

SENATE BILL No. 565

June 26, 2001, Introduced by Senators MC MANUS, STILLE, GOUGEON, GAST, HART, KOIVISTO, MURPHY, PETERS, SMITH and CHERRY and referred to the Committee on Farming, Agribusiness and Food Systems.

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending the title and sections 8 and 16 (MCL 431.308 and 431.316) and by adding sections 19b and 19c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

SENATE BILL No. 565

1
2 An act to license and regulate the conducting of horse race
3 meetings in this state with pari-mutuel wagering on the results
4 of horse races and persons involved in horse racing, ~~and~~
5 pari-mutuel gaming activities, AND ELECTRONIC COMPUTERIZED GAMING
6 at such race meetings; to create the office of racing commission-
7 er; to prescribe the powers and duties of the racing commission-
8 er; to prescribe certain powers and duties of the department of
9 agriculture and the director of the department of agriculture; to
10 provide for the promulgation of rules; to provide for the

1 imposition of taxes and fees and the disposition of revenues; to
2 impose certain taxes; to create funds; to legalize and permit the
3 pari-mutuel method of wagering on the results of live and simul-
4 cast races at licensed race meetings in this state; TO LEGALIZE
5 AND PERMIT ELECTRONIC COMPUTERIZED GAMING AT LICENSED RACE MEET-
6 INGS IN THIS STATE; to appropriate the funds derived from
7 pari-mutuel wagering on the results of horse races AND FROM ELEC-
8 TRONIC COMPUTERIZED GAMING at licensed race meetings in this
9 state; AND to prescribe remedies and penalties. ~~; and to repeat~~
10 ~~acts and parts of acts.~~

11 Sec. 8. (1) The racing commissioner may issue the following
12 general classes of licenses:

13 (a) Occupational licenses issued to individuals participat-
14 ing in, involved in, or otherwise having to do with horse racing,
15 pari-mutuel wagering, ~~or~~ simulcasting, OR ELECTRONIC COMPUTER-
16 IZED GAMING CONDUCTED at a licensed race meeting in this state.

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

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

25 (D) ELECTRONIC COMPUTERIZED GAMING MACHINE LICENSES ISSUED
26 TO RACE MEETING LICENSEES.

1 (2) The racing commissioner shall not issue a race meeting
2 license to a person if the person is licensed to conduct a
3 licensed race meeting at another licensed racetrack within a city
4 area and the person has a controlling interest in or co-ownership
5 of the other licensed racetrack within the city area.

6 Sec. 16. (1) Each person participating in or having to do
7 with pari-mutuel horse racing or pari-mutuel wagering on the
8 results of horse races OR WITH ELECTRONIC COMPUTERIZED GAMING at
9 a licensed race meeting, including, but not limited to, all
10 racing officials, veterinarians, pari-mutuel clerks or tellers,
11 totalisator company employees, security guards, timers, horse
12 owners, jockeys, drivers, apprentices, exercise riders, autho-
13 rized agents, trainers, grooms, valets, owners of stables operat-
14 ing under an assumed name, jockey agents, pony riders, hot walk-
15 ers, blacksmiths, starting gate employees, owners and operators
16 of off-track training centers, farms or stables where racehorses
17 are kept, ~~and~~ vendors operating within the barn area of a
18 licensed racetrack or off-track training center, farm, or stable
19 where racehorses are kept, AND MANUFACTURERS, DISTRIBUTORS, SERV-
20 ERS, TECHNICAL AND MAINTENANCE PROVIDERS, AND ALL OTHER EMPLOYEES
21 OF A RACE MEETING LICENSEE HOLDING AN ELECTRONIC COMPUTERIZED
22 GAMING OPERATOR'S LICENSE ISSUED UNDER SECTION 19B WHO ARE
23 INVOLVED IN ELECTRONIC COMPUTERIZED GAMING, may be licensed by
24 the racing commissioner pursuant to rules promulgated by the
25 racing commissioner under this act. The racing commissioner
26 shall not issue an occupational license to a person who, within
27 the 6 years immediately preceding the date of the person's

