

HOUSE BILL No. 5772

June 21, 1988, Introduced by Reps. Alley, Dodak, Webb, Niederstadt, Hart, Law, Bankes and Emmons and referred to the Committee on State Affairs.

A bill to amend sections 12 and 12a of Act No. 327 of the Public Acts of 1980, entitled as amended

"Racing law of 1980,"

section 12 as amended and section 12a as added by Act No. 108 of the Public Acts of 1986, being sections 431.12 and 431.12a of the Michigan Compiled Laws; and to add section 12b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 12 and 12a of Act No. 327 of the Public
2 Acts of 1980, section 12 as amended and section 12a as added by
3 Act No. 108 of the Public Acts of 1986, being sections 431.12 and
4 431.12a of the Michigan Compiled Laws, are amended and section
5 12b is added to read as follows:

6 Sec. 12. (1) A holder of a race meeting license may provide
7 a place in the race meeting grounds or enclosure at which he or
8 she may conduct and supervise the pari-mutuel system of wagering

1 by patrons on horse racing. The pari-mutuel system of wagering
2 upon horse racing within the race meeting grounds shall not be
3 held or construed to be unlawful. If the pari-mutuel system of
4 wagering is used at a race meeting, a totalisator, or other
5 device which is equal in accuracy and clearness to a totalisator
6 and approved by the racing commissioner, shall be used. The odds
7 display of the totalisator or other device shall be placed in
8 full view of the patrons.

9 (2) No other place or method of betting, pool making, wager-
10 ing, or gaming shall be used or permitted by the holder of the
11 license. The pari-mutuel system of wagering shall not be con-
12 ducted except UPON HORSE RACES HELD at ~~the~~ A LICENSED racetrack
13 ~~where the pari-mutuel system of wagering is conducted and~~ OR
14 pursuant to section 12a OR 12B. Each holder of a race meeting
15 license shall retain as his or her commission 17% of all money
16 wagered. Except as provided in subsection (6), each holder of a
17 race meeting license shall retain as his or her commission on all
18 forms of multiple wagering, 20-1/2% of all money wagered. In
19 each race meeting, the holder of the race meeting license shall
20 divide the breaks equally with the state. Breaks shall be com-
21 puted at all times at 10 cents and defined as the cents over any
22 multiple of 10 otherwise payable to a patron on a wager of
23 \$1.00.

24 (3) Payoff prices of tickets of a higher denomination shall
25 be calculated as even multiples of the payoff price for a \$1.00
26 wager. Each holder of a race meeting license shall distribute to
27 the persons holding winning tickets, as a minimum, a sum not less

1 than \$1.10 calculated on the basis of each \$1.00 deposited in a
2 pool, except that each race meeting licensee may distribute a sum
3 of not less than \$1.05 to persons holding winning tickets for
4 each \$1.00 deposited in a minus pool. As used in this subsec-
5 tion, "minus pool" means any win, place, or show pool in which
6 the payout would exceed the total value of the pool.

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

10 (5) Any act or transaction relative to wagering permitted by
11 this act shall only occur or be permitted to occur within the
12 enclosure of a race meeting grounds. A person shall not partici-
13 pate in or be a party to any act or transaction relative to the
14 placing of a wager or carrying a wager for placement outside of a
15 race meeting grounds. A person shall not provide messenger serv-
16 ice for the placing of a bet for another person who is not a
17 patron. However, this subsection does not prevent the authoriza-
18 tion of the simulcast of Michigan pari-mutuel horse races to
19 wagering locations outside this state. Upon proper application,
20 the racing commissioner may issue a permit allowing a race meet-
21 ing licensee to transmit, by live video and audio signals, a live
22 horse race to a viewing area outside this state.

23 (6) As used in this subsection, "special sweepstakes
24 pari-mutuel pool" means amounts wagered for a selection in each
25 of 3 or more races designated by the race meeting licensee with
26 the approval of the racing commissioner. The racing commissioner
27 may promulgate rules to regulate a special sweepstakes

1 pari-mutuel pool which shall not be connected with or related to
2 any other form of multiple wagering, or to any other win, place,
3 or show pool. A special sweepstakes pari-mutuel pool may be
4 given a distinctive name by the race meeting licensee, subject to
5 the approval of the racing commissioner. Each holder of a race
6 meeting license shall retain as his or her commission on special
7 sweepstakes pari-mutuel pools 25% of all money wagered.

