

HOUSE BILL No. 5288

October 18, 2001, Introduced by Reps. Scranton, Toy, Bisbee, Julian, Pumford, O'Neil, Frank, Bovin, Switalski, Ehardt, Stewart, Kowall, Godchaux, Plakas, Neumann, Schauer, Sheltroun and Anderson 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 2, 3, 6, 7, 17, 20, and 21 (MCL 431.302, 431.303, 431.306, 431.307, 431.317, 431.320, and 431.321), section 7 as amended by 2000 PA 164, section 17 as amended by 1998 PA 408, and section 20 as amended by 2000 PA 471.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 2. As used in this act:
- 2 (a) "Breaks" means the cents over ~~any~~ A multiple of 10
- 3 otherwise payable to a patron on a wager of \$1.00.
- 4 (b) "Certified horsemen's organization" means an organiza-
- 5 tion registered with the office of racing commissioner in a
- 6 manner and form required by the racing commissioner, that can
- 7 demonstrate all of the following:

- 1 (i) The organization's capacity to supply horses.
- 2 (ii) The organization's ability to assist a race meeting
3 licensee in conducting the licensee's racing program.
- 4 (iii) The organization's ability to monitor and improve
5 physical conditions and controls for individuals and horses par-
6 ticipating at licensed race meetings.
- 7 (iv) The organization's ability to protect the financial
8 interests of the individuals participating at licensed race
9 meetings.
- 10 (c) "City area" means a city having a population of 750,000
11 or more, and includes the counties wholly or partly within ~~a~~
12 ~~distance of~~ 30 miles of the city limits of the city.
- 13 (d) "Controlled substance" means that term as defined in
14 section 7104 of the public health code, ~~Act No. 368 of the~~
15 ~~Public Acts of 1978, being section 333.7104 of the Michigan~~
16 ~~Compiled Laws~~ 1978 PA 368, MCL 333.7104.
- 17 (e) "Day of operation" means a period of 24 hours beginning
18 at 12 noon and ending at 11:59 a.m. the following day.
- 19 (f) "Drug" means any of the following:
- 20 (i) A substance intended for use in the diagnosis, cure,
21 mitigation, treatment, or prevention of disease in humans or
22 other animals.
- 23 (ii) A substance, other than food, intended to affect the
24 structure, condition, or ~~any~~ A function of the body of humans
25 or other animals.
- 26 (iii) A substance intended for use as a component of a
27 substance specified in subparagraph (i) or (ii).

1 (g) "Fair" means ~~any~~ A county, district, ~~or~~ community,
2 ~~fair and any~~ OR state fair.

3 (h) "Foreign substance" means a substance, or its metabo-
4 lites, ~~which~~ THAT does not exist naturally in an untreated
5 horse or, if natural to an untreated horse, exists at an unnatu-
6 rally high physiological concentration as a result of having been
7 administered to the horse.

8 (i) "Full card simulcast" means an entire simulcast racing
9 program of 1 or more race meet licensees located in this state,
10 or an entire simulcast racing program of 1 or more races simul-
11 casted from 1 or more racetracks located outside of this state.

12 (J) "OFFICIAL" MEANS A PERSON ENGAGED IN OR ASSOCIATED WITH
13 THE CONDUCTING OF HORSE RACING, SIMULCASTING, OR ACCEPTANCE OF
14 PARI-MUTUEL WAGERS AT A LICENSED RACE MEETING. OFFICIAL
15 INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING:

16 (i) AN ASSISTANT STARTER.

17 (ii) A JOCKEYS' OR DRIVERS' ROOM CUSTODIAN OR OTHER
18 EMPLOYEE.

19 (iii) AN OUTFRIDER.

20 (iv) A PARADE MARSHAL.

21 (v) A PADDOCK EMPLOYEE.

22 (vi) TRACK SECURITY PERSONNEL.

23 (vii) A WORKOUT CLOCKER.

24 (viii) A PARI-MUTUEL TELLER.

25 (ix) THE RACING COMMISSIONER AND HIS OR HER EMPLOYEE.

26 (x) A LAW ENFORCEMENT OFFICER WHILE PERFORMING ASSIGNED
27 DUTIES AT THE RACETRACK.

1 (xi) AN AUDITING FIRM EMPLOYEE PRESENT ON BEHALF OF THE
2 STATE.

