days per
7 week, including Saturdays, with not less than 9 live horse races
8 programmed and shall conduct live racing programs on the days
9 awarded.

10 (6) If a race meeting licensee is unable to program and con-11 duct 9 live horse races on any racing date that the commissioner 12 allocates to the licensee because there are less than 5 entries 13 in any race, the licensee shall not conduct any simulcasting on 14 that day without the written consent of the certified horsemen's 15 organization with which it has a contract.

16 (7) If a race meeting licensee is unable to conduct racing 17 on any live racing dates allocated to the licensee by the racing 18 commissioner or less than 9 live horse races on any allocated 19 live racing dates because of a labor dispute, fire, adverse 20 weather conditions, or other causes beyond the race meeting 21 licensee's control, then the race meeting licensee is considered 22 to have conducted those races or race days for purposes of this 23 act and is not precluded from conducting any simulcasts because 24 of the licensee's inability to conduct those live races or race 25 dates.

26 (8) Intertrack simulcast races that a race meeting licensee27 contracts to receive from other racetracks that are canceled for

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any of the reasons described in subsection (7) shall be
 considered to be offered to the public for purposes of this act.

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(9) If an entire race meeting or the balance of a race meeting and racing dates allocated to a licensee cannot be raced due to an act of God or significant physical damage to the licensed racetrack at which the race meeting was licensed to be conducted caused by fire or some other catastrophe, the racing commissioner may transfer those dates to another race meeting licensee upon application of the substitute licensee if the substitute licensee satisfies the requirements for licensure under this act and demonstrates that it has or will have a legal or contractual right to the use of a different licensed racetrack facility on the racing dates in question, and all race meeting licensees that will be conducting live racing on such dates within 50 miles of the substitute racetrack consent to the transfer.

Sec. 16. (1) Each person participating in or having to do
with pari-mutuel horse racing or pari-mutuel wagering on the
results of horse races at a licensed race meeting, including, but
not limited to, all racing officials, veterinarians, pari-mutuel
clerks or tellers, totalisator company employees, security
guards, timers, horse owners, jockeys, drivers, apprentices,
exercise riders, authorized agents, trainers, grooms, valets,
owners of stables operating under an assumed name, jockey agents,
pony riders, hot walkers, blacksmiths, starting gate employees,
owners and operators of off-track training centers, farms or stables where racehorses are kept, and vendors operating within the

1 farm, or stable where racehorses are kept may be licensed by the 2 racing commissioner pursuant to rules promulgated by the racing 3 commissioner under this act. The racing commissioner shall not 4 issue an occupational license to a person who, within the 6 years 5 immediately preceding the date of the person's application for 6 the occupational license, was convicted of a felony involving 7 theft, dishonesty, misrepresentation, fraud, corruption, drug 8 possession, delivery, or use, or other criminal misconduct that 9 is related to the person's ability and likelihood to perform the 10 functions and duties of the racing related occupation for which 11 the person seeks to be licensed and participate in pari-mutuel 12 horse racing in that licensed occupation in a fair, honest, open, 13 and lawful manner. The racing commissioner shall not issue a 14 pari-mutuel occupational license to a person who, within 2 years 15 immediately preceding the date of the person's application for 16 the occupational license, was convicted of a misdemeanor involv-**17** ing theft, dishonesty, misrepresentation, fraud, corruption, drug 18 possession, delivery, or use, or other criminal misconduct that 19 is related to the person's ability and likelihood to perform the 20 functions and duties of the racing related occupation for which 21 the person seeks to be licensed and participate in pari-mutuel 22 horse racing in that licensed occupation in a fair, honest, open, 23 and lawful manner.

(2) A veterinarian is not required to be licensed under this
act to provide necessary and appropriate emergency veterinary
care or treatment to any horse that is intended to be entered, is
entered, or participates in a race with wagering by pari-mutuel

1 methods or a nonbetting race or workout conducted at a licensed 2 race meeting in this state. For purposes of this section, 3 "emergency veterinary care or treatment" means care or treatment 4 necessary and appropriate to save the life of a horse or prevent 5 permanent physical injury or damage to a horse in a situation 6 requiring immediate veterinary action. Only veterinarians 7 licensed under this act may provide nonemergency veterinary care 8 or treatment to a horse in this state that is intended to be 9 entered, is entered, or participates in races IF THAT HORSE WILL 10 PARTICIPATE IN A RACE at licensed race meetings in this state 11 WITHIN 48 HOURS OF RECEIVING THE CARE OR TREATMENT. Only persons 12 licensed under this act or otherwise authorized by the racing 13 commissioner may enter the restricted grounds of a licensed race 14 meeting where horses are kept that are eligible to race at the 15 race meeting. For the purposes of this section and sections 30 16 and 31, a horse that is intended to be entered is a horse that 17 has its name put into the draw for a specific race, and a horse 18 that is entered in a race is a horse that has been drawn into a 19 specific race.

