



# HOUSE BILL No. 4410

March 2, 1993, Introduced by Rep. Joe Young, Jr. and referred to the Committee on State Affairs.

A bill to amend sections 6, 8, 12, and 13 of Act No. 327 of the Public Acts of 1980, entitled as amended

"Racing law of 1980,"

as amended by Act No. 108 of the Public Acts of 1986, being sections 431.66, 431.68, 431.72, and 431.73 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 6, 8, 12, and 13 of Act No. 327 of the  
2 Public Acts of 1980, as amended by Act No. 108 of the Public Acts  
3 of 1986, being sections 431.66, 431.68, 431.72, and 431.73 of the  
4 Michigan Compiled Laws, are amended to read as follows:

5 Sec. 6. (1) The racing commissioner shall promulgate rules  
6 pursuant to the administrative procedures act of 1969, Act  
7 No. 306 of the Public Acts of 1969, as amended, being sections  
8 24.201 to 24.328 of the Michigan Compiled Laws, under which horse

1 racing shall be conducted within this state. The rules  
2 promulgated under this section shall accomplish all of the  
3 following:

4 (a) Governing, restricting, or regulating a uniform system  
5 of betting on races to be used at each racetrack in this state.

6 (b) Promoting the safety, security, growth, and integrity of  
7 all horse racing conducted within this state.

8 (c) Licensing and regulating each person participating in,  
9 or having to do with, horse racing within this state.

10 (2) Each race meeting licensee shall provide security at all  
11 times during the conduct of a race meeting so as to reasonably  
12 insure the safety of all persons and horses on the grounds ~~and~~  
13 and to protect and preserve the integrity of racing and  
14 pari-mutuel wagering. Upon a determination by the racing commis-  
15 sioner that additional security is necessary to insure the safety  
16 and integrity of racing, supplemental security shall be provided  
17 by the racing commissioner at each race meeting in areas where  
18 occupational licenses are required for admittance.

19 (3) The racing commissioner may assess a penalty, including  
20 a fine of not more than \$5,000.00 for each violation ~~of~~  
21 COMMITTED BY A LICENSEE UNDER this act or a rule promulgated  
22 under this act, ~~committed by a licensee under this act~~ OR, IN  
23 THE CASE OF A LICENSEE HOLDING A VIDEO LOTTERY ESTABLISHMENT  
24 LICENSE, A VIOLATION OF THE MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELY  
25 LOTTERY ACT, ACT NO. 239 OF THE PUBLIC ACTS OF 1972, BEING SEC-  
26 TIONS 432.1 TO 432.47 OF THE MICHIGAN COMPILED LAWS, OR RULES  
27 PROMULGATED UNDER THAT ACT. A fine assessed by the racing

1 commissioner under this section ~~which~~ THAT exceeds \$500.00 or  
2 the suspension of a license under this act may be appealed to the  
3 racing commissioner. The appeal shall be heard by a hearings  
4 officer within 30 days of the date on which the appeal is made  
5 and ~~shall be~~ IS subject to the contested case provisions of Act  
6 No. 306 of the Public Acts of 1969, as amended.

7 (4) All proposed extensions, additions, or improvements to  
8 the buildings, stables, improvements, or racetracks upon property  
9 owned or leased by a person licensed under this act ~~shall be~~  
10 ARE subject to the approval of the racing commissioner. The  
11 racing commissioner may compel the production of books, memoran-  
12 da, electronically retrievable data, or documents showing the  
13 receipts and disbursements of any licensee under this act that  
14 relate to horse racing. The racing commissioner at any time may  
15 for cause require the removal of any employee or official  
16 involved in or having to do with racing. The racing commissioner  
17 may visit, investigate, and place auditors and other persons as  
18 the racing commissioner considers necessary in the offices, race-  
19 tracks, or places of business of a licensee under this act to  
20 insure compliance with this act and the rules promulgated under  
21 this act. The racing commissioner may summon witnesses and  
22 administer oaths or affirmations, if necessary, for the effective  
23 discharge of duties under this act. A person failing to appear  
24 before the racing commissioner at the time and place specified,  
25 without just cause, in answer to a summons, or refusing to tes-  
26 tify ~~—~~ or testifying falsely, is guilty of a misdemeanor,

1 punishable by a fine of not more than \$5,000.00, or imprisonment  
2 for not more than 6 months, or both.