3 (xii) A PUBLIC OFFICIAL WHO IS PERFORMING AN OFFICIAL DUTY
4 AT THE RACETRACK, INCLUDING, BUT NOT LIMITED TO, A BUILDING
5 INSPECTOR, FIRE MARSHAL, OR HEALTH INSPECTOR.

6 (xiii) A MUTUEL DEPARTMENT MANAGER OR MUTUEL DEPARTMENT CAL-
7 CULATING ROOM EMPLOYEE.

8 (xiv) A TOTALISATOR COMPUTER PROGRAMMER OR TECHNICIAN.

9 (K) ~~(j)~~ "Person" means an individual, firm, partnership,
10 corporation, association, or other legal entity.

11 (l) ~~(k)~~ "Purse pool" means an amount of money allocated or
12 apportioned to pay prizes for horse races and from which payments
13 may be made to certified horsemen's organizations pursuant to
14 this act.

15 (M) "RESTRICTED AREA" MEANS A PADDOCK, RACETRACK, MUTUEL
16 MANAGEMENT OFFICE, JOCKEY AND DRIVER QUARTERS, MUTUEL TELLER
17 ENCLOSURE, STABLE, BARN, LICENSED TRAINING FACILITY, STEWARD
18 OFFICE, LICENSING OFFICE, AND ANY OTHER DESIGNATED AREA LOCATED
19 ON HORSE RACETRACK GROUNDS LICENSED UNDER THIS ACT.

20 (N) ~~(l)~~ "Veterinarian" means a person licensed to practice
21 veterinary medicine under article 15 of the public health code,
22 ~~Act No. 368 of the Public Acts of 1978, being sections 333.16101~~
23 ~~to 333.18838 of the Michigan Compiled Laws~~ 1978 PA 368,
24 MCL 333.16101 TO 333.18838, or under a state or federal law
25 applicable to that person.

26 Sec. 3. (1) The office of racing commissioner is created
27 within the department of agriculture. The racing commissioner

1 has the powers and duties prescribed in this act and shall
2 administer the provisions of this act relating to licensing,
3 enforcement, and regulation. The racing commissioner also has
4 those additional powers necessary and proper to implement and
5 enforce this act and to regulate and maintain jurisdiction over
6 the conduct of each licensed race meeting within this state where
7 horse races or pari-mutuel wagering on the results of horse races
8 is permitted for a stake, purse, prize, share, or reward.

9 (2) THE POWERS OF THE RACING COMMISSIONER INCLUDE, BUT ARE
10 NOT LIMITED TO, CONTROLLING ACCESS TO ALL HORSE RACETRACK GROUNDS
11 LICENSED UNDER THIS ACT. ACCESS TO A RESTRICTED AREA SHALL BE
12 STRICTLY GUARDED. A PERSON SHALL BE GIVEN ACCESS TO A RESTRICTED
13 AREA ONLY UPON THE APPROVAL AND AUTHORIZATION OF THE RACING
14 COMMISSIONER. IF THE RACING COMMISSIONER DOES NOT APPROVE AND
15 AUTHORIZE A PERSON'S ACCESS TO A RESTRICTED AREA, BOTH OF THE
16 FOLLOWING APPLY:

17 (A) THE DENIAL OF ACCESS IS NOT REQUIRED TO BE IN WRITING.

18 (B) A DENIAL OF ACCESS DOES NOT CONSTITUTE A RULING-OFF,
19 EXCLUSION, EJECTION, OR EXPULSION.

20 Sec. 6. (1) The racing commissioner shall receive an annual
21 salary as appropriated by the legislature. The racing commis-
22 sioner shall appoint 2 deputy commissioners and 3 state stewards
23 of racing as special deputies for each licensed race meeting in
24 the state. For the purpose of carrying out this act, the racing
25 commissioner may delegate the performance of his or her duties to
26 the deputy commissioners or special deputies. A deputy
27 commissioner and state steward shall take the constitutional oath

1 of office and may exercise any power granted by the rules of the
2 racing commissioner promulgated ~~pursuant to~~ UNDER this act. A
3 decision of a deputy commissioner or state steward may be
4 appealed to the racing commissioner pursuant to the contested
5 case provisions of the administrative procedures act of 1969,
6 ~~Act No. 306 of the Public Acts of 1969, being sections 24.201 to~~
7 ~~24.328 of the Michigan Compiled Laws~~ 1969 PA 306, MCL 24.201 TO
8 24.328. The racing commissioner shall employ other personnel as
9 necessary for the administration of this act within the limits of
10 the appropriations made by the legislature and subject to civil
11 service rules. The racing commissioner is entitled to the rea-
12 sonable and necessary expenses incurred in performing his or her
13 duties prescribed in this act.