20 (3) As conditions precedent to being issued and holding a
21 valid pari-mutuel occupational license, a license applicant shall
22 disclose, in writing, any ownership interest that the applicant
23 has in a racehorse in addition to other information the racing
24 commissioner considers necessary and proper, including finger25 prints of occupational license applicants and proof of compliance
26 with the worker's disability compensation act of 1969, Act
27 No. 317 of the Public Acts of 1969, being sections 418.101 to

1 418.941 of the Michigan Compiled Laws 1969 PA 317, MCL 418.101 2 TO 418.941, except that proof of compliance requirement does not 3 apply to horse owners and trainers not covered under section 115 4 of Act No. 317 of the Public Acts of 1969, being section 418.115 5 of the Michigan Compiled Laws THE WORKER'S DISABILITY COMPENSA-6 TION ACT OF 1969, 1969 PA 317, MCL 418.115.

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

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

(b) If the applicant is applying for a racing official,
(b) If the applicant is applying for a racing official,
if jockey, driver, trainer, or groom license, or for any other
license for an occupation that involves contact with or access to
it the racehorses or the barn areas or stables where racehorses are
kept, then the applicant shall agree as a condition of licensure
to submit for the duration of the license period to a breathalyzer test, urine test, or other noninvasive fluid test to detect
the presence of alcohol or a controlled substance as defined in
section 7104 of the public health code, <u>Act No. 368 of the</u>
Public Acts of 1978, being section 333.7104 of the Michigan
Compiled Laws- 1978 PA 368, MCL 333.7104, if directed to do so by
the racing commissioner or his or her representative. If the

1 than .05% of alcohol in his or her blood, or has present in his 2 or her body a controlled substance, the person shall not be per-3 mitted to continue in his or her duties or participate in horse 4 racing until he or she can produce, at his or her own expense, a 5 negative test result. The licensee may be penalized by the 6 racing commissioner for his or her positive test results, which 7 may include any disciplinary action authorized by this act or 8 rules promulgated under this act. This subsection does not apply 9 to a controlled substance obtained directly from, or pursuant to 10 a valid prescription from, a licensed health care provider, 11 except that the racing commissioner may consider the person's **12** medical need for prescribed controlled substances in determining 13 the person's fitness to be licensed to participate in pari-mutuel 14 horse racing. The racing commissioner shall suspend for not less 15 than 1 year the license of a person who for the third time in a 16 period of not more than 6 consecutive years is relieved of his or 17 her duties for the reasons prescribed in this subsection.

(5) A person who is issued a pari-mutuel occupational license as a trainer is responsible for and absolute insurer of the condition, fitness, eligibility, and qualification of the horses entered to race for the person by whom the trainer is employed, except as prescribed by the rules promulgated by the racing commissioner under this act. This subsection shall not be construed or interpreted to determine civil tort liability of any racehorse owner or trainer but shall be for purposes of enforcement of this act only. A trainer shall not start a horse that has in its body a drug or foreign substance unless permitted

1 pursuant to section 30 and the rules promulgated under that 2 section. A trainer is strictly liable and subject to disci-3 plinary action if a horse under the trainer's actual or apparent 4 care and control as trainer has a drug or foreign substance in 5 its body -, in violation of section 30 and the rules promulgated 6 under that section.

(6) Upon the filing of a written complaint, under oath, in 7 8 the office of the racing commissioner, or upon the written motion 9 of the racing commissioner regarding the actions or omissions of 10 a person issued a pari-mutuel occupational license, the racing 11 commissioner may summarily suspend the occupational license of 12 the person for a period of not more than 90 days pending a hear-13 ing and final determination by the racing commissioner regarding 14 the acts or omissions complained of in the written complaint or 15 motion, if the commissioner determines from the complaint or 16 motion that the public health, safety, or welfare requires emer-17 gency action. The racing commissioner shall schedule the com-18 plaint or motion to be heard within 14 business days after the 19 occupational license is summarily suspended and notify the holder **20** of the occupational license of the date, time, and place of the 21 hearing not less than 5 days before the date of the hearing. The 22 hearing shall be conducted in accordance with the contested case 23 provisions of the administrative procedures act of 1969, Act 24 No. 306 of the Public Acts of 1969, being sections 24.201 to **25** 24.328 of the Michigan Compiled Laws 1969 PA 306, MCL 24.201 TO **26** 24.328. The action of the racing commissioner in revoking or **27** suspending a pari-mutuel occupational license may be appealed to

1 the circuit court pursuant to Act No. 306 of the Public Acts of 2 1969 THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 3 24.201 TO 24.328. If the racing commissioner's order is predi-4 cated upon a series of acts, the review by the circuit court may 5 be in the county in which any of the alleged acts or failures to 6 act took place.