1 application for the occupational license, was convicted of a
2 felony involving theft, dishonesty, misrepresentation, fraud,
3 corruption, drug possession, delivery, or use, or other criminal
4 misconduct that is related to the person's ability and likelihood
5 to perform the functions and duties of the racing related OR
6 ELECTRONIC COMPUTERIZED GAMING occupation for which the person
7 seeks to be licensed and participate in pari-mutuel horse racing
8 OR ELECTRONIC COMPUTERIZED GAMING in that licensed occupation in
9 a fair, honest, open, and lawful manner. The racing commissioner
10 shall not issue a pari-mutuel OR ELECTRONIC COMPUTERIZED GAMING
11 occupational license to a person who, within 2 years immediately
12 preceding the date of the person's application for the occupa-
13 tional license, was convicted of a misdemeanor involving theft,
14 dishonesty, misrepresentation, fraud, corruption, drug posses-
15 sion, delivery, or use, or other criminal misconduct that is
16 related to the person's ability and likelihood to perform the
17 functions and duties of the racing related OR ELECTRONIC COMPUT-
18 ERIZED GAMING occupation for which the person seeks to be
19 licensed and participate in pari-mutuel horse racing OR ELEC-
20 TRONIC COMPUTERIZED GAMING in that licensed occupation in a fair,
21 honest, open, and lawful manner.

22 (2) A veterinarian is not required to be licensed under this
23 act to provide necessary and appropriate emergency veterinary
24 care or treatment to any horse that is intended to be entered, is
25 entered, or participates in a race with wagering by pari-mutuel
26 methods or a nonbetting race or workout conducted at a licensed
27 race meeting in this state. For purposes of this section,

1 "emergency veterinary care or treatment" means care or treatment
2 necessary and appropriate to save the life of a horse or prevent
3 permanent physical injury or damage to a horse in a situation
4 requiring immediate veterinary action. Only veterinarians
5 licensed under this act may provide nonemergency veterinary care
6 or treatment to a horse in this state that is intended to be
7 entered, is entered, or participates in races at licensed race
8 meetings in this state. Only persons licensed under this act or
9 otherwise authorized by the racing commissioner may enter the
10 restricted grounds of a licensed race meeting where horses are
11 kept that are eligible to race at the race meeting. For the pur-
12 poses of this section and sections 30 and 31, a horse that is
13 intended to be entered is a horse that has its name put into the
14 draw for a specific race, and a horse that is entered in a race
15 is a horse that has been drawn into a specific race.

16 (3) As conditions precedent to being issued and holding a
17 valid pari-mutuel OR ELECTRONIC COMPUTERIZED GAMING occupational
18 license, a license applicant shall disclose, in writing, any
19 ownership interest that the applicant has in a racehorse in addi-
20 tion to other information the racing commissioner considers nec-
21 essary and proper, including fingerprints of occupational license
22 applicants and proof of compliance with the worker's disability
23 compensation act of 1969, ~~Act No. 317 of the Public Acts of~~
24 ~~1969, being sections 418.101 to 418.941 of the Michigan Compiled~~
25 ~~Laws~~ 1969 PA 317, MCL 418.101 TO 418.941, except that proof of
26 compliance requirement does not apply to horse owners and
27 trainers not covered under section 115 of ~~Act No. 317 of the~~

1 ~~Public Acts of 1969, being section 418.115 of the Michigan~~
2 ~~Compiled Laws~~ 1969 PA 317, MCL 418.115.

3 (4) In addition to the requirements of subsection (3), an
4 applicant for a pari-mutuel OR ELECTRONIC COMPUTERIZED GAMING
5 occupational license shall consent, upon application and for the
6 duration of the occupational license, if issued, to all of the
7 following:

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

12 (b) If the applicant is applying for a racing official,
13 jockey, driver, trainer, or groom license, or for any other
14 license for an occupation that involves contact with or access to
15 the racehorses or the barn areas or stables where racehorses are
16 kept, then the applicant shall agree as a condition of licensure
17 to submit for the duration of the license period to a breath-
18 lyzer test, urine test, or other noninvasive fluid test to detect
19 the presence of alcohol or a controlled substance as defined in
20 section 7104 of the public health code, ~~Act No. 368 of the~~
21 ~~Public Acts of 1978, being section 333.7104 of the Michigan~~
22 ~~Compiled Laws~~ 1978 PA 368, MCL 333.7104, if directed to do so by
23 the racing commissioner or his or her representative. If the
24 results of a test show that an occupational licensee has more
25 than .05% of alcohol in his or her blood, or has present in his
26 or her body a controlled substance, the person shall not be
27 permitted to continue in his or her duties or participate in

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

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

1 apparent care and control as trainer has a drug or foreign
2 substance in its body, in violation of section 30 and the rules
3 promulgated under that section.

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

1 predicated upon a series of acts, the review by the circuit court
2 may be in the county in which any of the alleged acts or failures
3 to act took place.

4 (7) A decision by the racing commissioner or his or her dep-
5 uties or appointed state stewards of racing to deny an applica-
6 tion for an occupational license may be appealed to the circuit
7 court and reviewed pursuant to section 631 of the revised judica-
8 ture act of 1961, ~~Act No. 236 of the Public Acts of 1961, being~~
9 ~~section 600.631 of the Michigan Compiled Laws~~ 1961 PA 236, MCL
10 600.631. A suspension or revocation of an occupational license
11 may be appealed and reviewed pursuant to the administrative pro-
12 cedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~
13 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws~~
14 1969 PA 306, MCL 24.201 TO 24.328.

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

18 SEC. 19B. (1) AS USED IN THIS SECTION:

19 (A) "CENTRAL ON-LINE TELECOMMUNICATIONS COMPUTER SYSTEM"
20 MEANS A SYSTEM APPROVED BY THIS STATE LINKING ALL ELECTRONIC COM-
21 PUTERIZED GAMING DEVICES AT A RACE MEETING LICENSEE'S LOCATION TO
22 PROVIDE ANY INFORMATION REGARDING PLAY AND OPERATION OF ELEC-
23 TRONIC COMPUTERIZED GAMING DEVICES AS REQUIRED BY THIS STATE.

24 (B) "ELECTRONIC COMPUTERIZED GAMING DEVICE" MEANS A MACHINE
25 IN WHICH MONEY OR TOKENS ARE DEPOSITED IN ORDER TO PLAY IN A GAME
26 OF CHANCE IN WHICH THE RESULTS, INCLUDING OPTIONS AVAILABLE TO
27 THE PLAYER, ARE RANDOMLY AND IMMEDIATELY DETERMINED BY THE

1 MACHINE. A MACHINE MAY USE SPINNING REELS OR VIDEO DISPLAYS, OR
2 BOTH, AND MAY OR MAY NOT DISPENSE MONEY OR TOKENS DIRECTLY TO
3 WINNING PLAYERS. A MACHINE SHALL BE CONSIDERED AN ELECTRONIC
4 COMPUTERIZED GAMING DEVICE NOTWITHSTANDING THE USE OF AN ELEC-
5 TRONIC CREDIT SYSTEM THAT MAKES THE DEPOSIT OF MONEY
6 UNNECESSARY.

7 (C) "ELECTRONIC COMPUTERIZED GAMING OPERATOR" MEANS A RACE
8 MEETING LICENSEE LICENSED UNDER SECTION 14 THAT ALSO HOLDS AN
9 ELECTRONIC COMPUTERIZED GAMING OPERATOR'S LICENSE ISSUED UNDER
10 SECTION 19B.

11 (D) "GROSS PLAY" MEANS THE TOTAL AMOUNT WAGERED IN ALL ELEC-
12 TRONIC COMPUTERIZED GAMING DEVICES.

13 (E) "GROSS WIN" MEANS GROSS PLAY LESS PRIZES PAID.

14 (F) "TECHNOLOGY PROVIDER" MEANS AN INDIVIDUAL, PARTNERSHIP,
15 CORPORATION, OR ASSOCIATION LICENSED BY THIS STATE THAT DESIGNS,
16 MANUFACTURES, INSTALLS, OPERATES, DISTRIBUTES, SUPPLIES, MAIN-
17 TAINS, OR SERVICES ELECTRONIC COMPUTERIZED GAMING DEVICES OR
18 ASSOCIATED EQUIPMENT FOR SALE OR USE IN THIS STATE. A RACE MEET-
19 ING LICENSEE MAY BE A TECHNOLOGY PROVIDER.

