



# HOUSE BILL No. 4114

January 17, 1995, Introduced by Rep. Alley and referred to the Committee on Regulatory Affairs.

A bill to amend sections 12, 12a, and 15 of Act No. 327 of the Public Acts of 1980, entitled as amended "Racing law of 1980," sections 12 and 15 as amended and section 12a as added by Act No. 108 of the Public Acts of 1986, being sections 431.72, 431.72a, and 431.75 of the Michigan Compiled Laws; and to add section 12b.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. Sections 12, 12a, and 15 of Act No. 327 of the  
2 Public Acts of 1980, sections 12 and 15 as amended and section  
3 12a as added by Act No. 108 of the Public Acts of 1986, being  
4 sections 431.72, 431.72a, and 431.75 of the Michigan Compiled  
5 Laws, are amended and section 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

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

10 (2) No other place or method of betting, pool making, wager-  
11 ing, or gaming shall be used or permitted by the holder of the  
12 license. The pari-mutuel system of wagering shall not be con-  
13 ducted except UPON HORSE RACES HELD at ~~the~~ A LICENSED racetrack  
14 ~~where the pari-mutuel system of wagering is conducted and~~ OR  
15 pursuant to section 12a OR 12B. Each holder of a race meeting  
16 license shall retain as his or her commission 17% of all money  
17 wagered. Except as provided in subsection (6), each holder of a  
18 race meeting license shall retain as his or her commission on all  
19 forms of multiple wagering, 20-1/2% of all money wagered. In  
20 each race meeting, the holder of the race meeting license shall  
21 divide the breaks equally with the state. Breaks shall be com-  
22 puted at all times at 10 cents and defined as the cents over any  
23 multiple of 10 otherwise payable to a patron on a wager of  
24 \$1.00.

25 (3) Payoff prices of tickets of a higher denomination shall  
26 be calculated as even multiples of the payoff price for a \$1.00  
27 wager. Each holder of a race meeting license shall distribute to

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

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

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

25 (6) As used in this subsection, "special sweepstakes  
26 pari-mutuel pool" means amounts wagered for a selection in each  
27 of 3 or more races designated by the race meeting licensee with

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

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

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

1 ~~is allowed on any racing day.~~ All simulcasts of horse races  
2 conducted outside this state shall comply with the interstate  
3 horseracing act of 1978, PUBLIC LAW 95-515, 15 U.S.C. 3001 to  
4 3007.

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

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

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

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

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

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

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

1 (C) "RECEIVING TRACK" MEANS A RACETRACK OPERATED BY A RACE  
2 MEETING LICENSEE THAT IS EQUIPPED TO RECEIVE THE TRANSMISSION OF  
3 VIDEO AND AUDIO SIGNALS OF HORSE RACES AND TO CONDUCT INTERTRACK  
4 WAGERING ON THOSE RACES.

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

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

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

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

24 (B) OUTSIDE A CITY AREA AS DEFINED IN SECTION 8(5), INTER-  
25 TRACK WAGERING MAY BE CONDUCTED AT ANY RECEIVING TRACK CONDUCTING  
26 RACING ON THAT DAY. IF THE RECEIVING TRACK IS NOT CONDUCTING  
27 RACING ON THAT DAY, IT SHALL NOT CONDUCT INTERTRACK WAGERING

1 UNLESS IT OBTAINS THE CONSENT OF ALL OTHER RACE MEETING LICENSEES  
2 THAT ARE BOTH OF THE FOLLOWING:

3 (i) OUTSIDE OF A CITY AREA AS DEFINED IN SECTION 8(5).

4 (ii) WITHIN 65 MILES OF THE RECEIVING TRACK.

5 (3) A JOINT APPLICATION FOR AN INTERTRACK WAGERING LICENSE  
6 SHALL INCLUDE A WRITTEN AGREEMENT BETWEEN THE RECEIVING TRACK AND  
7 SENDING TRACK THAT PROVIDES A DETAILED PLAN OF OPERATION FOR THE  
8 SIMULTANEOUS PICTURE TRANSMISSION OF RACES FROM THE SENDING TRACK  
9 TO THE RECEIVING TRACK, THE TRANSMISSION TO THE SENDING TRACK OF  
10 WAGERS PLACED AT THE RECEIVING TRACK, AND THE DISTRIBUTION OF THE  
11 PARI-MUTUEL POOL TO THE WINNING TICKET HOLDERS AT THE RECEIVING  
12 TRACK.