14 (2) The racing commissioner shall keep a record of all pro-
15 ceedings and preserve all books, maps, documents, and papers
16 belonging to the racing commissioner or entrusted to the care of
17 the office of racing commissioner.

18 (3) The racing commissioner shall make an annual report to
19 the governor before April 15 for the immediately preceding calen-
20 dar year, which report shall include a statement of the racing
21 commissioner's receipts and disbursements and additional informa-
22 tion and recommendations that the racing commissioner considers
23 necessary or the governor requires.

24 (4) THE RACING COMMISSIONER SHALL PROMOTE THE GROWING OF
25 HORSE RACING AND FOR THAT PURPOSE MAY CONDUCT EVENTS AND EXHIBI-
26 TIONS RELATED TO THE HORSE RACING INDUSTRY.

1 Sec. 7. (1) The racing commissioner may promulgate rules
2 pursuant to the administrative procedures act of 1969, 1969
3 PA 306, MCL 24.201 to 24.328, for conducting horse racing,
4 pari-mutuel wagering on horse racing results, and simulcasting.
5 The rules promulgated under this section shall be designed to
6 accomplish all of the following:

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

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

15 (c) The licensing and regulating of each person participat-
16 ing in, or having to do with, pari-mutuel horse racing and wager-
17 ing, and simulcasting at licensed race meetings within this
18 state.

19 (2) Each race meeting licensee shall provide security at all
20 times so as to reasonably ensure the safety of all persons and
21 horses on the grounds, and to protect and preserve the integrity
22 of horse racing, pari-mutuel wagering, and simulcasting at
23 licensed race meetings. If the racing commissioner determines
24 that additional security is necessary to ensure the safety and
25 integrity of racing, the racing commissioner shall provide sup-
26 plemental security at each race meeting in areas where
27 occupational licenses are required for admittance.

1 (3) The racing commissioner may issue sanctions including,
2 but not limited to, revocation or suspension of a license, exclu-
3 sion from racetrack grounds, or a fine of not more than
4 \$25,000.00 for each violation of this act or a rule promulgated
5 under this act committed by a licensee or other person under this
6 act. A sanction issued under this section may be appealed to the
7 racing commissioner. The appeal shall be heard pursuant to the
8 contested case provisions of the administrative procedures act of
9 1969, 1969 PA 306, MCL 24.201 to 24.328.

10 (4) All proposed extensions, additions, modifications, or
11 improvements to the racecourse, roadways, parking lots, build-
12 ings, stables, lighting and electrical service, plumbing, public
13 utilities, drainage, totalisator system and equipment, hardware
14 and software for all approved methods of conducting pari-mutuel
15 wagering, and security on the grounds of a licensed racetrack
16 owned or leased by a person licensed under this act are subject
17 to the approval of the racing commissioner.

18 (5) The racing commissioner may compel the production of
19 books, records, memoranda, electronically retrievable data, or
20 documents that relate to horse racing, simulcasting, and
21 pari-mutuel wagering conducted at a licensed race meeting.

22 (6) The racing commissioner at any time may require for
23 cause the removal of ~~any employee or official involved in or~~
24 ~~having to do with horse racing, simulcasting, or pari-mutuel~~
25 ~~wagering conducted at a licensed race meeting~~ AN OFFICIAL OR ANY
26 OTHER PERSON FROM A RESTRICTED AREA OR FROM THE HORSE RACETRACK
27 GROUNDS IN THEIR ENTIRETY.

1 (7) The racing commissioner may visit, investigate, and
2 place auditors and other persons as the racing commissioner con-
3 siders necessary in the offices, racetracks, or places of busi-
4 ness of a licensee under this act to ensure compliance with this
5 act and the rules promulgated under this act. THE INVESTIGATIVE
6 RECORDS OF THE RACING COMMISSIONER AND HIS OR HER STAFF THAT ARE
7 PREPARED OR COMPILED FOR REGULATORY PURPOSES ARE EXEMPT FROM DIS-
8 CLOSURE UNDER SECTION 13 OF THE FREEDOM OF INFORMATION ACT, 1976
9 PA 442, MCL 15.243.