20 (2) A RACE MEETING LICENSEE MAY APPLY TO THE RACING COMMIS-
21 SIONER, IN THE MANNER AND FORM REQUIRED BY THE RACING COMMISSION-
22 ER, FOR AN ELECTRONIC COMPUTERIZED GAMING OPERATOR'S LICENSE TO
23 PLACE 1 OR MORE APPROVED ELECTRONIC COMPUTERIZED GAMING DEVICES
24 AND RELATED EQUIPMENT ON THE GROUNDS OF THE APPLICANT'S LICENSED
25 RACE MEETING FOR USE BY RACE MEETING PATRONS FOR GAMING PURPOSES,
26 IN ACCORDANCE WITH THIS ACT AND THE RULES PROMULGATED UNDER THIS
27 ACT.

1 (3) THE RACING COMMISSIONER MAY ISSUE AN ANNUAL ELECTRONIC
2 COMPUTERIZED GAMING OPERATOR'S LICENSE TO A RACE MEETING LICENSEE
3 IF THE APPLICATION OF THE RACE MEETING LICENSEE SATISFIES THE
4 LICENSING CONDITIONS AND REQUIREMENTS OF THIS ACT AND THE RULES
5 PROMULGATED UNDER THIS ACT. THE RACING COMMISSIONER SHALL NOT
6 ISSUE AN ELECTRONIC COMPUTERIZED GAMING OPERATOR'S LICENSE TO A
7 RACE MEETING LICENSEE THAT HAS FAILED TO COMPLY WITH SECTION
8 18(2)(A) AND SECTION 13(1).

9 (4) AN ELECTRONIC COMPUTERIZED GAMING OPERATOR MAY PLACE 1
10 OR MORE ELECTRONIC COMPUTERIZED GAMING DEVICES AND RELATED EQUIP-
11 MENT AS APPROVED BY THE RACING COMMISSIONER ON THE GROUNDS OF THE
12 ELECTRONIC COMPUTERIZED GAMING OPERATOR'S LICENSED RACE MEETING
13 FOR USE BY RACE MEETING PATRONS FOR GAMING PURPOSES, IN ACCORD-
14 ANCE WITH THE PROVISIONS OF THIS ACT AND THE RULES PROMULGATED
15 UNDER THIS ACT REGARDING THE OPERATION OF ELECTRONIC COMPUTERIZED
16 GAMING DEVICES AND RELATED EQUIPMENT.

17 (5) THE RACING COMMISSIONER SHALL PROMULGATE RULES UNDER THE
18 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
19 24.328, REGARDING OPERATION OF ELECTRONIC COMPUTERIZED GAMING
20 DEVICES. THE RULES PROMULGATED UNDER THIS SECTION SHALL ACCOM-
21 PLISH ALL OF THE FOLLOWING:

22 (A) PROTECT, ENCOURAGE, PROMOTE, AND PRESERVE THE BEST
23 INTERESTS OF LIVE HORSE RACING IN THIS STATE.

24 (B) PROTECT, ENCOURAGE, PROMOTE, AND PRESERVE THE SAFETY,
25 SECURITY, GROWTH, AND INTEGRITY OF ELECTRONIC COMPUTERIZED GAMING
26 ACTIVITY AT LICENSED RACE MEETINGS WITHIN THIS STATE.

1 (C) ADMINISTER THIS ACT AND THE RULES PROMULGATED UNDER THIS
2 ACT WITH RESPECT TO THE LICENSING AND REGULATIONS OF EACH PERSON
3 PARTICIPATING IN OR ENGAGED IN THE CONDUCT OF ELECTRONIC COMPUT-
4 ERIZED GAMING ACTIVITY AT LICENSED RACE MEETINGS WITHIN THIS
5 STATE.

