

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4611**

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending sections 8, 17, 20, and 22 (MCL 431.308, 431.317,
431.320, and 431.322), as amended by 2016 PA 271.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

3 (a) Occupational licenses issued to individuals participating
4 in, involved in, or otherwise having to do with horse racing, pari-
5 mutuel wagering, or simulcasting at a licensed race meeting in this
6 state.

7 (b) Race meeting licenses issued annually for the succeeding
8 year to persons to conduct live horse racing, simulcasting, and
9 pari-mutuel wagering on the results of live and simulcast horse

1 races at a licensed race meeting in this state under this act.

2 (c) Track licenses issued to persons to maintain or operate a
3 racetrack at which 1 or more race meeting licensees may conduct
4 licensed race meetings in this state.

5 (D) THIRD-PARTY FACILITATOR LICENSES ISSUED TO PERSONS
6 CONTRACTED BY RACE MEETING LICENSEES TO FACILITATE WAGERING ON LIVE
7 AND SIMULCAST RACING. THE RACING COMMISSIONER SHALL ESTABLISH THE
8 TERMS AND CONDITIONS AND THE APPROPRIATE FEE FOR A THIRD-PARTY
9 FACILITATOR LICENSE SUBJECT TO ALL OF THE FOLLOWING:

10 (i) THE THIRD-PARTY FACILITATOR MUST COMPLY WITH CONSUMER
11 PROTECTIONS, AS DETERMINED BY THE RACING COMMISSIONER, TO PROTECT
12 THE PUBLIC.

13 (ii) THE THIRD-PARTY FACILITATOR MUST COOPERATE IN ANY AUDIT
14 NECESSARY TO COMPLY WITH SECTION 23.

15 (iii) THE RACING COMMISSIONER MUST HAVE RECEIVED FROM THE RACE
16 MEETING LICENSEE BOTH A LETTER OF INTENT AND A CERTIFICATION THAT
17 THE RACE MEETING LICENSEE ASSUMES AND ACKNOWLEDGES RESPONSIBILITY
18 FOR ALL CONDUCT OF ITS THIRD-PARTY FACILITATOR.

19 (iv) THE THIRD-PARTY FACILITATOR MUST COMPLY WITH THE
20 CONDITIONS AND SUITABILITY STANDARDS UNDER SECTION 10(1)(E) AND (F)
21 AND RULES PROMULGATED UNDER THIS ACT.

22 (v) THE LICENSE MUST TERMINATE OR EXPIRE AS FOLLOWS:

23 (A) ON THE DATE AND AT THE TIME SET BY THE RACING COMMISSIONER
24 IN THE LICENSE.

25 (B) WHEN THE CONTRACT WITH THE RACE MEETING LICENSEE TO
26 FACILITATE LIVE AND SIMULCAST WAGERING EXPIRES.

27 (C) IF THE LICENSE IS SUSPENDED OR REVOKED BY THE RACING

1 **COMMISSIONER.**

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

7 Sec. 17. (1) The pari-mutuel system of wagering ~~upon~~**ON** the
8 results of horse races as permitted by this act ~~shall~~**IS** not ~~be~~
9 ~~held or construed to be unlawful~~. All forms of pari-mutuel wagering
10 **MUST BE** conducted ~~at a licensed~~**UNDER A** race meeting ~~shall be~~
11 **LICENSE** preapproved by the racing commissioner ~~under~~**BY** rule or
12 written order of the commissioner.

13 (2) ~~A holder of a race meeting license may provide a place in~~
14 ~~the race meeting grounds or enclosure at which he or she may~~
15 ~~conduct and supervise pari-mutuel wagering on the results of horse~~
16 ~~races as permitted by this act. If pari-mutuel wagering is used at~~
17 a race meeting, a totalisator or other device that is equal in
18 accuracy and clearness to a totalisator and approved by the racing
19 commissioner must be used. The odds display of the totalisator or
20 other device must be placed in full view of the patrons.