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

24 (9) AN OFFICIAL SHALL NOT WAGER MONEY OR ANY OTHER THING OF
25 VALUE ON THE OUTCOME OF A LIVE OR SIMULCAST RACE DURING HIS OR
26 HER WORK SHIFT OR WHILE IN THE PERFORMANCE OF HIS OR HER DUTIES.

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

7 (2) A holder of a race meeting license may provide a place
8 in the race meeting grounds or enclosure at which he or she may
9 conduct and supervise the pari-mutuel system of wagering on the
10 results of horse races as permitted by this act. If the
11 pari-mutuel system of wagering is used at a race meeting, a
12 totalisator or other device that is equal in accuracy and clear-
13 ness to a totalisator and approved by the racing commissioner
14 shall be used. The odds display of the totalisator or other
15 device shall be placed in full view of the patrons.

16 (3) Subject to section 18(3), each holder of a race meeting
17 license shall retain as his or her commission on all forms of
18 straight wagering 17% of all money wagered involving straight
19 wagers on the results of live and simulcast horse races conducted
20 at the licensee's race meetings. Subject to section 18(3), each
21 holder of a race meeting license shall retain as his or her com-
22 mission on all forms of multiple wagering, without the written
23 permission of the racing commissioner not more than 28% and with
24 the written permission of the racing commissioner not more than
25 35% of all money wagered involving any form of multiple wager on
26 the results of live and simulcast horse races conducted at the
27 licensee's race meeting. Except as otherwise provided by

1 contract, 50% of all commissions from wagering on the results of
2 live racing at the racetrack where the live racing was conducted
3 shall be paid to the horsemen's purse pool at the racetrack where
4 the live racing was conducted. As used in this subsection:

5 (a) "Straight wagering" means a wager made on the finishing
6 position of a single specified horse in a single specified race.

7 (b) "Multiple wagering" means a wager made on the finishing
8 positions of more than 1 horse in a specified race or the finish-
9 ing positions of 1 or more horses in more than 1 specified race.

10 (4) All breaks shall be retained by the race meeting
11 licensee and paid directly to the ~~city or township in which the~~
12 ~~racetrack is located as a fee for services provided pursuant to~~
13 OFFICE OF THE RACING COMMISSIONER FOR USE AS PROVIDED UNDER sec-
14 tion 21.

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

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

1 (7) Any act or transaction relative to pari-mutuel wagering
2 on the results of live or simulcast horse races shall only occur
3 or be permitted to occur within the enclosure of a licensed race
4 meeting. A person shall not participate or be a party to any act
5 or transaction relative to placing a wager or carrying a wager
6 for placement outside of a race meeting ground. A person shall
7 not provide messenger service for the placing of a bet for
8 another person who is not a patron. However, this subsection
9 does not prevent simulcasting or intertrack or interstate common
10 pool wagering inside or outside this state as permitted by this
11 act or the rules promulgated under this act.

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

1 (2) ~~Money~~ EXCEPT AS PROVIDED IN SECTION 21, MONEY received
2 by the racing commissioner and the state treasurer under this act
3 shall be paid promptly into the state treasury and placed in the
4 Michigan agriculture equine industry development fund created in
5 subsection (3).

6 (3) The Michigan agriculture equine industry development
7 fund is created in the department of treasury. The Michigan
8 agriculture equine industry development fund shall be adminis-
9 tered by the director of the department of agriculture with the
10 assistance and advice of the racing commissioner.

11 (4) Money shall not be expended from the Michigan agricul-
12 ture equine industry development fund except as appropriated by
13 the legislature. Money appropriated by the legislature for the
14 Michigan agriculture equine industry development fund shall be
15 expended by the director of the department of agriculture with
16 the advice and assistance of the racing commissioner to provide
17 funding for agriculture and equine industry development programs
18 as provided in subsections (5) to (12).