6 (D) ESTABLISH AND SET FORTH THE QUALIFICATIONS AND REQUIRE-
7 MENTS FOR LICENSURE OF EACH PERSON INVOLVED IN THE MANUFACTURE,
8 DISTRIBUTION, SERVICE, MAINTENANCE, OR OPERATION OF ELECTRONIC
9 COMPUTERIZED GAMING DEVICES USED AND OPERATED AT LICENSED RACE
10 MEETINGS WITHIN THIS STATE.

11 (E) ESTABLISH AND SET FORTH THE RIGHTS AND DUTIES OF LICENS-
12 EES WHO PARTICIPATE IN THE MANUFACTURE, DISTRIBUTION, SERVICE,
13 MAINTENANCE, OR OPERATION OF ELECTRONIC COMPUTERIZED GAMING
14 DEVICES USED AND OPERATED AT LICENSED RACE MEETINGS WITHIN THIS
15 STATE.

16 (F) ESTABLISH AND SET FORTH THE RIGHTS AND DUTIES OF PATRONS
17 WHO PARTICIPATE IN ELECTRONIC COMPUTERIZED GAMING ACTIVITY AT
18 LICENSED RACE MEETINGS WITHIN THIS STATE.

19 (G) ESTABLISH UNIFORM SPECIFICATIONS, STANDARDS, AND
20 REQUIREMENTS FOR ELECTRONIC COMPUTERIZED GAMING DEVICES AND
21 RELATED HARDWARE, SOFTWARE, AND OTHER EQUIPMENT USED AND OPERATED
22 FOR GAMING PURPOSES AT LICENSED RACE MEETINGS WITHIN THIS STATE,
23 INCLUDING, BUT NOT LIMITED TO, HARDWARE, SOFTWARE, AND OTHER
24 EQUIPMENT NEEDED TO CONDUCT A PROGRESSIVE SYSTEM OF GAMING IN
25 WHICH ELECTRONIC COMPUTERIZED GAMING DEVICES LOCATED AT THE SAME
26 OR MULTIPLE LICENSED RACE MEETINGS ARE LINKED TOGETHER.

1 (H) ESTABLISH THE SPECIFICATIONS, STANDARDS, AND
2 REQUIREMENTS FOR A CENTRAL ON-LINE TELECOMMUNICATIONS COMPUTER
3 SYSTEM LINKING ALL ELECTRONIC COMPUTERIZED GAMING DEVICES AT
4 LICENSED RACE MEETINGS IN THIS STATE TO PROVIDE THE RACING COM-
5 MISSIONER WITH THE INFORMATION THE RACING COMMISSIONER REQUIRES
6 REGARDING THE PLAY AND OPERATIONS OF EACH ELECTRONIC COMPUTERIZED
7 GAMING DEVICE.

8 (I) ESTABLISH UNIFORM CRITERIA AND REQUIREMENTS GOVERNING
9 THE RACING COMMISSIONER'S REVIEW AND APPROVAL OF THE ELECTRONIC
10 COMPUTERIZED GAMES THAT MAY BE OPERATED, AND THE NUMBER AND LOCA-
11 TION OF ELECTRONIC COMPUTERIZED GAMING DEVICES, AT LICENSED RACE
12 MEETINGS WITHIN THIS STATE. IF REQUESTED BY AN ELECTRONIC COM-
13 PUTERIZED GAMING OPERATOR, THE RACING COMMISSIONER SHALL AUTHO-
14 RIZE NOT LESS THAN 1,200 GAMING DEVICES ON THE GROUNDS OF THE
15 RACETRACK WHERE SUCH DEVICES WILL BE OPERATED.

16 (J) ESTABLISH UNIFORM CRITERIA AND REQUIREMENTS GOVERNING
17 THE RACING COMMISSIONER'S APPROVAL OF EACH ELECTRONIC COMPUTER-
18 IZED GAMING DEVICE THAT MAY BE OPERATED, THE COST TO OPERATE, AND
19 THE PRIZES OR CREDITS THAT MAY BE AWARDED FOR EACH ELECTRONIC
20 COMPUTERIZED GAMING DEVICE APPROVED BY THE RACING COMMISSIONER.