21 (3) Subject to section 18(3), each holder of a race meeting
22 license shall retain as his or her commission on all forms of
23 straight wagering 17% of all money wagered involving straight
24 ~~wagers~~**WAGERING** on the results of live and simulcast horse races
25 conducted at the licensee's race meetings. Subject to section
26 18(3), each holder of a race meeting license shall retain as his or
27 her commission on all forms of multiple wagering ~~without~~ the

1 written permission of the racing commissioner not more than 28% and
2 with the written permission of the racing commissioner not more
3 than 35% of all money wagered involving any form of multiple ~~wager~~
4 **WAGERING** on the results of live and simulcast horse races conducted
5 at the licensee's race meeting. Except as otherwise provided by
6 contract, 50% of all commissions from wagering on the results of
7 live racing at the racetrack where the live racing was conducted
8 ~~shall~~**MUST** be paid to the horsemen's purse pool at the racetrack
9 where the live racing was conducted. As used in this subsection:

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

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

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

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

1 the total value of the pool.

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

5 (7) Any act or transaction relative to pari-mutuel wagering on
6 the results of live or simulcast horse races may be conducted by a
7 race meeting licensee under this act for the race meeting licensee
8 to comply with the auditing requirements of section 23. A person
9 shall not provide messenger service for the placing of a bet for
10 another person who is not a patron. However, this subsection does
11 not prevent simulcasting or intertrack or interstate common pool
12 wagering inside or outside this state as permitted by this act or
13 the rules promulgated under this act.

14 (8) Any form of pari-mutuel wagering on the results of live or
15 simulcast horse races must only ~~occur or be permitted to occur at a~~
16 ~~licensed race meeting. A person shall not participate or be a party~~
17 ~~to any act or transaction relative to placing a wager or carrying a~~
18 ~~wager for placement outside of a race meeting ground. A person~~
19 ~~shall not provide messenger service for the placing of a bet for~~
20 ~~another person who is not a patron. However, this subsection does~~
21 ~~not prevent simulcasting or intrastate or interstate common pool~~
22 ~~wagering inside or outside this state as permitted by this act or~~
23 ~~the rules promulgated under this act.~~ **BE CONDUCTED OR OPERATED BY A**
24 **RACE MEETING LICENSEE, WHICH MAY USE ITS CONTRACTED LICENSED THIRD-**
25 **PARTY FACILITATORS, AS DETERMINED AND APPROVED BY THE RACING**
26 **COMMISSIONER. THE RACE MEETING LICENSEE IS RESPONSIBLE FOR ALL**
27 **CONDUCT OF ITS THIRD-PARTY FACILITATORS. ALL WAGERS MUST BE PLACED**

1 BY PERSONS WITHIN THIS STATE AND MAY BE PLACED ONLY IN PERSON AT A
2 LICENSED RACE MEETING OR ELECTRONICALLY THROUGH A LICENSED THIRD-
3 PARTY FACILITATOR. WAGERS MUST BE PLACED ONLY ON LIVE RACES OFFERED
4 AT OR LIVE RACES SIMULCAST TO LICENSED RACE MEETINGS AT RACETRACKS
5 OPERATED BY PERSONS THAT HOLD TRACK LICENSES ISSUED UNDER THIS ACT.
6 EACH RACE MEETING LICENSEE AND LICENSED THIRD-PARTY FACILITATOR
7 SHALL NOT SOLICIT, OFFER, ACCEPT, OR PROCESS WAGERS ON OR IN
8 CONNECTION WITH ANY OTHER HORSE RACES, FORM OF HORSE RACING, OR
9 OTHER FORM OF GAMING OR GAMBLING PRODUCT, INCLUDING, BUT NOT
10 LIMITED TO, HISTORICAL HORSE RACES, SLOT MACHINES, OR ANY
11 ELECTRONIC GAME OF CHANCE THAT SIMULATES, IMITATES, OR EMULATES AN
12 ELECTRONIC GAMING DEVICE SUCH AS A VIDEO LOTTERY TERMINAL, PULLTAB
13 DISPENSER, OR ANY OTHER ELECTRONIC OR MECHANICAL DEVICE.