19 (5) The following amounts shall be paid to standardbred and
20 fair programs:

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

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

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

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

1 (e) A sum to pay breeders' awards in an amount not to exceed
2 10% of the gross purse to breeders of Michigan bred standardbred
3 harness horses for each time the horse wins a race at a licensed
4 race meeting or fair in this state. As used in this subdivision,
5 "Michigan bred standardbred harness horse" means a horse from a
6 mare owned by a resident or residents of this state at the time
7 of conception, that was conceived after January 1, 1992, and
8 sired by a standardbred stallion registered with the Michigan
9 department of agriculture that was leased or owned by a resident
10 or residents of this state and that did not serve a mare at a
11 location outside of this state from February 1 through July 31 of
12 the calendar year in which the conception occurred. To be eligi-
13 ble, each mare shall be registered with the Michigan department
14 of agriculture. A foal that is born on or after January 1, 2002
15 of a mare owned by a nonresident of this state and that is con-
16 ceived outside of this state from transported semen of a stallion
17 registered with the Michigan department of agriculture is eligi-
18 ble for Michigan tax-supported races only if, in the year that
19 the foal is conceived, the Michigan department of agriculture's
20 agent for receiving funds as the holding agent for stakes and
21 futurities is paid a transport fee as determined by the Michigan
22 department of agriculture and administered by the Michigan har-
23 ness horsemen's association.

24 (f) A sum not to exceed \$4,000.00 each year to be allotted
25 to fairs to provide training and stabling facilities for stan-
26 dardbred harness horses.

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

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

25 (i) A sum not to exceed 0.25% of all money wagered on live
26 and simulcast horse races in Michigan shall be placed in a
27 special standardbred sire stakes fund each year, 100% of which

1 shall be used to provide purses for races run exclusively for
2 2-year-old and 3-year-old Michigan sired standardbred horses at
3 licensed harness race meetings in this state. As used in this
4 subdivision, "Michigan sired standardbred horses" means standard-
5 bred horses conceived after January 1, 1992 and sired by a stan-
6 dardbred stallion registered with the Michigan department of
7 agriculture that was leased or owned by a resident or residents
8 of this state and that did not serve a mare at a location outside
9 of this state from February 1 through July 31 of the calendar
10 year in which the conception occurred. A foal that is born on or
11 after January 1, 2002 of a mare owned by a nonresident of this
12 state and that is conceived outside of this state from trans-
13 ported semen of a stallion registered with the Michigan depart-
14 ment of agriculture is eligible for Michigan tax-supported races
15 only if, in the year that the foal is conceived, the Michigan
16 department of agriculture's agent for receiving funds as the
17 holding agent for stakes and futurities is paid a transport fee
18 as determined by the Michigan department of agriculture and
19 administered by the Michigan harness horsemen's association.

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

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

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

1 (c) A sum to pay breeders' awards in an amount not to exceed
2 10% of the gross purse to the breeders of Michigan bred thorough-
3 bred horses for each time Michigan bred thoroughbred horses win
4 at a licensed race meeting in this state.

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

8 (e) A sum not to exceed 0.25% of all money wagered on live
9 and simulcast horse races in Michigan shall be placed in a spe-
10 cial thoroughbred sire stakes fund each year, 100% of which shall
11 be used to provide purses for races run exclusively for
12 2-year-old and 3-year-old and older Michigan sired thoroughbred
13 horses at licensed thoroughbred race meetings in this state and
14 awards for owners of Michigan sired horses or stallions. As used
15 in this subdivision, "Michigan sired thoroughbred horses" means
16 thoroughbred horses sired by a stallion registered with the
17 department of agriculture that was leased or owned exclusively by
18 a resident or residents of this state and that did not serve a
19 mare at a location outside of this state during the calendar year
20 in which the service occurred.

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

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

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

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

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

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

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

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

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

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

24 (c) A sum to pay breeders' awards in an amount not to exceed
25 10% of the gross purse to the breeders of Michigan bred Appaloosa
26 horses for each time Michigan bred horses win at a fair or
27 licensed race meeting in this state.

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

8 (e) As used in this subsection, "Michigan bred Appaloosa"
9 means "MICHIGAN-BRED APPALOOSA HORSE" AS that term ~~as~~ IS
10 defined in ~~R 285.817.1(k)~~ R 285.819.1(K) of the Michigan admin-
11 istrative code. Each mare and stallion shall be registered with
12 the director of the department of agriculture.