7 (7) A decision by the racing commissioner or his or her dep8 uties or appointed state stewards of racing to deny an applica9 tion for an occupational license may be appealed to the circuit
10 court and reviewed pursuant to section 631 of the revised judica11 ture act of 1961, Act No. 236 of the Public Acts of 1961, being
12 section 600.631 of the Michigan Compiled Laws 1961 PA 236, MCL
13 600.631. A suspension or revocation of an occupational license
14 may be appealed and reviewed pursuant to the administrative pro15 cedures act of 1969, Act No. 306 of the Public Acts of 1969,
16 being sections 24.201 to 24.328 of the Michigan Compiled Laws
17 1969 PA 306, MCL 24.201 TO 24.328.

18 (8) Each pari-mutuel occupational licensee shall pay a
19 license fee of not less than \$10.00 or more than \$100.00 as
20 determined by the racing commissioner.

Sec. 20. (1) It is the policy of this state to encourage the breeding of horses of all breeds in this state and the ownership of such horses by residents of this state to provide for sufficient numbers of high quality race horses of all breeds to participate in licensed race meetings in this state; to promote the positive growth and development of high quality horse racing and other equine competitions in this state as a beneficial

1 business and entertainment activity for residents of this state; 2 and to establish and preserve the substantial agricultural and 3 commercial benefits of the horse racing and breeding industry to 4 the state of Michigan. It is the intent and purpose of the leg-5 islature to further this policy by the provisions of the THIS 6 act and annual appropriations to administer this act and ade-7 quately fund the agriculture and equine industry programs estab-8 lished by this section.

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

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

18 (4) Money shall not be expended from the Michigan agricul-19 ture equine industry development fund except as appropriated by 20 the legislature. Money appropriated by the legislature for the 21 Michigan agriculture equine industry development fund shall be 22 expended by the director of the department of agriculture with 23 the advice and assistance of the racing commissioner to provide 24 funding for agriculture and equine industry development programs 25 as provided in subsections (5) to -(11)- (12).

26 (5) The following amounts shall be paid to standardbred and27 fair programs:

(a) A sum not to exceed 75% of the purses for standardbred
 harness horse races offered by fairs and races at licensed
 pari-mutuel racetracks. Purse supplements for overnight races at
 fairs paid pursuant to this subsection may not exceed the lowest
 purse offered for overnight races of the same breed at any
 licensed race meeting in this state during the previous year.

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

12 (c) A sum to be allotted for paying special purses at fairs 13 on 2-year-old and 3-year-old standardbred harness horses con-14 ceived after January 1, 1992, and sired by a standardbred stal-15 lion registered with the Michigan department of agriculture that 16 was leased or owned by a resident or residents of this state and 17 - which - THAT did not serve a mare at a location outside of this 18 state from February 1 through July 31 of the calendar year in 19 which the conception occurred. Transportation of semen from a 20 standardbred stallion registered with the Michigan department of **21** agriculture to a location outside the state of Michigan does not 22 create eligibility for Michigan tax supported races, and does not 23 affect the eligibility of Michigan conceived foals for the purses 24 provided for by this section. A foal conceived outside the state 25 of Michigan by means of semen from a standardbred stallion regis-**26** tered with the Michigan department of agriculture is not eligible 27 for Michigan tax-supported races.

1 (d) A sum to pay not more than 75% of an eligible cash 2 premium paid by a fair or exposition. The commission of agricul-3 ture shall promulgate rules establishing which premiums are eli-4 gible for payment and a dollar limit for all eligible payments. 5 (e) A sum to pay breeders' awards in an amount not to exceed 6 10% of the gross purse to breeders of Michigan bred standardbred 7 harness horses for each time the horse wins a race at a licensed 8 race meeting or fair in this state. As used in this subdivision, 9 "Michigan bred standardbred harness horse" means a horse from a 10 mare owned by a resident or residents of this state at the time 11 of conception, that was conceived after January 1, 1992, and 12 sired by a standardbred stallion registered with the Michigan 13 department of agriculture that was leased or owned by a resident 14 or residents of this state and that did not serve a mare at a 15 location outside of this state from February 1 through July 31 of 16 the calendar year in which the conception occurred. To be eligi-17 ble, each mare shall be registered with the Michigan department 18 of agriculture. Transportation of semen from a standardbred 19 stallion registered with the Michigan department of agriculture 20 to a location outside the state of Michigan does not create eli-21 gibility for Michigan tax-supported races, and does not affect 22 the eligibility of Michigan conceived foals for the purses pro-23 vided for by this section. A foal conceived outside the state of 24 Michigan by means of semen from a standardbred stallion regis-25 tered with the Michigan department of agriculture is not eligible **26** for Michigan tax-supported races.