8 Sec. 12a. (1) The holder of a race meeting license may
9 apply to the racing commissioner, in a manner as determined by
10 the racing commissioner, for a permit to conduct wagering by
11 pari-mutuel methods on the results of a race or races televised
12 to the race meeting grounds by simulcasting pursuant to this
13 section. As used in this section, "simulcast" means the live
14 transmission of video and audio signals conveying a horse race
15 held outside this state.

16 (2) The racing commissioner may issue a permit to the holder
17 of a race meeting license allowing the electronically televised
18 simulcasts of horse races conducted at racetracks outside this
19 state and televised to a viewing area or areas within the enclo-
20 sure of the licensed racetrack of the race meeting licensee. All
21 simulcasts of horse races shall be held in conjunction with the
22 race meeting licensee's regular racing program, and shall not
23 represent a diminution of the race meeting licensee's regularly
24 scheduled race program. A race meeting licensee shall not con-
25 duct more than 1 simulcast race at which pari-mutuel wagering is
26 allowed on any racing day. All simulcasts of horse races

1 conducted outside this state shall comply with the interstate
2 horseracing act of 1978, 15 U.S.C. 3001 to 3007.

3 (3) All forms of wagering by pari-mutuel methods provided
4 for under this act shall be allowed on simulcast horse races.
5 All money wagered on simulcast horse races shall be included in
6 computing all money wagered for purposes of section 12(2).

7 (4) As a condition of receiving a simulcasting permit under
8 this section, a race meeting licensee shall not reduce the number
9 of racing dates or the number of live horse races held on the
10 racetrack on any racing date because of the simulcasting of horse
11 races viewed at the race meeting licensee's racetrack.

12 (5) A race meeting licensee shall not conduct more than 25
13 simulcast races per racetrack per year.

14 (6) SIMULCASTS OF HORSE RACES CONDUCTED AT RACETRACKS OUT-
15 SIDE THIS STATE MAY BE RECEIVED BY A RACE MEETING LICENSEE AND
16 TRANSMITTED TO OTHER RACE MEETING LICENSEES IF THE LICENSEES MEET
17 THE CRITERIA PRESCRIBED IN THIS SECTION AND SECTION 12B.

18 SEC. 12B. (1) AS USED IN THIS SECTION:

19 (A) "INTERTRACK WAGERING" MEANS PARI-MUTUEL WAGERING BY
20 PATRONS AT A RECEIVING RACETRACK IN THIS STATE ON THE LIVE TRANS-
21 MISSION OF VIDEO AND AUDIO SIGNALS CONVEYING A HORSE RACE HELD AT
22 A SENDING TRACK IN THIS STATE, AND THE ELECTRONIC TRANSMISSION OF
23 THE WAGERS TO THE SENDING RACETRACK LOCATED IN THIS STATE.

24 (B) "INTERTRACK WAGERING LICENSE" MEANS A LICENSE ISSUED BY
25 THE RACING COMMISSIONER PERMITTING INTERTRACK WAGERING.

26 (C) "RECEIVING TRACK" MEANS A RACETRACK OPERATED BY A RACE
27 MEETING LICENSEE WHICH IS EQUIPPED TO RECEIVE THE TRANSMISSION OF

1 VIDEO AND AUDIO SIGNALS OF HORSE RACES AND TO CONDUCT INTERTRACK
2 WAGERING ON THOSE RACES.

3 (D) "SENDING TRACK" MEANS A RACETRACK OPERATED BY A RACE
4 MEETING LICENSEE WHICH IS EQUIPPED TO TRANSMIT VIDEO AND AUDIO
5 SIGNALS OF RACES TO A RECEIVING TRACK AND TO CONDUCT INTERTRACK
6 WAGERING ON THOSE RACES.

7 (E) "TAKEOUT" MEANS THE SUM OF MONEY SUBTRACTED FROM
8 PARI-MUTUEL POOLS PURSUANT TO SECTION 15, PRIOR TO CALCULATING
9 THE ODDS AND PAYING OUT WINNING WAGERS.

10 (2) UPON THE FILING OF A JOINT APPLICATION BY A RECEIVING
11 TRACK AND A SENDING TRACK IN A MANNER DETERMINED BY THE RACING
12 COMMISSIONER, THE RACING COMMISSIONER MAY ISSUE AN INTERTRACK
13 WAGERING LICENSE TO A RECEIVING TRACK SPECIFYING THE PERIODS OF
14 TIME DURING A CALENDAR YEAR, AND THE HOURS DURING THE DAY OR
15 NIGHT, WHEN INTERTRACK WAGERING IS PERMITTED, AND PRESCRIBING ANY
16 OTHER CONDITIONS OR TERMS THE RACING COMMISSIONER CONSIDERS
17 APPROPRIATE, SUBJECT TO ALL OF THE FOLLOWING CONDITIONS:

18 (A) INTERTRACK WAGERING SHALL NOT BE CONDUCTED ON ANY DAY AT
19 ANY RACETRACK WITHIN A CITY AREA AS DEFINED IN SECTION 8(5) WITH-
20 OUT THE CONSENT OF ALL OTHER RACE MEETING LICENSEES CONDUCTING
21 RACING ON THAT DAY WITHIN THAT CITY AREA.

