

Act No. 188
Public Acts of 1994
Approved by the Governor
June 19, 1994
Filed with the Secretary of State
June 20, 1994

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994**

Introduced by Reps Randall Gnodtke Harder and Curtis

ENROLLED HOUSE BILL No. 5523

AN ACT to amend section 13 of Act No 327 of the Public Acts of 1980 entitled as amended An act to license and regulate the conducting of race meetings in this state and persons involved in those race meetings to create the office of racing commissioner to prescribe the powers and duties of the racing commissioner to prescribe the powers and duties of the department of agriculture and the director of the department of agriculture to provide for the promulgation of rules to provide for fees and the disposition of revenues to create funds to legalize and permit the pari mutuel method of wagering on the results of races at licensed race meetings in this state to appropriate the funds derived from pari mutuel wagering to prescribe penalties to repeal certain acts and parts of acts and to repeal certain acts and parts of acts on specific dates as amended by Act No 108 of the Public Acts of 1986 being section 431 73 of the Michigan Compiled Laws

The People of the State of Michigan enact

Section 1 Section 13 of Act No 327 of the Public Acts of 1980 as amended by Act No 108 of the Public Acts of 1986 being section 431 73 of the Michigan Compiled Laws is amended to read as follows

Sec 13 (1) Money received by the racing commissioner under this act shall be paid promptly into the state treasury and except as provided in subsections (2) (9) and (10) shall be credited to the general fund of the state As used in this section fair means a county district community or 4 H fair the Upper Peninsula state fair and any other state fair

(2) Twenty seven and one half percent of the revenue received but not to exceed \$800 000 00 from racing license fees from a racetrack shall be placed in a fund under the control of the department of agriculture and shall be returned to the city or township in which the racetrack is located

(3) If the city or township in which the racetrack is located has reached the monetary limitation imposed by subsection (2) then in addition to that revenue 20% of the revenue received but not to exceed \$100 000 00 from racing license fees from a meet held before April 16 and after November 15 in a year shall be placed in a fund under the control of the department of agriculture and shall be returned to the city or township in which the racetrack is located If the track is located in more than 1 city or township then the revenue provided for in this subsection shall be divided equally between the cities or townships Funds shall not be returned to a city or township pursuant to this subsection or subsection (2) if a city or township fails to provide a statement as required in section 14

(4) A sufficient portion not to exceed 68 3/4% of the revenue received from standardbred racing in this state shall be placed in a special fund under the control of the department of agriculture to be allotted to fairs licensed pari mutuel racetracks other standardbred horse programs agricultural commodity programs and to pay the cost of administering this section as follows

(a) A sum to pay not more than 75% of the purses for standardbred harness horse races offered by fairs and special races at licensed pari mutuel racetracks

(b) A sum to be allotted on a matching basis but not to exceed \$8 000 00 each year to a single fair for the purpose of equipment rental during fairs grounds improvement constructing maintaining and repairing buildings and making the racetrack more suitable and safe for racing at fairs

(c) A sum to be allotted to be used for paying special purses at fairs on 2 and 3 year old standardbred harness horses conceived after January 1 1992 and sired by a standardbred stallion registered with the Michigan department of agriculture that was leased or owned by a resident or residents of this state and which did not serve a mare at a location outside of this state from February 1 through July 31 of the calendar year in which the conception occurred Transportation of semen from a standardbred stallion registered with the Michigan department of agriculture to a location outside the state of Michigan shall not create eligibility for Michigan tax supported races and shall not affect the eligibility of Michigan conceived foals for the purses provided for by this section A foal conceived outside the state of Michigan by means of semen from a standardbred stallion registered with the Michigan department of agriculture is not eligible for Michigan tax supported races

(d) A sum to pay 75% or more of an eligible cash premium paid by a fair or exposition The commission of agriculture shall promulgate rules establishing which premiums are eligible for payment and a dollar limit for all eligible payments

(e) A sum to pay breeders awards in the amount of 10% of the gross purse to breeders of Michigan bred standardbred harness horses for each time the horse wins at a licensed racetrack or fair in this state As used in this subdivision Michigan bred standardbred harness horse means a horse from a mare owned by a resident or residents of this state at the time of conception that was conceived after January 1 1992 and sired by a standardbred stallion registered with the Michigan department of agriculture that was leased or owned by a resident or residents of this state and which did not serve a mare at a location outside of this state from February 1 through July 31 of the calendar year in which the conception occurred To be eligible each mare shall be registered with the Michigan department of agriculture Transportation of semen from a standardbred stallion registered with the Michigan department of agriculture to a location outside the state of Michigan shall not create eligibility for Michigan tax supported races and shall not affect the eligibility of Michigan conceived foals for the purses provided for by this section A foal conceived outside the state of Michigan by means of semen from a standardbred stallion registered with the Michigan department of agriculture is not eligible for Michigan tax supported races