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

(g) A sum to be allotted to pay the presiding judges and 4 5 clerks of the course at fairs. Presiding judges and clerks of 6 the course shall be hired by the fair's administrative body with 7 the advice and approval of the racing commissioner. The director 8 of the department of agriculture may allot funds for a photo 9 finish system and a mobile starting gate. The director of the 10 department of agriculture shall allot funds for the conducting of 11 tests, the collection and laboratory analysis of urine, saliva, 12 blood, and other samples from horses, and the taking of blood 13 alcohol tests on drivers, jockeys, and starting gate employees, **14** for those races described in this subdivision. The department 15 may require a driver, jockey, or starting gate employee to submit 16 to a breathalyzer test, urine test, or other -nonevasive-17 NONINVASIVE fluid test to detect the presence of alcohol or a 18 controlled substance as defined in section 7104 of the public 19 health code, 1978 PA 368, MCL 333.7104. If the results of a test 20 show that a person has more than .05% of alcohol in his or her 21 blood, or has present in his or her body a controlled substance, 22 the person shall not be permitted to continue in his or her 23 duties on that race day and until he or she can produce, at his 24 or her own expense, a negative test result.

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

1 (i) A sum not to exceed 0.25% of all money wagered on live 2 and simulcast horse races in Michigan shall be placed in a spe-3 cial standardbred sire stakes fund each year, 100% of which shall 4 be used to provide purses for races run exclusively for 5 2-year-old and 3-year-old Michigan sired standardbred horses at 6 licensed harness race meetings in this state. As used in this 7 subdivision, "Michigan sired standardbred horses" means standard-8 bred horses conceived after January 1, 1992 and sired by a stan-9 dardbred stallion registered with the Michigan department of 10 agriculture that was leased or owned by a resident or residents 11 of this state and which THAT did not serve a mare at a location 12 outside of this state from February 1 through July 31 of the cal-13 endar year in which the conception occurred. Transportation of 14 semen from a standardbred stallion registered with the Michigan 15 department of agriculture to a location outside the state of 16 Michigan does not create eligibility for Michigan tax-supported 17 races, and does not affect the eligibility of Michigan conceived 18 foals for the purses provided for by this section. A foal con-19 ceived outside the state of Michigan by means of semen from a 20 standardbred stallion registered with the Michigan department of 21 agriculture is not eligible for Michigan tax-supported races.

22 (6) The following amounts shall be paid to thoroughbred23 programs:

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

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

4 (c) A sum to pay breeders' awards in an amount not to exceed
5 10% of the gross purse to the breeders of Michigan bred thorough6 bred horses for each time Michigan bred thoroughbred horses win
7 at a licensed race meeting in this state.

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

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

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

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

3 (a) A sum to supplement the purses for races to be conducted4 exclusively for Michigan bred quarter horses.

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

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

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

(e) As used in this subsection, "Michigan bred quarter
horse" means <u>a horse from a mare owned by a resident of this</u>
state at the time of breeding, sired by a registered stallion
owned exclusively by a resident of this state, and which did not
serve a mare at a location outside of this state during the calendar year in which the service occurred THAT TERM AS DEFINED IN
R 285.817.1(J) OF THE MICHIGAN ADMINISTRATIVE CODE. Each mare
and stallion shall be registered with the director of the department of agriculture.

25 (8) The following amounts shall be paid for Appaloosa26 programs:

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

3 (b) A sum to pay not more than 75% of the purses for regis-4 tered Appaloosa horse races offered by fairs.

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

9 (d) The department shall also allot sufficient funds from 10 the revenue received from Appaloosa horse racing to pay for the 11 collection and laboratory analysis of urine, saliva, blood, or 12 other samples from horses and licensed persons and the taking of 13 blood alcohol tests on jockeys for those races described in this 14 subsection and for the conducting of tests described in section 15 $-\frac{16(3)(b)}{16(4)(B)}$.

