



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 626 (Substitute S-5 as passed by the Senate)
Sponsor: Senator Alan L. Cropsey
Committee: Commerce and Tourism

Date Completed: 8-29-08

RATIONALE

Dog racing for wagering purposes, which usually means greyhound racing, exists for entertainment purposes in some states but is specifically prohibited in several others. According to a U.S. Greyhound Racing Fact Sheet published by the *Greyhound Network News* and the Greyhound Protection League, there were 35 dog racetracks conducting live racing in 13 states as of September 2007, while eight states have banned live and/or simulcast dog racing since 1993. Michigan law does not currently prohibit dog racing or allow wagering on dog races, although the State does regulate other types of racing and gaming. Michigan has a State-run lottery, a struggling pari-mutuel horse racing industry, and a number of casino gaming operations. Some people believe that these outlets provide Michigan's residents and visitors with an abundance of legalized gambling options. In addition, many people feel that the training and treatment of dogs in organized dog racing exploit and abuse the animals. It has been suggested that holding dog races for wagering should be prohibited to prevent the dog racing industry from gaining a foothold in Michigan.

CONTENT

The bill would create a new act to prohibit a person from doing either of the following for the purpose of wagering or gambling:

- Holding, conducting, or operating a dog race.
- Transmitting or receiving an interstate simulcast of a dog race.

"Wagering or gambling" would not include the payment of a purse, prize, or entry fee to the owner, manager, or trainer of a dog in connection with a race in which the dog races.

A violation would be a misdemeanor punishable by up to 93 days' imprisonment and/or a maximum fine of \$5,000. The bill specifies that it would not preclude prosecution under the Michigan Penal Code.

"Person" would mean an individual, partnership, corporation, limited liability company, association, governmental entity, or other legal entity. "Simulcast" would mean the live transmission into Michigan of video or audio signals conveying a dog race held outside of Michigan.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

There are ample legal gambling opportunities available in Michigan to people who enjoy the entertainment or challenge of gaming. Three casinos are located in Detroit and a number of others operate on Indian reservations; Michigan long has had pari-mutuel horse racing at various sites around the State; and there is a State-run lottery that supports education funding. Dog racing that includes wagering at race tracks, similar to pari-mutuel horse racing, exists in several other states, but should not be allowed in Michigan. Expanding legal gaming options in Michigan could result in excessive

competition for those that already operate in the State. In addition, increased gambling opportunities could result in greater social and economic problems often associated with betting, such as addiction, theft, and financial hardship. The bill would help Michigan avoid those situations by prohibiting a person from holding a dog race or transmitting a simulcast dog race for the purpose of gambling. The \$5,000 maximum fine should serve as an adequate deterrent or punishment.

Supporting Argument

Greyhound racing has been a source of controversy for many years, and the industry has faced increasing criticism for the treatment of its dogs. Greyhounds typically are bred and raised specifically for racing. They may be stored in small crates when they are not racing or training, and their health and nutrition often are neglected. After they pass their racing peak, dogs reportedly are euthanized or sold to research labs. Some greyhound racing tracks have begun to allow their injured or retired dogs to be adopted, but there simply are not enough homes for all the available dogs. Groups that rescue greyhounds and arrange for their adoption have found that the dogs typically have overdeveloped muscles in their rear legs, making them unable to sit properly. Because they have spent most of their lives isolated in crates, the rescued dogs have limited experiences and may have to be taught how to do very basic tasks, such as climb stairs, and not to run through glass doors.

The treatment of animals that participate in dog racing is exploitative and abusive. Michigan has laws on the books that prohibit animal cruelty and fighting. By prohibiting dog racing for the purpose of wagering in Michigan, the bill would provide further protections for animals in this State.

Opposing Argument

The bill is too broad and could affect activities and events besides greyhound racing. Other types of competitions such as dog shows and hunting dog contests could get caught up in the bill's prohibition. For such events, dog owners usually pay an entry fee and compete for cash prizes. The entry fee could be viewed as a wager that the dog would win a prize. There also are sled-dog racing competitions in northern Michigan in the winter, sometimes with large

cash prizes. In addition to the sanctioned cash awards, there may be side bets placed on these competitions over which the event organizers have no control. The bill could endanger widespread, legitimate activities in Michigan that pose no social or economic threat and that do not exploit or abuse animals. Although the bill's supporters might be interested in preventing greyhound racing in Michigan, the bill is not limited to that type of event and could preclude dog owners and enthusiasts from engaging in other types of competition or risk criminal conviction for doing so.

Response: The bill specifies that "wagering or gambling" would not include the payment of a prize, purse, or entry fee in connection with a race in which the dog races. It also would not hold event operators responsible for unsanctioned, illegal bets placed on the competing animals.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State and local government. There are no data to indicate how many offenders would be convicted of the proposed offense. Local governments would incur the costs of misdemeanor probation and incarceration in local facilities, which vary by county. Additional penal fine revenue would benefit public libraries.

Fiscal Analyst: Lindsay Hollander

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.