14 (9) A person that does not hold a race meeting license **OR A**
15 **THIRD-PARTY FACILITATOR LICENSE** that solicits or accepts wagers on
16 the results of live or simulcast horse races from individuals in
17 this state is guilty of a felony punishable by imprisonment for not
18 more than 5 years or a fine of not more than \$10,000.00, or both.
19 Each act of solicitation or wager that is accepted in violation of
20 this section is a separate offense.

21 (10) **ONLY A RACE MEETING LICENSEE OR ITS CONTRACTED LICENSED**
22 **THIRD-PARTY FACILITATOR MAY PROCESS, ACCEPT, OFFER, OR SOLICIT**
23 **WAGERS ON THE RESULTS OF LIVE OR SIMULCAST HORSE RACES AS**
24 **DETERMINED AND APPROVED BY THE RACING COMMISSIONER.**

25 (11) ~~(10)~~As used in this section, "act or transaction
26 relative to pari-mutuel wagering on the results of live or
27 simulcast horse races" means those steps taken by a race meeting

1 licensee to accept a wager and process it within the ordinary
2 course of its business and in accordance with this act.

3 Sec. 20. (1) It is the policy of this state to encourage the
4 breeding of horses of all breeds in this state and the ownership of
5 such horses by residents of this state to provide for sufficient
6 numbers of high quality race horses of all breeds to participate in
7 licensed race meetings in this state; to promote the positive
8 growth and development of high quality horse racing and other
9 equine competitions in this state as a business and entertainment
10 activity for residents of this state; and to establish and preserve
11 the substantial agricultural and commercial benefits of the horse
12 racing and breeding industry to this state. It is the intent of the
13 legislature to further this policy by the provisions of this act
14 and annual appropriations to administer this act and adequately
15 fund the agriculture and equine industry programs established by
16 this section.

17 (2) Money received by the racing commissioner and the state
18 treasurer under this act ~~shall~~**MUST** be paid promptly into the state
19 treasury and placed in the Michigan agriculture equine industry
20 development fund created in subsection (3).

21 (3) The Michigan agriculture equine industry development fund
22 is created in the department of treasury. The Michigan agriculture
23 equine industry development fund ~~shall~~**MUST** be administered by the
24 director of the department of agriculture and rural development
25 with the assistance and advice of the racing commissioner.

26 (4) Money ~~shall~~**MUST** not be expended from the Michigan
27 agriculture equine industry development fund except as appropriated

1 by the legislature. Money appropriated by the legislature ~~for~~**FROM**
2 the Michigan agriculture equine industry development fund ~~shall~~
3 **MUST** be expended by the director of the department of agriculture
4 and rural development with the advice and assistance of the racing
5 commissioner to provide funding for agriculture and equine industry
6 development programs as provided in subsections (5) to (11).

7 (5) The following amounts ~~shall~~**MUST** be paid to standardbred
8 and fair programs:

9 (a) A sum not to exceed 75% of the purses for standardbred
10 harness horse races offered by fairs and races at licensed pari-
11 mutuel racetracks. Purse supplements paid under this subdivision
12 for overnight races at fairs for which Michigan sired, Michigan
13 bred, or Michigan owned harness horses are eligible must be
14 \$1,000.00. However, if the average purse offered for maiden
15 overnight races of the same breed at any licensed race meeting in
16 this state during the previous year as calculated by the department
17 of agriculture and rural development was less than \$1,000.00, purse
18 supplements for overnight races at fairs paid under this
19 subdivision ~~shall~~**MUST** not exceed that average purse.