(e) As used in this subsection, "Michigan bred Appaloosa"
means a horse from a mare owned by a resident of this state at
the time of breeding, sired by a registered stallion owned exclusively by a resident of this state, and which did not serve a
mare at a location outside of this state during the calendar year
in which the service occurred THAT TERM AS DEFINED IN
R 285.817.1(K) OF THE MICHIGAN ADMINISTRATIVE CODE. Each mare
and stallion shall be registered with the director of the department of agriculture.

25 (9) The following amounts shall be paid for Arabian26 programs:

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

3 (b) A sum to pay not more than 75% of the purses for regis-4 tered Arabian horse races offered by fairs.

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

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

(e) As used in this subsection, "Michigan bred Arabian"
means <u>a horse from a mare owned by a resident of this state at</u>
the time of breeding, sired by a registered stallion owned exclusively by a resident of this state, and which did not serve a
mare at a location outside of this state during the calendar year
in which the service occurred THAT TERM AS DEFINED IN
R 285.822.I OF THE MICHIGAN ADMINISTRATIVE CODE. Each mare and
stallion shall be registered with the director of the department
of agriculture.

24 (10) THE FOLLOWING SUMS SHALL BE PAID FOR AMERICAN PAINT25 HORSE PROGRAMS:

26 (A) A SUM TO SUPPLEMENT THE PURPOSES FOR RACES TO BE27 CONDUCTED EXCLUSIVELY FOR MICHIGAN BRED AMERICAN PAINT HORSES.

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(B) A SUM TO PAY NOT MORE THAN 75% OF THE PURSES FOR
 REGISTERED AMERICAN PAINT HORSE RACES OFFERED BY FAIRS.

3 (C) A SUM TO PAY BREEDERS' AWARDS IN AN AMOUNT NOT TO EXCEED
4 10% OF THE GROSS PURPOSE TO THE BREEDERS OF MICHIGAN BRED
5 AMERICAN PAINT HORSES FOR EACH TIME A MICHIGAN BRED AMERICAN
6 PAINT HORSE WINS AT A COUNTY FAIR OR LICENSED RACE MEETING IN
7 THIS STATE.

8 (D) A SUM TO PAY FOR THE COLLECTION AND LABORATORY ANALYSIS
9 OF URINE, SALIVA, BLOOD, AND OTHER SAMPLES FROM HORSES AND
10 LICENSED PERSONS AND THE TAKING OF BLOOD ALCOHOL TESTS ON JOCKEYS
11 FOR THOSE RACES DESCRIBED IN THIS SUBSECTION AND FOR THE CONDUCT12 ING OF TESTS DESCRIBED IN SECTION 16(4)(B).

13 (E) AS USED IN THIS SUBSECTION, "MICHIGAN BRED AMERICAN
14 PAINT HORSE" MEANS THAT TERM AS DEFINED BY THE DEPARTMENT OF
15 AGRICULTURE BY RULES PROMULGATED UNDER THIS SECTION.

16 (11) (10) The following amounts shall be paid for the 17 equine industry research, planning, and development grant fund 18 program:

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

(b) Money appropriated and allotted to this fund shall not
revert to the general fund and shall be carried forward from year
to year until disbursed to fund grants for research projects
beneficial to the industry.

1 (c) As used in this subsection, "equine research" means the 2 study, discovery and generation of accurate and reliable informa-3 tion, findings, conclusions, and recommendations that are useful 4 or beneficial to the horse racing and breeding industry in this 5 state through improvement of the health of horses; prevention of 6 equine illness and disease, and performance-related accidents and 7 injuries; improvement of breeding technique and racing per-8 formance; and compilation and study of valuable and reliable sta-9 tistical data regarding the size, organization, and economics of 10 the industry in this state; and strategic planning for the effec-11 tive promotion, growth, and development of the industry in this 12 state.

13 (12) (11) A sum to fund the development, implementation, 14 and administration of new programs that promote the proper growth 15 and development of the horse racing and breeding industry in this 16 state and other valuable equine related commercial and recrea-17 tional activities in this state.

18 (13) (12) A percentage of the Michigan agriculture equine 19 industry development fund that is equal to 1/10 of 1% of the 20 gross wagers made each year in each of the racetracks licensed 21 under this act shall be deposited in the compulsive gaming pre-22 vention fund created in the compulsive gaming prevention act.

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

(a) Prescribe the conditions under which the Michigan
 agriculture equine industry development fund and related programs
 described in subsections (1) to -(11) (12) shall be funded.

4 (b) Establish conditions and penalties regarding the pro5 grams described in subsections (5) to -(11) (12).

6 (c) Develop and maintain informational programs related to7 this section.

8 (15) (14) Funds under the control of the department of
9 agriculture in this section shall be disbursed under the rules
10 promulgated pursuant to subsection (13) (14). All funds under
11 the control of the department of agriculture approved for purse
12 supplements and breeders' awards shall be paid by the state trea13 surer not later than 45 days from the date of the race.