3       Sec. 8. (1) The racing commissioner shall issue, without  
4 further application, a track license to any person maintaining or  
5 operating a licensed horse racetrack ~~as of the effective date of~~  
6 ~~this act,~~ with wagering by pari-mutuel methods on the results of  
7 the racing.

8       (2) A track license, once issued, shall only continue as  
9 long as the annual license fee is paid ~~—~~ or until the track  
10 license is voluntarily surrendered or is revoked as provided in  
11 this act.

12       (3) A track license application shall be in writing, shall  
13 demonstrate to the racing commissioner satisfactory financial  
14 responsibility, shall show the location of the racetrack or of  
15 the proposed racetrack, and shall be accompanied by substantially  
16 detailed plans and specifications of the racetrack, buildings,  
17 fences, and other improvements. The application shall give the  
18 name and address of the applicant ~~—~~ and, if a corporation,  
19 shall state the place of its incorporation, and shall give any  
20 other information required by the rules promulgated under this  
21 act or by the racing commissioner. Upon the filing of the appli-  
22 cation and payment of the license fee, the racing commissioner  
23 shall ~~make an investigation of~~ INVESTIGATE the applicant and  
24 ~~of~~ the racetrack or proposed racetrack as the racing commis-  
25 sioner considers necessary. If the applicant and the racetrack  
26 satisfy the requirements of this act and the rules promulgated  
27 under this act, the racing commissioner shall grant a license for

1 the racetrack, designating in the license the county or area of  
2 the holder of the license. If the racetrack does not comply with  
3 this act ~~and~~ OR the rules promulgated under this act, the  
4 racing commissioner shall deny the license but shall grant a  
5 license upon compliance with the requirements imposed by the  
6 racing commissioner.

7       (4) After a license is issued under this section, the  
8 license may be revoked if the holder of the license, after rea-  
9 sonable notice from the racing commissioner, does not make the  
10 improvements or additions to the racetrack as are necessary, or  
11 if the holder of the license willfully violates this act or the  
12 rules promulgated under this act, OR, IN THE CASE OF A LICENSEE  
13 HOLDING A VIDEO LOTTERY ESTABLISHMENT LICENSE, WILLFULLY VIOLATES  
14 THE MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELY LOTTERY ACT, ACT NO. 239  
15 OF THE PUBLIC ACTS OF 1972, BEING SECTIONS 432.1 TO 432.47 OF THE  
16 MICHIGAN COMPILED LAWS, OR RULES PROMULGATED UNDER THAT ACT. In  
17 addition to the revocation of the license, the racing commis-  
18 sioner may impose a fine or bring an action in circuit court  
19 seeking an order of the court requiring the licensee to make the  
20 improvements or additions if the licensee fails to make improve-  
21 ments or corrections ~~which~~ THAT comply with the applicable con-  
22 struction code or local ordinances. The action of the racing  
23 commissioner in refusing or revoking a track license may be  
24 reviewed by the circuit court for the county in which the race-  
25 track is located. Either party may appeal from the circuit court  
26 to the court of appeals. The applicant for the license shall  
27 also pay the license fees provided in this act.

1       (5) In a city area, not more than 3 racetracks shall be  
2 licensed. As used in this act, "city area" means a city having a  
3 population of 1,000,000 or more, and includes the counties wholly  
4 or partly within a distance of 30 miles of the city limits of the  
5 city.

6       (6) A person, corporation, firm, partnership, association,  
7 or other legal entity shall not be issued more than 1 track  
8 license. Controlling ownership and interlocking directorates  
9 among the holders of track licenses are prohibited.

10       (7) A track license shall not be issued under this section  
11 if the racetrack would result in harmful competition among exist-  
12 ing racetracks.