21 (K) REQUIRE THAT ELECTRONIC COMPUTERIZED GAMING DEVICES BE
22 TESTED AND CERTIFIED BY AN INDEPENDENT TESTING LABORATORY TO BE
23 IN COMPLIANCE WITH THE STANDARDS, SPECIFICATIONS, AND REQUIRE-
24 MENTS ESTABLISHED BY RULES PROMULGATED UNDER THIS ACT.

25 (L) ENSURE THAT ALL ELECTRONIC COMPUTERIZED GAMING DEVICES
26 ARE LINKED TOGETHER BY A CENTRAL ON-LINE TELECOMMUNICATIONS
27 COMPUTER SYSTEM APPROVED BY THE RACING COMMISSIONER THAT MEETS

1 STANDARDS AND SPECIFICATIONS ESTABLISHED AND REQUIRED BY RULES
2 PROMULGATED UNDER THIS SECTION TO PROVIDE THE RACING COMMISSIONER
3 WITH IMMEDIATE AND DIRECT INFORMATION REGARDING THE OPERATION AND
4 PLAY OF EACH GAMING DEVICE AT EACH LICENSED RACE MEETING WITHIN
5 THIS STATE. THE CENTRAL ON-LINE TELECOMMUNICATIONS COMPUTER
6 SYSTEM APPROVED BY THE RACING COMMISSIONER SHALL NOT LIMIT PAR-
7 TICIPATION TO ONLY 1 MANUFACTURER OF ELECTRONIC COMPUTERIZED
8 GAMING DEVICES BY EITHER THE COST OF IMPLEMENTING THE NECESSARY
9 PROGRAM MODIFICATIONS TO COMMUNICATE OR THE INABILITY TO COMMUNI-
10 CATE WITH THE CENTRAL ON-LINE TELECOMMUNICATIONS COMPUTER
11 SYSTEM.

12 (M) ESTABLISH AND SET FORTH UNIFORM AUDITING AND REPORTING
13 REQUIREMENTS FOR ALL LICENSEES PARTICIPATING IN OR HAVING TO DO
14 WITH THE MANUFACTURE, DISTRIBUTION, SERVICE, MAINTENANCE, OR
15 OPERATION OF ELECTRONIC COMPUTERIZED GAMING DEVICES OPERATED AT
16 LICENSED RACE MEETINGS WITHIN THIS STATE.

17 (N) ESTABLISH AND SET FORTH UNIFORM INSURANCE AND BONDING
18 REQUIREMENTS FOR RACE MEETING LICENSEES AND LICENSED TECHNOLOGY
19 PROVIDERS WHO PARTICIPATE OR ARE INVOLVED IN THE MANUFACTURE,
20 DISTRIBUTION, SERVICE, MAINTENANCE, OR OPERATION OF ELECTRONIC
21 COMPUTERIZED GAMING DEVICES USED AND RELATED HARDWARE, SOFTWARE,
22 AND OTHER EQUIPMENT AT LICENSED RACE MEETINGS WITHIN THIS STATE.

23 (O) ESTABLISH AND SET FORTH UNIFORM PROCEDURES FOR SUPERVI-
24 SION AND ENFORCEMENT OF THIS ACT AND RULES OF THE RACING COMMIS-
25 SIONER RELATING TO THE LICENSING AND REGULATION OF ELECTRONIC
26 COMPUTERIZED GAMING AT LICENSED RACE MEETINGS WITHIN THIS STATE.

1 (P) ESTABLISH PROCEDURES FOR THE HEARING AND DETERMINATION
2 OF VIOLATIONS OF THIS ACT OR RULES PROMULGATED UNDER THIS ACT BY
3 THE RACING COMMISSIONER IN ACCORDANCE WITH THE ADMINISTRATIVE
4 PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, AND
5 DISCIPLINARY ACTION BY THE RACING COMMISSIONER.

6 (Q) ESTABLISH PROCEDURES AND DEFINE GROUNDS FOR NONCRIMINAL
7 DISCIPLINARY ACTION BY THE RACING COMMISSIONER FOR VIOLATIONS OF
8 THIS ACT OR RULES PROMULGATED UNDER THIS ACT.