Sec. 30. (1) A drug or painkiller that is a stimulant to a horse or depressant to a horse shall not be administered to a horse or be present in a horse that is intended to be entered, is entered, or participates IF THAT HORSE WILL PARTICIPATE in a race with wagering by pari-mutuel methods or any nonbetting race or workout that is conducted at a licensed race meeting in this or workout that is conducted at a licensed race meeting in this state WITHIN 48 HOURS AFTER THE ADMINISTRATION OF THE DRUG OR PAINKILLER. A DRUG OR PAINKILLER THAT IS A STIMULANT TO A HORSE or A DEPRESSANT TO A HORSE SHALL NOT BE PRESENT IN A HORSE THAT HAS BEEN ENTERED IN A RACE WITH WAGERING BY PARI-MUTUEL METHODS or IN ANY NONBETTING RACE OR WORKOUT THAT IS CONDUCTED AT A LICENSED RACE MEETING IN THIS STATE AT THE TIME THAT THE RACE OR MORKOUT IN WHICH THE HORSE HAS BEEN ENTERED BEGINS. Any drug or foreign substance, other than a stimulant or depressant, may be

1 administered to a horse or present in a horse that - is intended 2 to be entered, is entered, or participates WILL PARTICIPATE in a 3 race with wagering by pari-mutuel methods or any nonbetting race 4 or workout that is conducted at a licensed race meeting in this 5 state WITHIN 48 HOURS AFTER THE DRUG OR FOREIGN SUBSTANCE HAS 6 BEEN ADMINISTERED only if authorized by the racing commissioner 7 by rule or written order for use in the care or treatment of the 8 horse. ANY DRUG OR FOREIGN SUBSTANCE, OTHER THAN A STIMULANT OR 9 DEPRESSANT, MAY BE PRESENT IN A HORSE THAT HAS BEEN ENTERED IN A 10 RACE WITH WAGERING BY PARI-MUTUEL METHODS OR ANY ENTERED NONBET-11 TING RACE OR WORKOUT THAT IS CONDUCTED AT A LICENSED RACE MEETING 12 IN THIS STATE AT THE TIME THAT THE RACE OR WORKOUT IN WHICH THE 13 HORSE HAS BEEN ENTERED BEGINS ONLY IF AUTHORIZED BY THE RACING 14 COMMISSIONER BY RULE OR WRITTEN ORDER FOR USE IN THE CARE OR 15 TREATMENT OF THE HORSE. A veterinarian is not prohibited by this 16 section from administering to a horse any drug or foreign sub-17 stance that is necessary and appropriate for the emergency veter-18 inary care and treatment of the horse under accepted standards of 19 veterinary practice in this state. The treating veterinarian and 20 the horse's trainer shall report immediately to the racing com-21 missioner, the state veterinarian, or the state steward any unau-22 thorized or emergency administration of an unauthorized drug or 23 foreign substance to a horse that is intended to be entered, is 24 entered, or participates WILL PARTICIPATE in a race or workout 25 at a licensed race meeting in this state ----- WITHIN 48 HOURS **26** AFTER THE DRUG OR FOREIGN SUBSTANCE HAS BEEN ADMINISTERED. THE 27 REPORT SHALL BE MADE before the running of the race or workout,

1 in the manner and form prescribed by the racing commissioner and 2 the stewards shall scratch the horse from the race. A veterinar-3 ian who administers — AN AUTHORIZED drug or foreign substance 4 to any horse that — is intended to be entered, is entered, or 5 participates WILL PARTICIPATE in a race or workout that is to be 6 conducted at a licensed race meeting in this state WITHIN 48 7 HOURS AFTER THE AUTHORIZED DRUG OR FOREIGN SUBSTANCE HAS BEEN 8 ADMINISTERED shall keep and maintain a true and complete written 9 record of the veterinarian's examination, examination findings, 10 diagnosis and treatment of the horse, and all drugs or foreign 11 substances administered to the horse by the veterinarian, in the 12 manner and form prescribed by the racing commissioner, and shall 13 provide the record to the commissioner for review upon request.

14 (2) The racing commissioner or his or her designee shall
15 conduct random testing to detect the presence of a drug or for16 eign substance in all winning horses and in any other horse in
17 each pari-mutuel horse race and may conduct individual testing
18 for the presence of a drug or foreign substance in any specific
19 horse within the racetrack.

