



HOUSE BILL No. 5523

May 3 1994 Introduced by Reps Randall Gnodtke Harder and Curtis and referred to the Committee on Agriculture and Forestry

A bill to amend section 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 section 431 73 of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 13 of Act No 327 of the Public Acts of
2 1980 as amended by Act No 108 of the Public Acts of 1986 being
3 section 431 73 of the Michigan Compiled Laws is amended to read
4 as follows

5 Sec 13 (1) Money received by the racing commissioner
6 under this act shall be paid promptly into the state treasury and
7 except as provided in subsections (2), (9), and (10) shall be
8 credited to the general fund of the state As used in this

1 section fair means a county, district, community or 4-H fair
2 the Upper Peninsula state fair and any other state fair

3 (2) Twenty-seven and ~~1/2~~ ONE-HALF percent of the revenue
4 received but not to exceed \$800,000 00, from racing license fees
5 from a racetrack shall be placed in a fund under the control of
6 the department of agriculture and shall be returned to the city
7 or township in which the racetrack is located

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

21 (4) A sufficient portion not to exceed 68-3/4% of the reve-
22 nue received from standardbred racing in this state, shall be
23 placed in a special fund under the control of the department of
24 agriculture to be allotted to fairs, licensed pari-mutuel race-
25 tracks, other standardbred horse programs agricultural commodity
26 programs and to pay the cost of administering this section as
27 follows

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

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

9 (c) A sum to be allotted to be used for paying special
 10 purses at fairs on 2- and 3-year-old standardbred harness horses
 11 CONCEIVED AFTER JANUARY 1, 1992 AND sired by a ~~registered~~
 12 standardbred stallion REGISTERED WITH THE MICHIGAN DEPARTMENT OF
 13 AGRICULTURE that was leased or owned ~~exclusively~~ by a resident
 14 OR RESIDENTS of this state and which did not ~~serve a mare at a~~
 15 ~~location outside of~~ LEAVE this state ~~during~~ FROM FEBRUARY 1
 16 THROUGH JULY 31 OF the calendar year in which the ~~service~~
 17 CONCEPTION occurred A FOAL CONCEIVED IN MICHIGAN BY A STANDARD-
 18 BRED STALLION REGISTERED WITH THE MICHIGAN DEPARTMENT OF AGRICUL-
 19 TURE IS ELIGIBLE FOR PURSES PROVIDED FOR UNDER THIS SUBDIVISION
 20 HOWEVER A FOAL CONCEIVED OUTSIDE THE STATE OF MICHIGAN BY MEANS
 21 OF SEMEN FROM A STANDARDBRED STALLION REGISTERED WITH THE
 22 MICHIGAN DEPARTMENT OF AGRICULTURE IS NOT ELIGIBLE FOR MICHIGAN
 23 TAX-SUPPORTED RACES

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

1 (e) A sum to pay breeders awards in the amount of 10% of
2 the gross purse to breeders of Michigan bred standardbred harness
3 horses for each time the horse wins at a licensed racetrack or
4 fair in this state As used in this subdivision, Michigan bred
5 standardbred harness horse means a horse from a mare owned by a
6 resident OR RESIDENTS of this state at the time of ~~breeding~~
7 CONCEPTION THAT WAS CONCEIVED AFTER JANUARY 1, 1992, and sired
8 by a ~~registered~~ standardbred stallion REGISTERED WITH THE
9 MICHIGAN DEPARTMENT OF AGRICULTURE that was leased or owned
10 ~~exclusively~~ by a resident OR RESIDENTS of this state and which
11 did not ~~serve a mare at a location outside of~~ LEAVE this state
12 ~~during~~ FROM FEBRUARY 1 THROUGH JULY 31 OF the calendar year in
13 which the ~~service~~ CONCEPTION occurred To be eligible each
14 mare shall be registered with the ~~director of the~~ MICHIGAN
15 department of agriculture A FOAL CONCEIVED IN MICHIGAN BY A
16 STANDARD BRED STALLION REGISTERED WITH THE MICHIGAN DEPARTMENT OF
17 AGRICULTURE IS ELIGIBLE FOR PURSES PROVIDED FOR UNDER THIS
18 SUBDIVISION HOWEVER A FOAL CONCEIVED OUTSIDE THE STATE OF
19 MICHIGAN BY MEANS OF SEMEN FROM A STANDARD BRED STALLION REGIS-
20 TERED WITH THE MICHIGAN DEPARTMENT OF AGRICULTURE IS NOT ELIGIBLE
21 FOR MICHIGAN TAX-SUPPORTED RACES

