

# SENATE BILL No. 340

March 20, 2001, Introduced by Senator KOIVISTO and referred to the Committee on Gaming and Casino Oversight.

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending sections 7, 9, 17, and 20 (MCL 431.307, 431.309, 431.317, and 431.320), sections 7 and 9 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. 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,

1 and simulcasting conducted at licensed race meetings within this  
2 state.

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

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

11 (2) Each race meeting licensee shall provide security at all  
12 times so as to reasonably ensure the safety of all persons and  
13 horses on the grounds, and to protect and preserve the integrity  
14 of horse racing, pari-mutuel wagering, and simulcasting at  
15 licensed race meetings. If the racing commissioner determines  
16 that additional security is necessary to ensure the safety and  
17 integrity of racing, the racing commissioner shall provide sup-  
18 plemental security at each race meeting in areas where occupa-  
19 tional licenses are required for admittance.

20 (3) The racing commissioner may issue sanctions including,  
21 but not limited to, revocation or suspension of a license, exclu-  
22 sion from racetrack grounds, or a fine of not more than  
23 \$25,000.00 for each violation of this act or a rule promulgated  
24 under this act committed by a licensee or other person under this  
25 act. A sanction issued under this section may be appealed to the  
26 racing commissioner. The appeal shall be heard pursuant to the  
27 contested case provisions of the administrative procedures act of

1 1969, 1969 PA 306, MCL 24.201 to 24.328, OR, IN THE CASE OF A  
2 LICENSEE HOLDING A VIDEO GAMING LICENSE, FOR A VIOLATION OF THE  
3 MICHIGAN VIDEO GAMING ACT OR RULES PROMULGATED UNDER THAT ACT.

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

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

16 (6) The racing commissioner at any time may require for  
17 cause the removal of any employee or official involved in or  
18 having to do with horse racing, simulcasting, or pari-mutuel  
19 wagering conducted at a licensed race meeting.

20 (7) The racing commissioner may visit, investigate, and  
21 place auditors and other persons as the racing commissioner con-  
22 siders necessary in the offices, racetracks, or places of busi-  
23 ness of a licensee under this act to ensure compliance with this  
24 act and the rules promulgated under this act.

25 (8) The racing commissioner may summon witnesses and admin-  
26 istrator oaths or affirmations to exercise and discharge his or her  
27 powers and duties under this act. A person failing to appear

1 before the racing commissioner at the time and place specified in  
2 a summons from the racing commissioner or refusing to testify,  
3 without just cause, in answer to a summons from the racing com-  
4 missioner is guilty of a misdemeanor punishable by a fine of not  
5 more than \$1,000.00, or imprisonment for not more than 6 months,  
6 or both, and may also be sanctioned by the racing commissioner.  
7 A person testifying falsely to the racing commissioner or his or  
8 her authorized representative while under oath is guilty of a  
9 felony punishable by a fine of not more than \$10,000.00 or  
10 imprisonment for not more than 4 years, or both, and may also be  
11 sanctioned by the racing commissioner.

12       Sec. 9. (1) The racing commissioner shall issue, without  
13 further application, a track license to any person holding a  
14 valid track license under former 1980 PA 327, and maintaining or  
15 operating a licensed horse racetrack as of the effective date of  
16 this act at which wagering by pari-mutuel methods on the results  
17 of horse racing has been conducted by a race meeting licensee.

18       (2) A track license, once issued, is valid only as long as  
19 the annual license fee is paid, or until the track license is  
20 voluntarily surrendered or is revoked as provided in this act or  
21 the rules promulgated under this act.