(f) A sum to be allotted but not to exceed \$4 000 00 each year to fairs to provide training and stabling facilities for standardbred harness horses _

(g) A sum to be allotted to fairs to pay the presiding judges and clerks of the course at fairs Presiding judges and clerks of the course shall be hired by the department of agriculture A person hired as a judge shall be approved by the racing commissioner The director of the department of agriculture may allot funds for a photo finish system and a mobile starting gate The director of the department of agriculture shall allot funds for the conducting of tests the collection and laboratory analysis of urine saliva blood and other samples from horses and the taking of blood alcohol tests on drivers jockeys and starting gate employees for those races described in this subsection The department may require a driver jockey or starting gate employee to submit to a breathalyzer test urine test or other noninvasive fluid test to detect the presence of alcohol or a controlled substance as defined in section 7104 of the public health code Act No 368 of the Public Acts of 1978 being section 333 7104 of the Michigan Compiled Laws If the results of a test show that a person has more than 0 05% of alcohol in his or her blood or has present in his or her body a controlled substance the person shall not be permitted to continue in his or her duties on that race day and until he or she can produce at his or her own expense a negative test result

(h) A sum to pay purse supplements to licensed pari mutuel racetracks for special 4 year old filly and colt horse races

(5) A sufficient portion not to exceed 27 1/2% of the revenue received from thoroughbred racing shall be placed in a special fund under the control of the department of agriculture and shall be allotted to thoroughbred racing associations to supplement the purses for races to be conducted exclusively for Michigan bred horses to pay not more than 75% of the purses for registered light horse races offered by fairs to pay the cost of administering this subsection and to pay breeders awards in the amount of 10% of the gross purse to the breeders of Michigan bred horses for each time Michigan bred horses win at a licensed racetrack in this state In addition to the sums allotted for purse supplements and breeders awards the department of agriculture may allot sufficient funds from the revenue received from thoroughbred racing to create a fund not to exceed 1% of the revenue received from the thoroughbred racing in this state which may be allotted to provide training and stabling facilities for thoroughbred horses The department shall also allot sufficient funds from the revenue received from thoroughbred racing to pay for the collection and laboratory analysis of urine saliva blood and other samples from horses and for the conducting of tests described in section 11(3)(b)

(6) A sufficient portion of the revenue received from quarter horse racing in this state shall be placed in a special fund under the control of the department of agriculture and shall be allotted to quarter horse racing associations to supplement the purses for races to be conducted exclusively for Michigan bred horses to pay not more than 75% of the purses for registered light horse races offered by fairs to pay the cost of administering this subsection and to pay breeders awards in the amount of 10% of a gross purse to breeders of Michigan bred quarter horses for each time a

Michigan bred quarter horse wins at a county fair or licensed racetrack in this state. The department shall also allot sufficient funds from the revenue received from quarter horse racing to pay for the collection and laboratory analysis of urine, saliva, blood, and other samples from horses and the taking of blood alcohol tests on jockeys for those races described in this subsection and for the conducting of tests described in section 11(3)(b). As used in this subsection:

Michigan bred quarter horse means a horse from a mare owned by a resident of this state at the time of breeding and sired by a registered stallion owned exclusively by a resident of this state and which did not serve a mare at a location outside of this state during the calendar year in which the service occurred. Each mare and stallion shall be registered with the director of the department of agriculture.

(7) A sufficient portion of the revenue received from Appaloosa horses racing in this state shall be placed in a special fund under the control of the department of agriculture and shall be allotted to Appaloosa horse racing associations to supplement the purses for races to be conducted exclusively for Michigan bred horses to pay not more than 75% of the purses for registered light horse races offered by fairs to pay the cost of administering this subsection and to pay breeders' awards in the amount of 10% of the gross purse to the breeders of Michigan bred horses for each time Michigan bred horses win at a fair or licensed racetrack in this state. The department shall also allot sufficient funds from the revenue received from Appaloosa horse racing to pay for the collection and laboratory analysis of urine, saliva, blood, and other samples from horses and the taking of blood alcohol tests on jockeys for those races described in this subsection and for the conducting of tests described in section 11(3)(b). Each mare and stallion shall be registered with the director of the department of agriculture.