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

25 (g) A sum to be allotted to fairs to pay the presiding
26 judges and clerks of the course at fairs Presiding judges and
27 clerks of the course shall be hired by the department of

1 agriculture A person hired as a judge shall be approved by the
2 racing commissioner The director of the department of agricul-
3 ture may allot funds for a photo finish system and a mobile
4 starting gate The director of the department of agriculture
5 shall allot funds for the conducting of tests, the collection and
6 laboratory analysis of urine, saliva, blood, and other samples
7 from horses, and the taking of blood alcohol tests on drivers
8 jockeys, and starting gate employees, for those races described
9 in this subsection The department may require a driver, jockey
10 or starting gate employee to submit to a breathalyzer test, urine
11 test or other noninvasive fluid test to detect the presence of
12 alcohol or a controlled substance as defined in section 7104 of
13 the public health code Act No 368 of the Public Acts of 1978
14 being section 333 7104 of the Michigan Compiled Laws If the
15 results of a test show that a person has more than 0.05% of alco-
16 hol in his or her blood or has present in his or her body a con-
17 trolled substance, the person shall not be permitted to continue
18 in his or her duties on that race day and until he or she can
19 produce at his or her own expense a negative test result

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

22 (5) A sufficient portion not to exceed 27-1/2% of the reve-
23 nue received from thoroughbred racing shall be placed in a spe-
24 cial fund under the control of the department of agriculture and
25 shall be allotted to thoroughbred racing associations to supple-
26 ment the purses for races to be conducted exclusively for
27 Michigan bred horses to pay not more than 75% of the purses for

1 registered light horse races offered by fairs to pay the cost of
2 administering this subsection and to pay breeders awards in the
3 amount of 10% of the gross purse to the breeders of Michigan bred
4 horses for each time Michigan bred horses win at a licensed race-
5 track in this state In addition to the sums allotted for purse
6 supplements and breeders awards, the department of agriculture
7 may allot sufficient funds from the revenue received from thor-
8 oughbred racing to create a fund not to exceed 1% of the revenue
9 received from the thoroughbred racing in this state which may be
10 allotted to provide training and stabling facilities for thor-
11 oughbred horses The department shall also allot sufficient
12 funds from the revenue received from thoroughbred racing to pay
13 for the collection and laboratory analysis of urine, saliva,
14 blood and other samples from horses and for the conducting of
15 tests described in section 11(3)(b)

16 (6) A sufficient portion of the revenue received from quar-
17 ter horse racing in this state shall be placed in a special fund
18 under the control of the department of agriculture and shall be
19 allotted to quarter horse racing associations to supplement the
20 purses for races to be conducted exclusively for Michigan bred
21 horses to pay not more than 75% of the purses for registered
22 light horse races offered by fairs to pay the cost of adminis-
23 tering this subsection and to pay breeders awards in the amount
24 of 10% of a gross purse to breeders of Michigan bred quarter
25 horses for each time a Michigan bred quarter horse wins at a
26 county fair or licensed racetrack in this state The department
27 shall also allot sufficient funds from the revenue received from

1 quarter horse racing to pay for the collection and laboratory
2 analysis of urine, saliva blood, and other samples from horses
3 and the taking of blood alcohol tests on jockeys for those races
4 described in this subsection and for the conducting of tests
5 described in section 11(3)(b) As used in this subsection,
6 Michigan bred quarter horse' means a horse from a mare owned by
7 a resident of this state at the time of breeding and sired by a
8 registered stallion owned exclusively by a resident of this state
9 and which did not serve a mare at a location outside of this
10 state during the calendar year in which the service occurred
11 Each mare and stallion shall be registered with the director of
12 the department of agriculture

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

1 this subsection and for the conducting of tests described in
2 section 11(3)(b) Each mare and stallion shall be registered
3 with the director of the department of agriculture

4 (8) A sufficient portion of the revenue received from
5 Arabian horses racing in this state shall be placed in a special
6 fund under the control of the department of agriculture and shall
7 be allotted to Arabian horse racing associations to supplement
8 the purses for races to be conducted exclusively for Michigan
9 bred horses to pay not more than 75% of the purses for regis-
10 tered light horse races offered by fairs to pay the cost of
11 administering this subsection and to pay breeders awards in the
12 amount of 10% of the gross purse to the breeders of Michigan bred
13 horses for each time Michigan bred horses win at a fair or
14 licensed racetrack in this state The department shall also
15 allot sufficient funds from the revenue received from Arabian
16 horse racing to pay for the collection and laboratory analysis of
17 urine saliva blood and other samples from horses and the
18 taking of blood alcohol tests on jockeys for those races
19 described in this subsection and for the conducting of tests
20 described in section 11(3)(b) Each mare and stallion shall be
21 registered with the director of the department of agriculture
22 (9) Three-tenths of 1% of all money wagered on standardbred
23 races shall be placed in a special fund pursuant to subsections
24 (12) and (13) 100% of which shall be used to provide purses for
25 races to be conducted exclusively for 2- and 3-year-old Michigan
26 sired standardbred horses at licensed harness racetracks in this
27 state As used in this section Michigan sired standardbred