22       (3) An applicant for a track license shall submit an appli-  
23 cation that is in writing, that demonstrates to the racing com-  
24 missioner that the applicant has satisfactory financial responsi-  
25 bility, that shows the location of the racetrack or of the pro-  
26 posed racetrack, and that is accompanied by substantially  
27 detailed plans and specifications for the racecourse, paddock,

1 grandstand, stable barns, racetrack buildings, fences, electrical  
2 service and lighting, plumbing, parking, and other facilities and  
3 improvements. The application shall include the name and address  
4 of the applicant, and, if a corporation, the place of its incor-  
5 poration, and any other information required by the rules promul-  
6 gated under this act by the racing commissioner. Upon the  
7 applicant's filing of the application and the payment of the  
8 license fee, the racing commissioner shall investigate the appli-  
9 cant and the racetrack or proposed racetrack as the racing com-  
10 missioner considers necessary. If the racing commissioner deter-  
11 mines that the applicant and the racetrack satisfy the require-  
12 ments of this act and the rules promulgated under this act, the  
13 racing commissioner shall grant a license for the racetrack, des-  
14 ignating in the license the county or other municipality in which  
15 the licensed racetrack shall be or is located. If the racing  
16 commissioner determines that the applicant or the racetrack, or  
17 both, do not comply with this act and the rules promulgated under  
18 this act, the racing commissioner shall deny the license. The  
19 action of the racing commissioner in denying a track license may  
20 be reviewed by the circuit court pursuant to section 631 of the  
21 revised judicature act of 1961, 1961 PA 236, MCL 600.631.

22 (4) A track license may be transferred to a new owner of a  
23 racetrack with the consent of the racing commissioner.

24 (5) After a track license is issued under this section, the  
25 racing commissioner may impose a fine or suspend or revoke the  
26 license if the holder of the license, after reasonable notice  
27 from the racing commissioner, does not make necessary

1 improvements, additions, or corrections to the licensed premises,  
2 fixtures, or equipment as determined and required by the racing  
3 commissioner; if the holder of the license violates or is no  
4 longer in compliance with the requirements of this act or the  
5 rules promulgated under this act; IN THE CASE OF A LICENSEE HOLD-  
6 ING A VIDEO GAMING LICENSE, IF THE LICENSEE WILLFULLY VIOLATES  
7 THE MICHIGAN VIDEO GAMING ACT OR RULES PROMULGATED UNDER THAT  
8 ACT; or if the licensed premises are not utilized to conduct a  
9 licensed race meeting for 2 consecutive years. In addition to  
10 the suspension or revocation of the license, the racing commis-  
11 sioner may impose a fine or bring an action in circuit court  
12 seeking an order of the court requiring the licensee to make rea-  
13 sonable and necessary racetrack improvements or additions as  
14 determined by the commissioner if the licensee fails to make  
15 improvements or corrections that comply with the applicable con-  
16 struction code or local ordinances. The action of the racing  
17 commissioner in suspending or revoking a track license shall  
18 comply with the administrative procedures act of 1969, 1969  
19 PA 306, MCL 24.201 to 24.328, and shall be subject to appeal.

20 (6) In a city area, not more than 3 racetracks shall be  
21 licensed, except that in a city with a population of 900,000 or  
22 more the racing commissioner may issue 1 additional license.

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

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

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

10 (2) A holder of a race meeting license may provide a place  
11 in the race meeting grounds or enclosure at which he or she may  
12 conduct and supervise the pari-mutuel system of wagering on the  
13 results of horse races as permitted by this act AND VIDEO GAMING  
14 AS PERMITTED BY THE MICHIGAN VIDEO GAMING ACT. If the  
15 pari-mutuel system of wagering is used at a race meeting, a  
16 totalisator or other device that is equal in accuracy and clear-  
17 ness to a totalisator and approved by the racing commissioner  
18 shall be used. The odds display of the totalisator or other  
19 device shall be placed in full view of the patrons. VIDEO GAMING  
20 SHALL COMPLY WITH THE STANDARDS PRESCRIBED IN THE MICHIGAN VIDEO  
21 GAMING ACT AND THE RULES PROMULGATED UNDER THAT ACT.