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

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

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

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

23 (d) A sum allotted from the revenue received from Arabian
24 horse racing to pay for the collection and laboratory analysis of
25 urine, saliva, blood, and other samples from horses and licensed
26 persons and the taking of blood alcohol tests on jockeys for

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

3 (e) As used in this subsection, "Michigan bred Arabian"
4 means "MICHIGAN-BRED HORSE" AS that term ~~as~~ IS defined in
5 R 285.822.1(i) of the Michigan administrative code. Each mare
6 and stallion shall be registered with the director of the depart-
7 ment of agriculture.

8 (10) The following sums shall be paid for American paint
9 horse programs:

10 (a) A sum to supplement the ~~purposes~~ PURSES for races to
11 be conducted exclusively for Michigan bred American paint
12 horses.

13 (b) A sum to pay not more than 75% of the purses for regis-
14 tered American paint horse races offered by fairs.

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

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

24 (e) As used in this subsection, "Michigan bred American
25 paint horse" means that term as defined by the department of
26 agriculture by rules promulgated under this section.

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

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

8 (B) A SUM TO FUND THE DEVELOPMENT, IMPLEMENTATION, AND
9 ADMINISTRATION OF NEW PROGRAMS THAT PROMOTE THE PROPER GROWTH AND
10 DEVELOPMENT OF THE HORSE RACING AND BREEDING INDUSTRY IN THIS
11 STATE AND OTHER VALUABLE EQUINE RELATED COMMERCIAL AND RECREA-
12 TIONAL ACTIVITIES IN THIS STATE.

13 (12) ~~(b)~~ Money appropriated and allotted to ~~this fund~~
14 THE FUND DESCRIBED IN SUBSECTION (11) shall not revert to the
15 general fund and shall be carried forward from year to year until
16 disbursed to fund grants for EQUINE research projects beneficial
17 to the industry.

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

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

3 ~~(12) A sum to fund the development, implementation, and~~
4 ~~administration of new programs that promote the proper growth and~~
5 ~~development of the horse racing and breeding industry in this~~
6 ~~state and other valuable equine related commercial and recrea-~~
7 ~~tional activities in this state.~~

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

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

19 (a) Prescribe the conditions under which the Michigan agri-
20 culture equine industry development fund and related programs
21 described in subsections (1) to (12) shall be funded.

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

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

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

1 promulgated ~~pursuant to~~ UNDER subsection (14). All funds under
2 the control of the department of agriculture approved for purse
3 supplements and breeders' awards shall be paid by the state trea-
4 surer not later than 45 days from the date of the race.

5 (16) AS USED IN THIS SUBSECTION, "EQUINE RESEARCH" MEANS THE
6 STUDY, DISCOVERY, AND GENERATION OF ACCURATE AND RELIABLE INFOR-
7 MATION, FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS THAT ARE
8 USEFUL OR BENEFICIAL TO THE HORSE RACING AND BREEDING INDUSTRY IN
9 THIS STATE THROUGH IMPROVEMENT OF THE HEALTH OF HORSES; PREVEN-
10 TION OF EQUINE ILLNESS AND DISEASE AND PERFORMANCE-RELATED ACCI-
11 DENTS AND INJURIES; IMPROVEMENT OF BREEDING TECHNIQUE AND RACING
12 PERFORMANCE; COMPILATION AND STUDY OF VALUABLE AND RELIABLE STA-
13 TISTICAL DATA REGARDING THE SIZE, ORGANIZATION, AND ECONOMICS OF
14 THE INDUSTRY IN THIS STATE; AND STRATEGIC PLANNING FOR THE EFFEC-
15 TIVE PROMOTION, GROWTH, AND DEVELOPMENT OF THE INDUSTRY IN THIS
16 STATE.

17 Sec. 21. ~~Local units of government participating in the~~
18 ~~distribution of funds under section 17(4) shall provide for ade-~~
19 ~~quate police, fire, and traffic protection of persons and prop-~~
20 ~~erty at and near each race meet, including areas where occupa-~~
21 ~~tional licenses are required. Each local unit of government par-~~
22 ~~ticipating in the distribution of funds under this act shall show~~
23 ~~by a statement submitted annually on February 1 of each year to~~
24 ~~the racing commissioner the amounts of funds received and shall~~
25 ~~detail the expenditure of those amounts during the previous cal-~~
26 ~~endar year. The racing commissioner shall report annually to the~~
27 ~~governor and the legislature regarding these statements.~~

1 (1) THE BREAKS ESCROW FUND IS CREATED IN THE DEPARTMENT OF
2 TREASURY. THE BREAKS ESCROW FUND SHALL BE ADMINISTERED BY THE
3 RACING COMMISSIONER.