9 (6) A PERSON UNDER THE AGE OF 18 YEARS SHALL NOT OPERATE AN
10 ELECTRONIC COMPUTERIZED GAMING DEVICE AUTHORIZED BY THIS ACT. A
11 RACE MEETING LICENSEE SHALL NOT KNOWINGLY PERMIT A PERSON UNDER
12 THE AGE OF 18 YEARS TO PLAY AN ELECTRONIC COMPUTERIZED GAMING
13 DEVICE.

14 (7) ANY PERSON, UNLESS AUTHORIZED BY THE RACING COMMISSION-
15 ER, WHO WITH INTENT TO MANIPULATE THE OUTCOME, PAYOFF, OR OPERA-
16 TION, OR ANY COMBINATION OF OUTCOME, PAYOFF, OR OPERATION, OF AN
17 ELECTRONIC COMPUTERIZED GAMING DEVICE MANIPULATES THE OUTCOME,
18 PRIZE, OR OPERATION OF AN ELECTRONIC COMPUTERIZED GAMING DEVICE
19 TERMINAL BY PHYSICAL OR ELECTRONIC MEANS IS GUILTY OF A FELONY
20 PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 10 YEARS OR A FINE
21 OF NOT LESS THAN \$10,000.00, OR BOTH.

22 (8) BEFORE AN ELECTRONIC COMPUTERIZED GAMING OPERATOR IS
23 PERMITTED TO OPERATE ELECTRONIC COMPUTERIZED GAMING DEVICES, THE
24 ELECTRONIC COMPUTERIZED GAMING OPERATOR SHALL ENTER INTO A CON-
25 TRACT, APPROVED BY AND CONTAINING PROVISIONS REQUIRED BY RULES
26 PROMULGATED BY THE RACING COMMISSIONER, WITH A TECHNOLOGY
27 PROVIDER LICENSED UNDER SECTION 8. FURTHER, BEFORE AN ELECTRONIC

1 COMPUTERIZED GAMING OPERATOR IS PERMITTED TO OPERATE ELECTRONIC
2 COMPUTERIZED GAMING DEVICES, THE ELECTRONIC COMPUTERIZED GAMING
3 OPERATOR SHALL PROVIDE TO THE RACING COMMISSIONER A CURRENT CON-
4 TRACT WITH A CERTIFIED HORSEMEN'S ORGANIZATION.

5 (9) EACH ELECTRONIC COMPUTERIZED GAMING OPERATOR SHALL
6 RETAIN 44% OF THE GROSS WIN AND BE SOLELY RESPONSIBLE FOR ALL
7 EXPENSES OF OWNING, LEASING, OPERATING, AND MAINTAINING ELEC-
8 TRONIC COMPUTERIZED GAMING DEVICES, INCLUDING, BUT NOT LIMITED
9 TO, AMOUNTS PAID FOR THE CENTRAL ON-LINE TELECOMMUNICATIONS COM-
10 PUTER SYSTEM, AMOUNTS PAID TO THE TECHNOLOGY PROVIDER, AND
11 AMOUNTS PAID FOR NECESSARY IMPROVEMENT TO, OR CAPITAL EXPENDI-
12 TURES INCURRED IN CONNECTION WITH, THE PREMISES OF THE RACE MEET-
13 ING LICENSEE TO ACCOMMODATE ELECTRONIC COMPUTERIZED GAMING
14 DEVICES AND PATRONS.

15 (10) EACH ELECTRONIC COMPUTERIZED GAMING OPERATOR SHALL
16 PROMPTLY PAY INTO THE STATE TREASURY AND CREDIT TO THE GENERAL
17 FUND 25% OF THE GROSS WIN, EXCEPT AS PROVIDED BY THE FOLLOWING:

18 (A) THE ELECTRONIC COMPUTERIZED GAMING OPERATOR SHALL PAY TO
19 THE OFFICE OF THE RACING COMMISSIONER A SUFFICIENT SUM FOR THE
20 ADMINISTRATION AND REGULATION OF ELECTRONIC COMPUTERIZED GAMING
21 ACTIVITY AS DETERMINED BY THE RACING COMMISSIONER.