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

25 (c) A sum to be allotted for paying special purses at fairs on
26 2-year-old and 3-year-old standardbred harness horses conceived
27 after January 1, 1992, that is Michigan bred, or that is sired by a

1 standardbred stallion registered with the department of agriculture
2 and rural development, that was leased or owned by a resident or
3 residents of this state, and that did not serve a mare at a
4 location outside of this state from February 1 through July 31 of
5 the calendar year in which the conception occurred. A foal that is
6 born on or after January 1, 2002 of a mare owned by a nonresident
7 of this state and that is conceived outside of this state from
8 transported semen of a stallion registered with the department of
9 agriculture and rural development is eligible for Michigan tax-
10 supported races only if, in the year that the foal is conceived,
11 the department of agriculture and rural development's agent for
12 receiving funds as the holding agent for stakes and futurities is
13 paid a transport fee as determined by the department of agriculture
14 and rural development and administered by the Michigan ~~harness~~
15 ~~horsemen's association.~~ **HARNESS HORSEMEN'S ASSOCIATION.**

16 (d) A sum to pay not more than 75% of an eligible cash premium
17 paid by a fair or exposition. The commission of agriculture and
18 rural development shall promulgate rules establishing which
19 premiums are eligible for payment and a dollar limit for all
20 eligible payments.

21 (e) A sum to pay breeders' awards in an amount not to exceed
22 10% of the gross purse to breeders of Michigan bred standardbred
23 harness horses for each time the horse wins a race at a licensed
24 race meeting or fair in this state. As used in this subdivision,
25 "Michigan bred standardbred harness horse" means a horse from a
26 mare owned by a resident or residents of this state at the time of
27 conception, that was conceived after January 1, 1992, and sired by

1 a standardbred stallion registered with the department of
2 agriculture and rural development that was leased or owned by a
3 resident or residents of this state and that did not serve a mare
4 at a location outside of this state from February 1 through July 31
5 of the calendar year in which the conception occurred. To be
6 eligible, each mare must be registered with the department of
7 agriculture and rural development. A foal that is born on or after
8 January 1, 2002 of a mare owned by a nonresident of this state and
9 that is conceived outside of this state from transported semen of a
10 stallion registered with the department of agriculture and rural
11 development is eligible for Michigan tax-supported races only if,
12 in the year that the foal is conceived, the department of
13 agriculture and rural development's agent for receiving funds as
14 the holding agent for stakes and futurities is paid a transport fee
15 as determined by the department of agriculture and rural
16 development and administered by the Michigan ~~harness horsemen's~~
17 ~~association.~~ **HARNESS HORSEMEN'S ASSOCIATION.**

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

21 (g) A sum to be allotted to pay the presiding judges and
22 clerks of the course at fairs. Presiding judges and clerks of the
23 course ~~shall~~ **MUST** be hired by the fair's administrative body with
24 the advice and approval of the racing commissioner. The director of
25 the department of agriculture and rural development may allot funds
26 for a photo finish system and a mobile starting gate. The director
27 of the department of agriculture and rural development shall allot

1 funds for the conducting of tests, the collection and laboratory
2 analysis of urine, saliva, blood, and other samples from horses,
3 and the taking of blood alcohol tests on drivers, jockeys, and
4 starting gate employees, for those races described in this
5 subdivision. The department may require a driver, jockey, or
6 starting gate employee to submit to a breathalyzer test, urine
7 test, or other noninvasive fluid test to detect the presence of
8 alcohol or a controlled substance. If the results of a test show
9 that a person has more than .05% of alcohol in his or her blood, or
10 has present in his or her body a controlled substance, the person
11 ~~shall~~**IS** not ~~be~~ permitted to continue in his or her duties on that
12 race day and until he or she can produce, at his or her own
13 expense, a negative test result.

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

17 (i) A sum not to exceed 0.25% of all money wagered on live and
18 simulcast horse races in this state ~~shall~~**MUST** be placed in a
19 special standardbred sire stakes fund each year, 100% of which
20 ~~shall~~**MUST** be used to provide purses for races run exclusively for
21 2-year-old and 3-year-old Michigan sired standardbred horses at
22 licensed harness race meetings in this state. As used in this
23 subdivision, "Michigan sired standardbred horses" means
24 standardbred horses conceived after January 1, 1992 and sired by a
25 standardbred stallion registered with the department of agriculture
26 and rural development that was leased or owned by a resident or
27 residents of this state and that did not serve a mare at a location