13       Sec. 12. (1) A holder of a race meeting license may provide  
14 a place in the race meeting grounds or enclosure at which he or  
15 she may conduct and supervise the pari-mutuel system of wagering  
16 by patrons on horse racing. The pari-mutuel system of wagering  
17 upon horse racing within the race meeting grounds AND VIDEO  
18 LOTTERY shall not be held or construed to be unlawful. If the  
19 pari-mutuel system of wagering is used at a race meeting, a  
20 totalisator, or other device ~~which~~ THAT is equal in accuracy  
21 and clearness to a totalisator and approved by the racing commis-  
22 sioner, shall be used. The odds display of the totalisator or  
23 other device shall be placed in full view of the patrons. VIDEO  
24 LOTTERY SHALL COMPLY WITH THE STANDARDS IMPOSED BY THE COMMIS-  
25 SIONER OF STATE LOTTERY AS PRESCRIBED IN THE  
26 MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELY LOTTERY ACT, ACT NO. 239 OF

1 THE PUBLIC ACTS OF 1972, BEING SECTIONS 432.1 TO 432.47 OF THE  
2 MICHIGAN COMPILED LAWS, AND RULES PROMULGATED UNDER THAT ACT.

3 (2) ~~No other place or method of betting, pool making,~~  
4 ~~wagering, or gaming shall be used or permitted by the~~ THE holder  
5 of the license SHALL NOT CONDUCT ANY BETTING, POOL MAKING, WAGER-  
6 ING, OR GAMING NOT ALLOWED UNDER THIS ACT. The pari-mutuel  
7 system of wagering shall not be conducted except at the racetrack  
8 where the pari-mutuel system of wagering is conducted and pursu-  
9 ant to section 12a. Each holder of a race meeting license shall  
10 retain as his or her commission 17% of all money wagered. Except  
11 as provided in subsection (6), each holder of a race meeting  
12 license shall retain as his or her commission on all forms of  
13 multiple wagering ~~—~~ 20-1/2% of all money wagered. In each race  
14 meeting, the holder of the race meeting license shall divide the  
15 breaks equally with the state. Breaks shall be computed at all  
16 times at 10 cents and defined as the cents over any multiple of  
17 10 otherwise payable to a patron on a wager of \$1.00. MONEY GEN-  
18 ERATED BY A LICENSEE THROUGH THE CONDUCT OF A VIDEO LOTTERY IS  
19 SUBJECT TO THE REGULATION AND ALLOCATION FORMULA PROVIDED FOR IN  
20 ACT NO. 239 OF THE PUBLIC ACTS OF 1972.

21 (3) Payoff prices of tickets of a higher denomination shall  
22 be calculated as even multiples of the payoff price for a \$1.00  
23 wager. Each holder of a race meeting license shall distribute to  
24 the persons holding winning tickets, as a minimum, a sum not less  
25 than \$1.10 calculated on the basis of each \$1.00 deposited in a  
26 pool, except that each race meeting licensee may distribute a sum  
27 of not less than \$1.05 to persons holding winning tickets for

1 each \$1.00 deposited in a minus pool. As used in this  
2 subsection, "minus pool" means any win, place, or show pool in  
3 which the payout ~~would exceed~~ EXCEEDS the total value of the  
4 pool.

5 (4) A holder of a race meeting license shall not knowingly  
6 permit a person less than 18 years of age to be a patron of the  
7 pari-mutuel wagering conducted or supervised by the holder OR  
8 VIDEO LOTTERY CONDUCTED BY THE HOLDER.

9 (5) Any act or transaction relative to wagering permitted by  
10 this act shall only occur or be permitted to occur within the  
11 enclosure of a race meeting grounds OR OTHER LICENSED LOCATION  
12 WITHIN OR ADJACENT TO THE ENCLOSURE. 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,  
3 place, or show pool. A special sweepstakes pari-mutuel pool may  
4 be given a distinctive name by the race meeting licensee, subject  
5 to the approval of the racing commissioner. Each holder of a  
6 race meeting license shall retain as his or her commission on  
7 special sweepstakes pari-mutuel pools 25% of all money wagered.