22 (B) A RECEIVING TRACK IN A CITY AREA AS DEFINED IN SECTION
23 8(5) SHALL ONLY BE ELIGIBLE TO ACCEPT RACES FROM A RACE MEETING
24 LICENSEE LOCATED IN THE CITY AREA.

25 (C) INTERTRACK WAGERING SHALL NOT BE CONDUCTED AT ANY RACE-
26 TRACK OUTSIDE A CITY AREA AS DEFINED IN SECTION 8(5) WITHOUT THE

1 CONSENT OF ALL OTHER RACE MEETING LICENSEES CONDUCTING RACING ON
2 THAT DAY WITHIN 50 MILES OF THE RECEIVING TRACK.

3 (D) AN INTERTRACK WAGERING LICENSEE SHALL NOT BE AUTHORIZED
4 TO ACCEPT WAGERS ON MORE THAN 1 RACE MEETING DURING THE SAME
5 HOURS.

6 (E) A RACE MEETING LICENSEE SHALL NOT REDUCE THE NUMBER OF
7 RACING DATES OR THE NUMBER OF LIVE HORSE RACES HELD ON THE RACE-
8 TRACK ON ANY RACING DATE BECAUSE OF THE SIMULCASTING OF HORSE
9 RACES VIEWED AT THE RACE MEETING LICENSEE'S RACETRACK.

10 (3) A JOINT APPLICATION FOR AN INTERTRACK WAGERING LICENSE
11 SHALL INCLUDE A WRITTEN AGREEMENT BETWEEN THE RECEIVING AND SEND-
12 ING TRACKS THAT PROVIDES A DETAILED PLAN OF OPERATION FOR THE
13 SIMULTANEOUS PICTURE TRANSMISSION OF RACES FROM THE SENDING TRACK
14 TO THE RECEIVING TRACK, THE TRANSMISSION TO THE SENDING TRACK OF
15 WAGERS PLACED AT THE RECEIVING TRACK, AND THE DISTRIBUTION OF THE
16 PARI-MUTUEL POOL TO THE WINNING TICKET HOLDERS AT THE RECEIVING
17 TRACK.

18 (4) A RECEIVING TRACK SHALL NOT SUBSTITUTE A RACE TRANSMIT-
19 TED TO IT FROM A SENDING TRACK FOR A LIVE RACE OR RACES SCHEDULED
20 DURING A RACE MEETING AT THE RECEIVING TRACK.

21 (5) THE SYSTEM OF INTERTRACK BETTING OPERATED BY AN INTER-
22 TRACK WAGERING LICENSEE SHALL COMBINE ALL INTERTRACK WAGERS WITH
23 ON-TRACK WAGERS SO AS TO PRODUCE A COMMON PARI-MUTUEL BETTING
24 POOL FOR THE CALCULATION OF ODDS AND THE DETERMINATION OF PAYOUTS
25 FROM THE POOL. THE PAYOUT SHALL BE THE SAME FOR ALL WINNING
26 TICKETS, IRRESPECTIVE OF WHETHER A WAGER IS PLACED INTERTRACK OR
27 ON-TRACK. INTERTRACK WAGERS ACCEPTED BY THE INTERTRACK WAGERING

1 LICENSEE SHALL CONFORM IN DENOMINATION, CHARACTER, TERMS,
2 CONDITIONS, AND ALL OTHER RESPECTIVE TO ON-TRACK WAGERS ACCEPTED
3 FOR THE SAME RACE. THE TAKEOUT FROM THE COMBINED INTER-TRACK AND
4 ON-TRACK BETTING PARI-MUTUEL POOLS AND DISPOSITION OF THE TAKEOUT
5 SHALL BE AS PRESCRIBED IN THIS ACT.

6 (6) NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, INTER-
7 TRACK WAGERING CONDUCTED PURSUANT TO AN INTERTRACK WAGERING
8 LICENSE IS LAWFUL.

9 (7) THE RACING COMMISSIONER SHALL PROMULGATE AND ADOPT SUCH
10 RULES AND REGULATIONS AS ARE NECESSARY TO IMPLEMENT THIS SECTION.