(3) The racing commissioner shall issue written orders or
promulgate rules pursuant to the administrative procedures act of
1969, Act No. 306 of the Public Acts of 1969, being sections
24.201 to 24.328 of the Michigan Compiled Laws 1969 PA 306, MCL
24.201 TO 24.328, that specify the ALL OF THE FOLLOWING:
(A) THE condition of the horse that must exist in order to
permit authorization of the use and possession of a foreign
substance or a permissible drug for the intended care or

treatment of a horse and that specify the THAT WILL PARTICIPATE
 IN A LICENSED RACE MEETING IN THIS STATE WITHIN 48 HOURS OF
 RECEIVING THE CARE OR TREATMENT.

4 (B) THE CONDITION OF THE HORSE THAT MUST EXIST IN ORDER TO
5 PERMIT THE PRESENCE OF A DRUG OR FOREIGN SUBSTANCE IN A HORSE
6 THAT WILL PARTICIPATE IN A LICENSED RACE MEETING IN THIS STATE AT
7 THE TIME THAT THE RACE IN WHICH THE HORSE WILL PARTICIPATE
8 BEGINS.

9 (C) THE procedures that must be followed in administering10 the authorized drugs.

11 (4) Any written order issued by the racing commissioner pur-12 suant to this section SUBSECTION (3) shall be available for 13 review in the office of racing commissioner at each licensed race 14 meeting in this state.

(5) (4) Except as authorized by the racing commissioner or as provided in this section, a person who administers or conrespondent to administer a drug or foreign substance, that could affect the racing condition or performance of a horse, internalrespondent to a horse that could is intended to be entered, or by any other method, to a horse that is intended to be entered, is entered, or participates WILL PARTICIPATE in a race or workout at a licensed race meeting in this state WITHIN 48 HOURS AFTER THE DRUG OR FOR-EIGN SUBSTANCE HAS BEEN ADMINISTERED, or who knowingly starts a horse in any race or workout at a licensed race meeting in this state knowing that the horse was administered a drug or foreign substance, by any method, after the horse was entered or intended to be entered in WITHIN 48 HOURS BEFORE the race or

1 workout is guilty of a felony punishable by a fine of not more
2 than \$10,000.00 or by imprisonment for not more than 5 years, or
3 both.

4 (6) (5) A postmortem examination shall be performed on
5 every horse that dies at a racetrack. A postmortem examination
6 shall be a complete autopsy unless the racing commissioner on the
7 advice of the veterinarian is satisfied as to the cause of death
8 without the complete autopsy being performed. A complete autopsy
9 shall be ordered and performed if the presence of a drug or for10 eign substance in the horse is suspected.

Sec. 31. (1) Except as provided in <u>subsection</u> SUBSECTIONS (3), (4), AND (5), a person who does any of the following, or who aids or abets another in doing any of the following, is guilty of a misdemeanor punishable by a fine of not more than \$10,000.00 or by imprisonment for not more than 1 year, or both:

(a) Introduces an object or foreign substance into the nostrils or windpipe of a horse, that is entered or intended to be entered in WITHIN 48 HOURS BEFORE a race or workout at a licensed race meeting in this state IN WHICH THE HORSE HAS BEEN ENTERED, for the purpose of affecting the racing condition or performance of the horse in a race or workout, without authorization of the racing commissioner.

(b) Has in his or her possession within the confines of a
racetrack, stable, shed, building, or grounds of a licensed race
meeting, or within the confines of an off-track stable, shed,
building, or grounds where horses are kept which are eligible to
race over the racetrack of the holder of a race meeting license,

1 any drug not authorized by the racing commissioner for use at 2 those locations, or battery or buzzer, electrical or mechanical, 3 or syringe, hypodermic needle, or other appliance device, other 4 than the ordinary whip, which may or can be used for the purpose 5 of affecting a horse's racing condition or performance in a race 6 or workout at a licensed race meeting in this state.

(c) 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 that are eligible to
11 race over the racetrack of the holder of a race meeting license a
12 controlled substance as defined in section 7104 of the public
13 health code, Act No. 368 of the Public Acts of 1978, being sec14 tion 333.7104 of the Michigan Compiled Laws 1978 PA 368, MCL
15 333.7104, or a hypodermic needle or other instrument that can be
16 used to administer a controlled substance, unless the controlled
17 substance was obtained directly from or pursuant to a prescrip18 tion from, a licensed physician, and the person notifies the
19 person possesses the controlled substance or instrument.

(2) In addition to the penalties prescribed in subsection
(2) In addition to the penalties prescribed in subsection
(1), a person who is a licensee under this act and who does any
(2) of the acts described in subsection (1) shall have his or her
(2) license suspended by the racing commission for a period of not
(2) less than 5 years after being convicted.