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

15       (2) Twenty-seven and 1/2 percent of the revenue received,  
16 but not to exceed \$800,000.00, from racing license fees from a  
17 racetrack shall be placed in a fund under the control of the  
18 department of agriculture and shall be returned to the city or  
19 township in which the racetrack is located.

20       (3) If the city or township in which the racetrack is  
21 located has reached the monetary limitation imposed by subsection  
22 (2), then, in addition to that revenue, 20% of the revenue  
23 received but not to exceed \$100,000.00, from racing license fees  
24 from a meet held before April 16 and after November 15 in a year  
25 shall be placed in a fund under the control of the department of  
26 agriculture and shall be returned to the city or township in  
27 which the racetrack is located. If the track is located in more

1 than 1 city or township, then the revenue provided for in this  
2 subsection shall be divided equally between the cities or  
3 townships. Funds shall not be returned to a city or township  
4 pursuant to this subsection or subsection (2) ~~—~~ if a city or  
5 township fails to provide a statement as required in section 14.

6 (4) A sufficient portion, not to exceed 68-3/4% of the reve-  
7 nue received from standardbred racing in this state, shall be  
8 placed in a special fund under the control of the department of  
9 agriculture to be allotted to fairs, licensed pari-mutuel race-  
10 tracks, other standardbred horse programs, agricultural commodity  
11 programs, and to pay the cost of administering this section, as  
12 follows:

13 (a) A sum to pay not more than 75% of the purses for stan-  
14 dardbred harness horse races offered by fairs and special races  
15 at licensed pari-mutuel racetracks.

16 (b) A sum to be allotted on a matching basis, but not to  
17 exceed \$8,000.00 each year to a single fair, for the purpose of  
18 equipment rental during fairs; grounds improvement; constructing,  
19 maintaining, and repairing buildings; and making the racetrack  
20 more suitable and safe for racing at fairs.

21 (c) A sum to be allotted to be used for paying special  
22 purses at fairs on 2- and 3-year-old standardbred harness horses  
23 sired by a registered standardbred stallion that was leased or  
24 owned exclusively by a resident of this state and ~~which~~ THAT  
25 did not serve a mare at a location outside of this state during  
26 the calendar year in which the service occurred.

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

5 (e) A sum to pay breeders' awards in the amount of 10% of  
6 the gross purse to breeders of Michigan bred standardbred harness  
7 horses for each time the horse wins at a licensed racetrack or  
8 fair in this state. As used in this subdivision, "Michigan bred  
9 standardbred harness horse" means a horse from a mare owned by a  
10 resident of this state at the time of breeding and sired by a  
11 registered standardbred stallion that was leased or owned exclu-  
12 sively by a resident of this state and ~~which~~ THAT did not serve  
13 a mare at a location outside of this state during the calendar  
14 year in which the service occurred. To be eligible, each mare  
15 shall be registered with the director of the department of  
16 agriculture.

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

20 (g) A sum to be allotted to fairs to pay the presiding  
21 judges and clerks of the course at fairs. Presiding judges and  
22 clerks of the course shall be hired by the department of  
23 agriculture. A person hired as a judge shall be approved by the  
24 racing commissioner. The director of the department of agricul-  
25 ture may allot funds for a photo finish system and a mobile  
26 starting gate. The director of the department of agriculture  
27 shall allot funds for the conducting of tests; ~~—~~ the collection

1 and laboratory analysis of urine, saliva, blood, and other  
2 samples from horses; ~~—~~ and the taking of blood alcohol tests on  
3 drivers, jockeys, and starting gate employees, for those races  
4 described in this subsection. The department may require a  
5 driver, jockey, or starting gate employee to submit to a breath-  
6 lyzer test, urine test, or other noninvasive fluid test to detect  
7 the presence of alcohol or a controlled substance as defined in  
8 section 7104 of the public health code, Act No. 368 of the Public  
9 Acts of 1978, being section 333.7104 of the Michigan Compiled  
10 Laws. If the results of a test show that a person has more than  
11 0.05% of alcohol in his or her blood, or has present in his or  
12 her body a controlled substance, the person shall not be permit-  
13 ted to continue in his or her duties on that race day and until  
14 he or she can produce, at his or her own expense, a negative test  
15 result.