13 (4) THE SYSTEM OF INTERTRACK WAGERING OPERATED BY AN INTER-  
14 TRACK WAGERING LICENSEE SHALL COMBINE ALL INTERTRACK WAGERS WITH  
15 ON-TRACK WAGERS SO AS TO PRODUCE A COMMON PARI-MUTUEL BETTING  
16 POOL FOR THE CALCULATION OF ODDS AND THE DETERMINATION OF PAYOUTS  
17 FROM THE POOL. THE PAYOUT SHALL BE THE SAME FOR ALL WINNING  
18 TICKETS, REGARDLESS OF WHETHER A WAGER IS PLACED INTERTRACK OR  
19 ON-TRACK. INTERTRACK WAGERS ACCEPTED BY THE INTERTRACK WAGERING  
20 LICENSEE SHALL CONFORM IN DENOMINATION, CHARACTER, TERMS, CONDI-  
21 TIONS, AND ALL OTHER RESPECTS TO ON-TRACK WAGERS ACCEPTED FOR THE  
22 SAME RACE. THE TAKEOUT FROM THE COMBINED INTERTRACK AND ON-TRACK  
23 BETTING PARI-MUTUEL POOLS AND DISPOSITION OF THE TAKEOUT SHALL BE  
24 AS PRESCRIBED IN THIS ACT.

25 (5) INTERTRACK WAGERING CONDUCTED PURSUANT TO AN INTERTRACK  
26 WAGERING LICENSE IS LAWFUL.

1 (6) THE RACING COMMISSIONER SHALL PROMULGATE AS NECESSARY  
2 RULES TO IMPLEMENT THIS SECTION PURSUANT TO THE ADMINISTRATIVE  
3 PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC ACTS OF 1969,  
4 BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN COMPILED LAWS.

5 Sec. 15. (1) Each licensed racetrack located in a city area  
6 AS DEFINED IN SECTION 8(5) shall pay \$1,000.00 annually, and any  
7 other licensed racetrack shall pay \$200.00 annually.

8 (2) Each holder of a race meeting license shall pay a tax in  
9 accordance with the following schedule and in a manner and time  
10 as the racing commissioner requires:

11 (a) Each holder of a race meeting license shall pay to the  
12 state treasurer, from the holder's commission, 4-1/2% of all  
13 money wagered on pari-mutuel wagering, plus 1/2 the breaks,  
14 except that each holder of a race meeting license in a county  
15 having a population of less than 300,000 shall pay to the state  
16 treasurer, from the holder's commission, 3-1/2% of all money  
17 wagered on pari-mutuel wagering, plus 1/2 the breaks. The reduc-  
18 tion in a licensee's payment from 6% to 4-1/2% ~~effected by this~~  
19 ~~1986 amendatory act~~ EFFECTIVE MAY 23, 1986 is intended to allow  
20 generally for the improvement of the pari-mutuel racing industry  
21 in this state and to encourage capital improvements at racetracks  
22 in this state. ~~Not later than 4 years after the effective date~~  
23 ~~of this 1986 amendatory act, the racing commissioner shall report~~  
24 ~~to the chairpersons of the senate and house committees responsi-~~  
25 ~~ble for legislation concerning horse racing as to the effect on~~  
26 ~~the horse racing industry of the reduction from 6% to 4-1/2%.~~

1 (b) Each holder of a license for thoroughbred, harness,  
2 quarter horse, Appaloosa, or Arabian horse racing shall pay to  
3 the state treasurer from the commission of the holder on special  
4 sweepstakes pari-mutuel pool wagering as defined in section  
5 12(6), 6% of the daily amount wagered on the special sweepstakes  
6 pari-mutuel pool plus 1/2 the breaks.

7 (C) EACH HOLDER OF AN INTERTRACK WAGERING LICENSE SHALL PAY  
8 TO THE STATE TREASURER FROM THE HOLDER'S COMMISSION DERIVED FROM  
9 INTERTRACK WAGERING, AS DEFINED IN SECTION 12B, 2% OF ALL MONEY  
10 WAGERED ON INTERTRACK WAGERING.