22 (3) Subject to section 18(3), each holder of a race meeting  
23 license shall retain as his or her commission on all forms of  
24 straight wagering 17% of all money wagered involving straight  
25 wagers on the results of live and simulcast horse races conducted  
26 at the licensee's race meetings. Subject to section 18(3), each  
27 holder of a race meeting license shall retain as his or her

1 commission on all forms of multiple wagering, without the written  
2 permission of the racing commissioner not more than 28% and with  
3 the written permission of the racing commissioner not more than  
4 35% of all money wagered involving any form of multiple wager on  
5 the results of live and simulcast horse races conducted at the  
6 licensee's race meeting. Except as otherwise provided by con-  
7 tract, 50% of all commissions from wagering on the results of  
8 live racing at the racetrack where the live racing was conducted  
9 shall be paid to the horsemen's purse pool at the racetrack where  
10 the live racing was conducted. As used in this subsection:

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

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

16 (4) All breaks shall be retained by the race meeting  
17 licensee and paid directly to the city or township in which the  
18 racetrack is located as a fee for services provided ~~pursuant to~~  
19 UNDER section 21.

20 (5) Payoff prices of tickets of a higher denomination shall  
21 be calculated as even multiples of the payoff price for a \$1.00  
22 wager. Each holder of a race meeting license shall distribute to  
23 the persons holding winning tickets, as a minimum, a sum not less  
24 than \$1.10 calculated on the basis of each \$1.00 deposited in a  
25 pool, except that each race meeting licensee may distribute a sum  
26 of not less than \$1.05 to persons holding winning tickets for  
27 each \$1.00 deposited in a minus pool. As used in this



1 subsection, "minus pool" means any win, place, or show pool in  
2 which the payout would exceed the total value of the pool.

3 (6) REVENUE GENERATED BY A LICENSEE THROUGH THE CONDUCT OF  
4 VIDEO GAMING IS SUBJECT TO THE ALLOCATION FORMULA PROVIDED IN THE  
5 MICHIGAN VIDEO GAMING ACT.

6 (7) ~~-(6)-~~ A holder of a race meeting license shall not know-  
7 ingly permit a person less than 18 years of age to be a patron of  
8 the pari-mutuel wagering conducted or supervised by the holder OR  
9 VIDEO GAMING CONDUCTED BY THE HOLDER.

10 (8) ~~-(7)-~~ Any act or transaction relative to pari-mutuel  
11 wagering on the results of live or simulcast horse races shall  
12 only occur or be permitted to occur within the enclosure of a  
13 licensed race meeting OR OTHER LICENSED LOCATION WITHIN OR ADJA-  
14 CENT TO THE ENCLOSURE. A person shall not participate or be a  
15 party to any act or transaction relative to placing a wager or  
16 carrying a wager for placement outside of a race meeting ground.  
17 A person shall not provide messenger service for the placing of a  
18 bet for another person who is not a patron. However, this sub-  
19 section does not prevent simulcasting or intertrack or interstate  
20 common pool wagering inside or outside this state as permitted by  
21 this act or the rules promulgated under this act.

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

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

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

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

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

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

3 (a) A sum not to exceed 75% of the purses for standardbred  
4 harness horse races offered by fairs and races at licensed  
5 pari-mutuel racetracks. Purse supplements for overnight races at  
6 fairs paid ~~pursuant to~~ UNDER this subsection ~~may~~ SHALL not  
7 exceed the lowest purse offered for overnight races of the same  
8 breed at any licensed race meeting in this state during the pre-  
9 vious year.

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

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

1 agriculture's agent for receiving funds as the holding agent for  
2 stakes and futurities is paid a transport fee as determined by  
3 the Michigan department of agriculture and administered by the  
4 Michigan harness horsemen's association.

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

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

1 agent for receiving funds as the holding agent for stakes and  
2 futurities is paid a transport fee as determined by the Michigan  
3 department of agriculture and administered by the Michigan har-  
4 ness horsemen's association.

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

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

1 and until he or she can produce, at his or her own expense, a  
2 negative test result.

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

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

1 (6) The following amounts shall be paid to thoroughbred  
2 programs:

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

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

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

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

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

1 mare at a location outside of this state during the calendar year  
2 in which the service occurred.

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

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

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

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

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

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

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

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



1 (a) A sum to supplement the purses for races to be conducted  
2 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 16(4)(b).

16 (e) As used in this subsection, "Michigan bred Appaloosa"  
17 means MICHIGAN BRED APPALOOSA HORSE AS that term ~~as~~ IS defined  
18 in ~~R 285.817.1(k)~~ R 285.819.1(K) of the Michigan administrative  
19 code. Each mare and stallion shall be registered with the direc-  
20 tor of the department of agriculture.