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

18 (5) A sufficient portion not to exceed 27-1/2% of the reve-  
19 nue received from thoroughbred racing shall be placed in a spe-  
20 cial fund under the control of the department of agriculture and  
21 shall be allotted to thoroughbred racing associations to supple-  
22 ment the purses for races to be conducted exclusively for  
23 Michigan bred horses; to pay not more than 75% of the purses for  
24 registered light horse races offered by fairs; to pay the cost of  
25 administering this subsection; and to pay breeders' awards in the  
26 amount of 10% of the gross purse to the breeders of Michigan bred  
27 horses for each time Michigan bred horses win at a licensed

1 racetrack in this state. In addition to the sums allotted for  
2 purse supplements and breeders' awards, the department of agri-  
3 culture may allot sufficient funds from the revenue received from  
4 thoroughbred racing to create a fund not to exceed 1% of the rev-  
5 enue received from the thoroughbred racing in this state which  
6 may be allotted to provide training and stabling facilities for  
7 thoroughbred horses. The department shall also allot sufficient  
8 funds from the revenue received from thoroughbred racing to pay  
9 for the collection and laboratory analysis of urine, saliva,  
10 blood, and other samples from horses and for the conducting of  
11 tests described in section 11(3)(b).

12 (6) A sufficient portion of the revenue received from quar-  
13 ter horse racing in this state shall be placed in a special fund  
14 under the control of the department of agriculture and shall be  
15 allotted to quarter horse racing associations to supplement the  
16 purses for races to be conducted exclusively for Michigan bred  
17 horses; to pay not more than 75% of the purses for registered  
18 light horse races offered by fairs; to pay the cost of adminis-  
19 tering this subsection; and to pay breeders' awards in the amount  
20 of 10% of a gross purse to breeders of Michigan bred quarter  
21 horses for each time a Michigan bred quarter horse wins at a  
22 county fair or licensed racetrack in this state. The department  
23 shall also allot sufficient funds from the revenue received from  
24 quarter horse racing to pay for the collection and laboratory  
25 analysis of urine, saliva, blood, and other samples from horses;  
26 ~~and~~ the taking of blood alcohol tests on jockeys for those  
27 races described in this subsection, and for the conducting of

1 tests described in section 11(3)(b). As used in this subsection,  
2 "Michigan bred quarter horse" means a horse from a mare owned by  
3 a resident of this state — at the time of breeding and sired by  
4 a registered stallion owned exclusively by a resident of this  
5 state and which did not serve a mare at a location outside of  
6 this state during the calendar year in which the service  
7 occurred. Each mare and stallion shall be registered with the  
8 director of the department of agriculture.

9 (7) A sufficient portion of the revenue received from  
10 Appaloosa horses racing in this state shall be placed in a spe-  
11 cial fund under the control of the department of agriculture and  
12 shall be allotted to Appaloosa horse racing associations to sup-  
13 plement the purses for races to be conducted exclusively for  
14 Michigan bred horses; to pay not more than 75% of the purses for  
15 registered light horse races offered by fairs; to pay the cost of  
16 administering this subsection; and to pay breeders' awards in the  
17 amount of 10% of the gross purse to the breeders of Michigan bred  
18 horses for each time Michigan bred horses win at a fair or  
19 licensed racetrack in this state. The department shall also  
20 allot sufficient funds from the revenue received from Appaloosa  
21 horse racing to pay for the collection and laboratory analysis of  
22 urine, saliva, blood, or other samples from horses, ~~and~~ the  
23 taking of blood alcohol tests on jockeys for those races  
24 described in this subsection, and for the conducting of tests  
25 described in section 11(3)(b). Each mare and stallion shall be  
26 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 sired by a registered stallion that was leased or owned exclusively by a resident of this state and

1 ~~which~~ THAT did not serve a mare at a location outside of this  
2 state during the calendar year in which the service occurred.