4 (2) THE MONEY RECEIVED BY THE RACING COMMISSIONER UNDER
5 SECTION 17(4) SHALL BE PAID PROMPTLY TO THE STATE TREASURY AND
6 PLACED IN THE BREAKS ESCROW FUND CREATED IN SUBSECTION (1). THE
7 RACING COMMISSIONER SHALL EXPEND MONEY FROM THE BREAKS ESCROW
8 FUND TO PAY EXPENSES RELATED TO POLICE, SECURITY, SAFETY, FIRE,
9 AND EMERGENCY SERVICES PROVIDED TO A HORSE RACETRACK LICENSED
10 UNDER THIS ACT. A MUNICIPALITY OR COUNTY THAT PROVIDES A SERVICE
11 UNDER THIS SECTION MAY REQUEST, AND THE RACING COMMISSIONER MAY
12 PAY, AN ADMINISTRATIVE FEE OF NOT MORE THAN 10% OF THE COST OF
13 THE SERVICES RENDERED.

14 (3) THE HOLDER OF A RACETRACK LICENSE OR A RACE MEETING
15 LICENSE ISSUED UNDER THIS ACT MAY OBTAIN SERVICES DESCRIBED IN
16 SUBSECTION (2) FROM THE MUNICIPALITY OR COUNTY IN WHICH THE
17 LICENSED HORSE RACETRACK IS LOCATED.

18 (4) THE RACING COMMISSIONER MAY EXPEND MONEY FROM THE BREAKS
19 ESCROW FUND TO PAY EXPENSES RELATED TO THE FOLLOWING:

20 (A) CAPITAL IMPROVEMENTS TO A HORSE RACETRACK LICENSED UNDER
21 THIS ACT.

22 (B) IMPROVEMENTS TO A LOCAL COMMUNITY WHERE THERE IS LOCATED
23 A HORSE RACETRACK LICENSED UNDER THIS ACT, IN THE VICINITY OF THE
24 HORSE RACETRACK, INCLUDING, BUT NOT LIMITED TO, PUBLIC UTILITIES
25 ENHANCEMENTS, ROAD IMPROVEMENTS, PICNIC AND PARK AREAS, LIGHTING,
26 AND WALKWAYS, AND RELATED ADMINISTRATIVE COSTS, IF THE PROPOSED

1 IMPROVEMENT DIRECTLY SERVICES THE RACETRACK AND WAS APPROVED BY
2 THE RACING COMMISSIONER PRIOR TO THE IMPROVEMENT BEING MADE.

3 (C) PROMOTION OF GROWTH OF HORSE RACING THROUGH EVENTS,
4 EXHIBITIONS, AND ADVERTISEMENT.

5 (5) A PERSON MAY APPLY TO THE RACING COMMISSIONER FOR MONEY
6 FROM THE BREAKS ESCROW FUND IN THE MANNER AND ON A FORM PRE-
7 SCRIBED BY THE RACING COMMISSIONER. AN APPLICANT WHO RECEIVES
8 FUNDS UNDER THIS SECTION SHALL SUBMIT A WRITTEN ACCOUNTING STATE-
9 MENT CONCERNING THOSE FUNDS TO THE RACING COMMISSIONER IN
10 JANUARY, MARCH, JUNE, AND SEPTEMBER OF EACH YEAR, WHICH ACCOUNT-
11 ING STATEMENT SHALL DETAIL THE PERSON'S EXPENDITURES AND PROVIDE
12 RECEIPTS FOR THOSE EXPENDITURES.

13 (6) ANY FUNDS THAT REMAIN UNEXPENDED IN THE BREAKS ESCROW
14 FUND ON SEPTEMBER 30 OF EACH YEAR SHALL BE DEPOSITED INTO THE
15 PURSE POOL.

16 (7) THE RACING COMMISSIONER SHALL REPORT ANNUALLY TO THE
17 GOVERNOR AND THE LEGISLATURE REGARDING THE DISTRIBUTION AND
18 EXPENDITURE OF MONEY FROM THE BREAKS ESCROW FUND.