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

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

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

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

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

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

16 (10) The following sums shall be paid for American paint  
17 horse programs:

18 (a) A sum to supplement the ~~purposes~~ PURSES for races to  
19 be conducted exclusively for Michigan bred American paint  
20 horses.

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

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

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

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

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

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

16 (B) A SUM TO FUND THE DEVELOPMENT, IMPLEMENTATION, AND  
17 ADMINISTRATION OF NEW PROGRAMS THAT PROMOTE THE PROPER GROWTH AND  
18 DEVELOPMENT OF THE HORSE RACING AND BREEDING INDUSTRY IN THIS  
19 STATE AND OTHER VALUABLE EQUINE RELATED COMMERCIAL AND RECREA-  
20 TIONAL ACTIVITIES IN THIS STATE.

21 (12) ~~(b)~~ Money appropriated and allotted to ~~this fund~~  
22 THE FUND DESCRIBED IN SUBSECTION (1) shall not revert to the gen-  
23 eral fund and shall be carried forward from year to year until  
24 disbursed to fund grants for EQUINE research projects beneficial  
25 to the industry.

26 ~~(c) As used in this subsection, "equine research" means the~~  
27 ~~study, discovery and generation of accurate and reliable~~

1 information, findings, conclusions, and recommendations that are  
2 useful or beneficial to the horse racing and breeding industry in  
3 this state through improvement of the health of horses; preven=  
4 tion of equine illness and disease, and performance-related acci=  
5 dents and injuries; improvement of breeding technique and racing  
6 performance; and compilation and study of valuable and reliable  
7 statistical data regarding the size, organization, and economics  
8 of the industry in this state; and strategic planning for the  
9 effective promotion, growth, and development of the industry in  
10 this state.

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

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

22       (14) The director of the department of agriculture shall  
23 promulgate rules ~~pursuant to~~ UNDER the administrative proce=  
24 dures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to imple=  
25 ment this section. The rules promulgated under this subsection  
26 shall do all of the following:

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

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

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

8 (15) Funds under the control of the department of agricul-  
9 ture in this section shall be disbursed under the rules promul-  
10 gated ~~pursuant to~~ UNDER subsection (14). All funds under the  
11 control of the department of agriculture approved for purse sup-  
12 plements and breeders' awards shall be paid by the state trea-  
13 surer not later than 45 days from the date of the race.

14 (16) THE MONEY GENERATED BY A LICENSEE THROUGH THE CONDUCT  
15 OF VIDEO GAMING IS SUBJECT TO THE ALLOCATION FORMULA PROVIDED IN  
16 THE MICHIGAN VIDEO GAMING ACT.

17 (17) AS USED IN THIS SECTION, "EQUINE RESEARCH" MEANS THE  
18 STUDY, DISCOVERY, AND GENERATION OF ACCURATE AND RELIABLE INFOR-  
19 MATION, FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS THAT ARE  
20 USEFUL OR BENEFICIAL TO THE HORSE RACING AND BREEDING INDUSTRY IN  
21 THIS STATE THROUGH IMPROVEMENT OF THE HEALTH OF HORSES; PREVEN-  
22 TION OF EQUINE ILLNESS AND DISEASE AND PERFORMANCE-RELATED ACCI-  
23 DENTS AND INJURIES; IMPROVEMENT OF BREEDING TECHNIQUE AND RACING  
24 PERFORMANCE; COMPILATION AND STUDY OF VALUABLE AND RELIABLE STA-  
25 TISTICAL DATA REGARDING THE SIZE, ORGANIZATION, AND ECONOMICS OF  
26 THE INDUSTRY IN THIS STATE; AND STRATEGIC PLANNING FOR THE

1 EFFECTIVE PROMOTION, GROWTH, AND DEVELOPMENT OF THE INDUSTRY IN  
2 THIS STATE.

3 Enacting section 1. This amendatory act does not take  
4 effect unless all of the following bills of the 91st Legislature  
5 are enacted into law:

6 (a) Senate Bill No. 338.

7

8 (b) Senate Bill No. 339.

9