22 (B) THE ELECTRONIC COMPUTERIZED GAMING OPERATOR SHALL PAY 3%
23 OF THE GROSS WIN TO THE AGRICULTURE PRESERVATION FUND CREATED IN
24 SECTION 19C.

25 (11) EACH ELECTRONIC COMPUTERIZED GAMING OPERATOR SHALL PAY
26 TO THE DEPOSITORY DESIGNATED IN THIS SECTION A TOTAL OF 31% OF
27 THE GROSS WIN IN THE FOLLOWING MANNER:

1 (A) 15% IF THERE IS IN EXISTENCE IN A CITY AREA A
2 THOROUGHBRED RACE MEETING LICENSE TO A DEPOSITORY DESIGNATED BY
3 THE CERTIFIED HORSEMEN'S ORGANIZATION HAVING CONTRACTS WITH THOR-
4 OUGHBRED RACE MEETING LICENSEES IN THIS STATE.

5 (B) 10% IF THERE IS NOT IN EXISTENCE IN A CITY AREA A THOR-
6 OUGHBRED RACE MEETING LICENSE TO A DEPOSITORY DESIGNATED BY THE
7 CERTIFIED HORSEMEN'S ORGANIZATION HAVING CONTRACTS WITH THOROUGH-
8 BRED RACE MEETING LICENSEES IN MICHIGAN.

9 (C) 15% IF THERE IS IN EXISTENCE IN A CITY AREA A THOROUGH-
10 BRED RACE MEETING LICENSE TO A DEPOSITORY DESIGNATED BY THE CER-
11 TIFIED HORSEMEN'S ORGANIZATION HAVING CONTRACTS WITH STANDARD BRED
12 RACE MEETING LICENSEES IN MICHIGAN.

13 (D) 20% IF THERE IS NOT IN EXISTENCE IN A CITY AREA A THOR-
14 OUGHBRED RACE MEETING LICENSE TO A DEPOSITOR DESIGNATED BY THE
15 CERTIFIED HORSEMEN'S ORGANIZATION HAVING CONTRACTS WITH STANDARD-
16 BRED RACE MEETING LICENSEES IN MICHIGAN.

17 (E) 1% TO A DEPOSITORY DESIGNATED BY THE CERTIFIED
18 HORSEMEN'S ORGANIZATION HAVING CONTRACTS WITH MIXED-BRED
19 LICENSEES.

20 (12) THE FUNDS DEPOSITED INTO THE DEPOSITORY DESIGNATED BY
21 THE CERTIFIED HORSEMEN'S ORGANIZATION UNDER SUBSECTION (11) SHALL
22 BE DISTRIBUTED TO THEIR RESPECTIVE RACE MEETING LICENSEES EXCLU-
23 SIVELY FOR PARI-MUTUEL PURSES, EXCEPT FOR AN AMOUNT NOT TO EXCEED
24 3% THAT MAY BE RETAINED FOR EXPENSES OF ADMINISTRATION. THE DIS-
25 TRIBUTION TO THE RACE MEETING LICENSEES SHALL BE IN A MANNER THAT
26 BEST SERVES PARI-MUTUEL RACING IN THIS STATE AS DETERMINED BY
27 EACH BREED'S CERTIFIED HORSEMEN'S ORGANIZATIONS.

1 SEC. 19C. THE AGRICULTURE PRESERVATION FUND IS CREATED IN
2 THE STATE TREASURY. ALL MONEY RECEIVED UNDER SECTION 19B SHALL
3 BE DEPOSITED BY THE STATE TREASURER IN THE AGRICULTURE PRESERVA-
4 TION FUND. MONEY IN THE FUND SHALL NOT REVERT TO THE GENERAL
5 FUND AT THE CLOSE OF THE FISCAL YEAR BUT SHALL REMAIN IN THE
6 AGRICULTURE PRESERVATION FUND AND BE USED EXCLUSIVELY FOR PRO-
7 GRAMS DESIGNATED IN SECTION 20(5), (6), (7), (8), (9), AND (10).