26 (3) Subsections (1) and (2) do not prohibit the possession27 and use of drugs, foreign substances, controlled substances,

1 hypodermic needles and syringes, nasogastric tubes, endotracheal 2 tubes, endoscopes, or other instruments or equipment by a veteri-3 narian within the confines of a racetrack, stable, shed, build-4 ing, or grounds of a licensed race meeting or within the confines 5 of an off-track stable, shed, building, or grounds where horses 6 are kept that are eligible to race over the racetrack of the 7 holder of a race meeting license, if the drugs and equipment are 8 recognized and accepted in veterinary medicine for use in the 9 care and treatment of horses and are possessed and used by the 10 veterinarian in accordance with accepted standards of veterinary 11 practice in this state and applicable state and federal laws and 12 not in violation of other provisions of this act.

13 (4) EXCEPT AS PROVIDED IN SECTION 30, SUBSECTIONS (1) AND 14 (2) DO NOT PROHIBIT THE POSSESSION AND USE OF DRUGS, FOREIGN SUB-15 STANCES, OR CONTROLLED SUBSTANCES, BY A PERSON FOR ORAL ADMINIS-16 TRATION TO A HORSE WITHIN THE CONFINES OF A RACETRACK, STABLE, 17 SHED, BUILDING, OR GROUNDS OF A LICENSED RACE MEETING, IF THE 18 DRUGS, FOREIGN SUBSTANCES, OR CONTROLLED SUBSTANCES WERE OBTAINED 19 DIRECTLY FROM A VETERINARIAN LICENSED BY THE RACING COMMISSIONER **20** FOR ORAL ADMINISTRATION IN THE VETERINARY TREATMENT OF HORSES, 21 WITHIN ACCEPTED STANDARDS OF VETERINARY PRACTICE IN THIS STATE. 22 A TRUE AND COMPLETE WRITTEN RECORD OF THE VETERINARIAN'S EXAMINA-23 TION, EXAMINATION FINDINGS, DIAGNOSIS AND TREATMENT OF THE HORSE, 24 AND ALL DRUGS OR FOREIGN SUBSTANCES PRESCRIBED FOR THE HORSE BY 25 THE VETERINARIAN, IN THE MANNER AND FORM PRESCRIBED BY THE RACING **26** COMMISSIONER, SHALL BE PROVIDED, UPON REQUEST, TO THE 27 COMMISSIONER FOR REVIEW. THE PRESCRIBED MEDICATIONS SHALL BE

1 LABELED AND STORED IN A MANNER AND FORM PRESCRIBED BY THE RACING 2 COMMISSIONER.

3 (5) EXCEPT AS PROVIDED IN SECTION 30, SUBSECTIONS (1) AND 4 (2) DO NOT PROHIBIT THE POSSESSION AND USE OF DRUGS, FOREIGN SUB-5 STANCES, CONTROLLED SUBSTANCES, OR HYPODERMIC NEEDLES AND 6 SYRINGES BY A PERSON FOR USE ON A HORSE WITHIN THE CONFINES OF AN 7 OFF-TRACK STABLE, SHED, BUILDING, OR GROUNDS WHERE HORSES ARE 8 KEPT THAT ARE ELIGIBLE TO RACE ON THE RACETRACK OF THE HOLDER OF 9 A RACE MEETING LICENSE, IF THE DRUGS, FOREIGN SUBSTANCES, CON-10 TROLLED SUBSTANCES, OR HYPODERMIC NEEDLES AND SYRINGES WERE 11 OBTAINED DIRECTLY FROM A LICENSED VETERINARIAN FOR USE IN THE 12 VETERINARY TREATMENT OF A HORSE WITHIN ACCEPTED STANDARDS OF VET-**13** ERINARY PRACTICE IN THIS STATE. A TRUE AND COMPLETE WRITTEN 14 RECORD OF THE VETERINARIAN'S EXAMINATION, EXAMINATION FINDINGS, 15 DIAGNOSIS AND TREATMENT OF THE HORSE, AND ALL DRUGS OR FOREIGN 16 SUBSTANCES PRESCRIBED FOR THE HORSE BY THE VETERINARIAN, IN THE 17 MANNER AND FORM PRESCRIBED BY THE RACING COMMISSIONER, SHALL BE 18 PROVIDED, UPON REQUEST, TO THE COMMISSIONER FOR REVIEW. THE PRE-19 SCRIBED MEDICATIONS, NEEDLES, AND SYRINGES SHALL BE LABELED AND 20 STORED IN A MANNER AND FORM PRESCRIBED BY THE RACING **21** COMMISSIONER.

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