1 outside of this state from February 1 through July 31 of the
2 calendar year in which the conception occurred. A foal that is born
3 on or after January 1, 2002 of a mare owned by a nonresident of
4 this state and that is conceived outside of this state from
5 transported semen of a stallion registered with the department of
6 agriculture and rural development is eligible for Michigan tax-
7 supported races only if, in the year that the foal is conceived,
8 the department of agriculture and rural development's agent for
9 receiving funds as the holding agent for stakes and futurities is
10 paid a transport fee as determined by the department of agriculture
11 and rural development and administered by the Michigan ~~harness~~
12 ~~horsemen's association.~~ **HARNESS HORSEMEN'S ASSOCIATION.**

13 (6) The following amounts ~~shall~~ **MUST** be paid to thoroughbred
14 programs:

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

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

21 (c) A sum to pay breeders' awards in an amount not to exceed
22 10% of the gross purse to the breeders of Michigan bred
23 thoroughbred horses for each time Michigan bred thoroughbred horses
24 win at a licensed race meeting in this state.

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

1 (e) A sum not to exceed 0.25% of all money wagered on live and
2 simulcast horse races in ~~Michigan shall~~ **THIS STATE MUST** be placed
3 in a special thoroughbred sire stakes fund each year, 100% of which
4 ~~shall~~ **MUST** be used to provide purses for races run exclusively for
5 2-year-old and 3-year-old and older Michigan sired thoroughbred
6 horses at licensed thoroughbred race meetings in this state and
7 awards for owners of Michigan sired horses or stallions. As used in
8 this subdivision, "Michigan sired thoroughbred horses" means
9 thoroughbred horses sired by a stallion registered with the
10 department of agriculture and rural development that was leased or
11 owned exclusively by a resident or residents of this state and that
12 did not serve a mare at a location outside of this state during the
13 calendar year in which the service occurred.

14 (7) The following amounts ~~shall~~ **MUST** be paid for quarter horse
15 programs:

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

18 (b) A sum to pay not more than 75% of the purses for
19 registered quarter horse races offered by fairs.

20 (c) A sum to pay breeders' awards in an amount not to exceed
21 10% of a gross purse to breeders of Michigan bred quarter horses
22 for each time a Michigan bred quarter horse wins at a county fair
23 or licensed race meeting in this state.

24 (d) As used in this subsection, "Michigan bred quarter horse"
25 means that term as defined in R 285.817.1 of the Michigan
26 Administrative Code. Each mare and stallion ~~shall~~ **MUST** be
27 registered with the director of the department of agriculture and

1 rural development.

2 (8) The following amounts ~~shall~~**MUST** be paid for Appaloosa
3 programs:

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

6 (b) A sum to pay not more than 75% of the purses for
7 registered Appaloosa horse races offered by fairs.

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

12 (d) As used in this subsection, "Michigan bred Appaloosa
13 horse" means **A MICHIGAN BRED APPALOOSA HORSE AS** that term ~~as~~**IS**
14 defined in R 285.819.1 of the Michigan Administrative Code. Each
15 mare and stallion ~~shall~~**MUST** be registered with the director of the
16 department of agriculture and rural development.

17 (9) The following amounts ~~shall~~**MUST** be paid for Arabian
18 programs:

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

21 (b) A sum to pay not more than 75% of the purses for
22 registered Arabian 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 Arabian
25 horses for each time Michigan bred horses win at a fair or licensed
26 racetrack in this state.

27 (d) As used in this subsection, "Michigan bred Arabian horse"

1 means a Michigan-bred horse as that term is defined in R
2 285.822.1(i) of the Michigan Administrative Code. Each mare and
3 stallion shall be registered with the director of the department of
4 agriculture and rural development.

5 (10) The following sums ~~shall~~**MUST** be paid for American paint
6 horse programs:

7 (a) A sum to supplement the purses for races to be conducted
8 exclusively for Michigan bred American paint horses.

9 (b) A sum to pay not more than 75% of the purses for
10 registered American paint horse races offered by fairs.

11 (c) A sum to pay breeders' awards in an amount not to exceed
12 10% of the gross purse to the breeders of Michigan bred American
13 paint horses for each time a Michigan bred American paint horse
14 wins at a county fair or licensed race meeting in this state.