1 horses' means a horse CONCEIVED AFTER JANUARY 1 1992 AND sired
2 by a ~~registered~~ stallion REGISTERED WITH THE MICHIGAN DEPART-
3 MENT OF AGRICULTURE that was leased or owned ~~exclusively~~ by a
4 resident OR RESIDENTS of this state and which did not ~~serve a~~
5 ~~mare at a location outside of~~ LEAVE this state ~~during~~ FROM
6 FEBRUARY 1 THROUGH JULY 31 OF the calendar year in which the
7 ~~service~~ CONCEPTION occurred A FOAL CONCEIVED IN MICHIGAN BY A
8 STANDARD BRED STALLION REGISTERED WITH THE MICHIGAN DEPARTMENT OF
9 AGRICULTURE IS ELIGIBLE FOR PURSES PROVIDED FOR UNDER THIS
10 SUBSECTION HOWEVER, A FOAL CONCEIVED OUTSIDE THE STATE OF
11 MICHIGAN BY MEANS OF SEMEN FROM A STANDARD BRED STALLION REGIS-
12 TERED WITH THE MICHIGAN DEPARTMENT OF AGRICULTURE IS NOT ELIGIBLE
13 FOR MICHIGAN TAX-SUPPORTED RACES

14 (10) Three-tenths of 1% of all money wagered on thoroughbred
15 races shall be placed in a special fund pursuant to subsections
16 (12) and (13), 100% of which shall be used to provide purses for
17 races to be conducted exclusively for 2- and 3-year-old Michigan
18 sired thoroughbred horses at licensed thoroughbred racetracks in
19 this state As used in this section, Michigan sired thorough-
20 bred horses means a horse sired by a registered stallion that
21 was leased or owned exclusively by a resident or residents of
22 this state and which did not serve a mare at a location outside
23 of this state during the calendar year in which the service
24 occurred

25 (11) A sum equal to 2% or less, but not more than
26 \$2,500 000 00 of the principal amount of bonds issued for a
27 stadium and appurtenant parking and other facilities by an

1 authority organized pursuant to state law before December 1
2 1971, from the revenue received from thoroughbred and harness
3 racing, shall be returned to a county in which or adjoining which
4 a licensed racetrack is located or to a city in that county if
5 that county or city has obligated itself to pay more than 1/2 of
6 the annual rental for a stadium appurtenant parking and other
7 facilities for the conduct of sporting events exhibitions and
8 other general recreational purposes The sum returned shall only
9 be used by that county or city along with other available funds
10 to the extent necessary, only to pay the annual rental to the
11 authority organized pursuant to state law which acquired the sta-
12 dium and facilities and leased the stadium and facilities to that
13 county or city A sum returned pursuant to this subsection shall
14 not be specifically pledged for the payment of the rental or for
15 the payment of bonds issued in anticipation of the rental
16 Pari-mutuel wagering shall not be conducted in the stadium
17 appurtenant parking area or other facilities

18 (12) The director of the department of agriculture shall
19 promulgate rules pursuant to Act No 306 of the Public Acts of
20 1969 as amended being sections 24 201 to 24 328 of the Michigan
21 Compiled Laws to implement this section The rules promulgated
22 under this subsection shall do all of the following

23 (a) Prescribe the conditions under which the revenue
24 described in subsections (2) to (11) shall be disbursed

25 (b) Establish conditions and penalties regarding the pro-
26 grams described in subsections (4) to (11)

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

3 (13) Funds under the control of the department of agricul-
4 ture in this section shall be disbursed under the rules promul-
5 gated pursuant to subsection (12) All funds under the control
6 of the department of agriculture approved for purse supplements
7 and breeders awards shall be paid by the state treasurer not
8 later than 30 days from the date of the race

9 (14) The department shall report to the legislature by March
10 30, 1990 on the effect on the horse racing industry of the prac-
11 tice of restricting premiums, purses, breeders' awards or other
12 payments to Michigan sired horses, including an analysis of which
13 sectors of the horse racing industry benefit from the payments
14 and which are placed at a disadvantage The report shall recom-
15 mend extensions or elimination of such payments and regulatory
16 restrictions