(8) A sufficient portion of the revenue received from Arabian horses racing in this state shall be placed in a special fund under the control of the department of agriculture and shall be allotted to Arabian horse racing associations to supplement the purses for races to be conducted exclusively for Michigan bred horses to pay not more than 75% of the purses for registered light horse races offered by fairs to pay the cost of administering this subsection and to pay breeders' awards in the amount of 10% of the gross purse to the breeders of Michigan bred horses for each time Michigan bred horses win at a fair or licensed racetrack in this state. The department shall also allot sufficient funds from the revenue received from Arabian horse racing to pay for the collection and laboratory analysis of urine, saliva, blood, and other samples from horses and the taking of blood alcohol tests on jockeys for those races described in this subsection and for the conducting of tests described in section 11(3)(b). Each mare and stallion shall be registered with the director of the department of agriculture.

(9) Three tenths of 1% of all money wagered on standardbred races shall be placed in a special fund pursuant to subsections (12) and (13), 100% of which shall be used to provide purses for races to be conducted exclusively for 2- and 3-year-old Michigan sired standardbred horses at licensed harness racetracks in this state. As used in this section:

Michigan sired standardbred horses means a horse conceived after January 1, 1992 and sired by a stallion registered with the Michigan department of agriculture that was leased or owned by a resident or residents of this state and which did not serve a mare at a location outside of this state from February 1 through July 31 of the calendar year in which the conception occurred. Transportation of semen from a standardbred stallion registered with the Michigan department of agriculture to a location outside the state of Michigan shall not create eligibility for Michigan tax supported races and shall not affect the eligibility of Michigan conceived foals for the purses provided for by this section. A foal conceived outside the state of Michigan by means of semen from a standardbred stallion registered with the Michigan department of agriculture is not eligible for Michigan tax supported races.

(10) Three tenths of 1% of all money wagered on thoroughbred races shall be placed in a special fund pursuant to subsections (12) and (13), 100% of which shall be used to provide purses for races to be conducted exclusively for 2- and 3-year-old Michigan sired thoroughbred horses at licensed thoroughbred racetracks in this state. As used in this section:

Michigan sired thoroughbred horses means a horse sired by a registered stallion that was leased or owned exclusively by a resident or residents of this state and which did not serve a mare at a location outside of this state during the calendar year in which the service occurred.

(11) A sum equal to 2% or less, but not more than \$2,500,000.00 of the principal amount of bonds issued for a stadium and appurtenant parking and other facilities by an authority organized pursuant to state law before December 1, 1971, from the revenue received from thoroughbred and harness racing shall be returned to a county in which or adjoining which a licensed racetrack is located or to a city in that county if that county or city has obligated itself to pay more than 1/2 of the annual rental for a stadium, appurtenant parking, and other facilities for the conduct of sporting events, exhibitions, and other general recreational purposes. The sum returned shall only be used by that county or city along with other available funds to the extent necessary only to pay the annual rental to the authority organized pursuant to state law which acquired the stadium and facilities and leased the stadium and facilities to that county or city. A sum returned pursuant to this subsection shall not be specifically pledged for the payment of the rental or for the payment of bonds issued in anticipation of the rental. Pari-mutuel wagering shall not be conducted in the stadium, appurtenant parking area, or other facilities.

(12) The director of the department of agriculture shall promulgate rules pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24-201 to 24-328 of the Michigan Compiled Laws, to implement this section. The rules promulgated under this subsection shall do all of the following:

- (a) Prescribe the conditions under which the revenue described in subsections (2) to (11) shall be disbursed
- (b) Establish conditions and penalties regarding the programs described in subsections (4) to (11)
- (c) Develop and maintain informational programs related to this section

(13) Funds under the control of the department of agriculture in this section shall be disbursed under the rules promulgated pursuant to subsection (12) All funds under the control of the department of agriculture approved for purse supplements and breeders awards shall be paid by the state treasurer not later than 30 days from the date of the race

(14) The department shall report to the legislature by March 30 1990 on the effect on the horse racing industry of the practice of restricting premiums purses breeders awards or other payments to Michigan sired horses including an analysis of which sectors of the horse racing industry benefit from the payments and which are placed at a disadvantage The report shall recommend extensions or elimination of such payments and regulatory restrictions

This act is ordered to take immediate effect

Co Clerk of the House of Representatives

Secretary of the Senate

Approved

Governor