15 (d) As used in this subsection, "Michigan bred American paint
16 horse" means a Michigan-bred paint horse as that term is defined in
17 R 285.823.1 of the Michigan Administrative Code.

18 (11) The following amounts ~~shall~~**MUST** be paid for the equine
19 industry research, planning, and development grant fund program:

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

25 (b) A sum to fund the development, implementation, and
26 administration of new programs that promote the proper growth and
27 development of the horse racing and breeding industry in this state

1 and other valuable equine-related commercial and recreational
2 activities in this state.

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

15 (13) An amount ~~shall~~**MUST** be allotted annually to the racing
16 commissioner that is sufficient to pay for the collection and
17 laboratory analysis of urine, saliva, blood, and other samples from
18 horses and licensed individuals involved in horse racing on which
19 pari-mutuel wagers are made and for the conducting of tests
20 described in section 16(4).

21 (14) Money appropriated and allotted to the Michigan
22 agriculture equine industry development fund ~~shall~~**MUST** not revert
23 to the general fund and ~~shall~~**MUST** be carried forward from year to
24 year until disbursed to fund grants for research projects
25 beneficial to the industry.

26 (15) A percentage of the Michigan agriculture equine industry
27 development fund that is equal to ~~1/100~~**1/15** of 1% of the gross

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wagers made each year in each of the racetracks licensed under this act ~~shall~~**MUST** be deposited in the compulsive gaming prevention fund created in section 3 of the compulsive gaming prevention act, 1997 PA 70, MCL 432.253.

(16) The director of the department of agriculture and rural development shall promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this section. The rules promulgated under this subsection ~~shall~~**MUST** do all of the following:

(a) Prescribe the conditions under which the Michigan agriculture equine industry development fund and related programs described in subsections (1) to (14) ~~shall~~**MUST** be funded.

(b) Establish conditions and penalties regarding the programs described in subsections (5) to (12).

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

(17) Funds under the control of the department of agriculture and rural development in this section ~~shall~~**MUST** be disbursed under the rules promulgated pursuant to ~~UNDER~~ subsection (16). All funds under the control of the department of agriculture and rural development approved for purse supplements and breeders' awards ~~shall~~**MUST** be paid by the state treasurer not later than 45 days from the date of the race.

<<(18) PURSES PAID UNDER THIS SECTION MUST BE BASED ON ACTUAL PURSES AWARDED IN A RACE. IF THE ACTUAL PURSES AWARDED ARE LESS THAN THE PURSE SUPPLEMENT AMOUNT REQUESTED BY A FAIR OR LICENSED PARI-MUTUEL RACETRACK AT THE TIME THEY APPLIED TO THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT FOR THE PURSE SUPPLEMENT, THE PURSE SUPPLEMENT PAID MUST BE THE LESSER AMOUNT.>>

Sec. 22. (1) A licensed racetrack shall pay a license fee to the racing commissioner of \$1,000.00 annually.

(2) Each holder of a race meeting license shall pay to the state treasurer, from the holder's commission, **INCLUDING ANY WAGERS**

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PROCESSED THROUGH LICENSED THIRD-PARTY FACILITATORS OPERATING UNDER THIS ACT, a tax in the amount of 3.5% of money wagered on interstate and intertrack simulcast races conducted at the holder's licensed race meetings.

(3) By eliminating the pari-mutuel wagering tax on live racing programs and altering the calculation of the tax on simulcast horse racing, it is not the intent of the legislature to diminish the funding and appropriations for the Michigan agriculture equine industry **DEVELOPMENT** fund and related programs described in section 20. The pari-mutuel tax alteration effected by this section is intended to generally allow for the improvement of the pari-mutuel horse racing and breeding industry in this state by increasing purses at licensed race meetings and making additional pari-mutuel revenues available for capital improvements at licensed racetracks in this state.

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Enacting section <<1>>. This amendatory act does not take effect unless all of the following bills of the 99th Legislature are enacted into law:

(a) House Bill No. 4926.

(b) House Bill No. 5881.