3 (10) Three-tenths of 1% of all money wagered on thoroughbred  
4 races shall be placed in a special fund pursuant to subsections  
5 (12) and (13), 100% of which shall be used to provide purses for  
6 races to be conducted exclusively for 2- and 3-year-old Michigan  
7 sired thoroughbred horses at licensed thoroughbred racetracks in  
8 this state. As used in this section, "Michigan sired thorough-  
9 bred horses" means a horse sired by a registered stallion that  
10 was leased or owned exclusively by a resident or residents of  
11 this state and ~~which~~ THAT did not serve a mare at a location  
12 outside of this state during the calendar year in which the serv-  
13 ice occurred.

14 (11) A sum equal to 2% or less, but not more than  
15 \$2,500,000.00, of the principal amount of bonds issued for a sta-  
16 dium, ~~and~~ appurtenant parking, and other facilities by an  
17 authority organized pursuant to state law before December 1,  
18 1971, from the revenue received from thoroughbred and harness  
19 racing, shall be returned to a county in which or adjoining which  
20 a licensed racetrack is located or to a city in that county, if  
21 that county or city has obligated itself to pay more than 1/2 of  
22 the annual rental for a stadium, appurtenant parking, and other  
23 facilities for the conduct of sporting events, exhibitions, and  
24 other general recreational purposes. The sum returned shall only  
25 be used by that county or city, along with other available funds  
26 to the extent necessary, only to pay the annual rental to the  
27 authority organized pursuant to state law ~~which~~ THAT acquired



1 the stadium and facilities and leased the stadium and facilities  
2 to that county or city. A sum returned pursuant to this subsec-  
3 tion shall not be specifically pledged for the payment of the  
4 rental or for the payment of bonds issued in anticipation of the  
5 rental. Pari-mutuel wagering shall not be conducted in the sta-  
6 dium, appurtenant parking area, or other facilities.

7 (12) The director of the department of agriculture shall  
8 promulgate rules pursuant to THE ADMINISTRATIVE PROCEDURES ACT OF  
9 1969, Act No. 306 of the Public Acts of 1969, as amended, being  
10 sections 24.201 to 24.328 of the Michigan Compiled Laws, to  
11 implement this section. The rules promulgated under this subsec-  
12 tion shall do all of the following:

13 (a) Prescribe the conditions under which the revenue  
14 described in subsections (2) to (11) shall be disbursed.

15 (b) Establish conditions and penalties regarding the pro-  
16 grams described in subsections (4) to (11).

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

19 (13) Funds under the control of the department of agricul-  
20 ture in this section shall be disbursed under the rules promul-  
21 gated pursuant to subsection (12). All funds under the control  
22 of the department of agriculture approved for purse supplements  
23 and breeders' awards shall be paid by the state treasurer not  
24 later than 30 days from the date of the race.

25 (14) The department shall report to the legislature by March  
26 30, 1990 on the effect on the horse racing industry of the  
27 practice of restricting premiums, purses, breeders' awards, or

1 other payments to Michigan sired horses, including an analysis of  
2 which sectors of the horse racing industry benefit from the pay-  
3 ments and which are placed at a disadvantage. The report shall  
4 recommend extensions or elimination of ~~such~~ THE payments and  
5 regulatory restrictions.

6 (15) THE MONEY GENERATED BY A LICENSEE THROUGH THE CONDUCT  
7 OF A VIDEO LOTTERY IS SUBJECT TO THE REGULATION AND ALLOCATION  
8 FORMULA PROVIDED FOR IN THE MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELY  
9 LOTTERY ACT, ACT NO. 239 OF THE PUBLIC ACTS OF 1972, BEING SEC-  
10 TIONS 432.1 TO 432.47 OF THE MICHIGAN COMPILED LAWS.

11 Section 2. This amendatory act shall not take effect unless  
12 all of the following bills of the 87th Legislature are enacted  
13 into law:

14 (a) Senate Bill No. \_\_\_\_ or House Bill No. 4408 (request  
15 no. 02016'93).

16 (b) Senate Bill No. \_\_\_\_ or House Bill No. 4409 (request  
17 no. 02016'93 a).