



SENATE BILL No. 375

March 7, 1995, Introduced by Senators KOIVISTO, HOFFMAN, MC MANUS, GAST, BERRYMAN, CHERRY, VAUGHN, SCHWARZ, PETERS, O'BRIEN and STALLINGS and referred to the Committee on Local, Urban and 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,"

sections 6, 8, and 12 as amended by Act No. 108 of the Public Acts of 1986 and section 13 as amended by Act No. 188 of the Public Acts of 1994, 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, sections 6, 8, and 12 as amended by Act
3 No. 108 of the Public Acts of 1986 and section 13 as amended by
4 Act No. 188 of the Public Acts of 1994, being sections 431.66,
5 431.68, 431.72, and 431.73 of the Michigan Compiled Laws, are
6 amended to read as follows:

1 Sec. 6. (1) The racing commissioner shall promulgate rules
2 pursuant to the administrative procedures act of 1969, Act
3 No. 306 of the Public Acts of 1969, ~~as amended,~~ being sections
4 24.201 to 24.328 of the Michigan Compiled Laws, under which horse
5 racing shall be conducted within this state. The rules promul-
6 gated under this section shall accomplish all of the following:

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

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

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

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

22 (3) The racing commissioner may assess a penalty, including
23 a fine of not more than \$5,000.00 for each violation ~~of~~
24 COMMITTED BY A LICENSEE UNDER this act or a rule promulgated
25 under this act, ~~committed by a licensee under this act~~ OR, IN
26 THE CASE OF A LICENSEE HOLDING A VIDEO LOTTERY ESTABLISHMENT
27 LICENSE, A VIOLATION OF THE MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELY

1 LOTTERY ACT, ACT NO. 239 OF THE PUBLIC ACTS OF 1972, BEING
2 SECTIONS 432.1 TO 432.47 OF THE MICHIGAN COMPILED LAWS, OR RULES
3 PROMULGATED UNDER THAT ACT. A fine assessed by the racing com-
4 missioner under this section ~~which~~ THAT exceeds \$500.00 or the
5 suspension of a license under this act may be appealed to the
6 racing commissioner. The appeal shall be heard by a ~~hearings~~
7 HEARING officer within 30 days ~~of~~ AFTER the date on which the
8 appeal is made and ~~shall be~~ IS subject to the contested case
9 provisions of Act No. 306 of the Public Acts of 1969. ~~as~~
10 ~~amended.~~

11 (4) All proposed extensions, additions, or improvements to
12 the buildings, stables, improvements, or racetracks upon property
13 owned or leased by a person licensed under this act ~~shall be~~
14 ARE subject to the approval of the racing commissioner. The
15 racing commissioner may compel the production of books, memoran-
16 da, electronically retrievable data, or documents showing the
17 receipts and disbursements of any licensee under this act that
18 relate to horse racing. The racing commissioner at any time may
19 for cause require the removal of any employee or official
20 involved in or having to do with racing. The racing commissioner
21 may visit, investigate, and place auditors and other persons as
22 the racing commissioner considers necessary in the offices, race-
23 tracks, or places of business of a licensee under this act to
24 insure compliance with this act and the rules promulgated under
25 this act. The racing commissioner may summon witnesses and
26 administer oaths or affirmations, if necessary, for the effective
27 discharge of duties under this act. A person failing to appear

1 before the racing commissioner at the time and place specified,
2 without just cause, in answer to a summons, or refusing to tes-
3 tify ~~—~~ or testifying falsely, is guilty of a misdemeanor, pun-
4 ishable by a fine of not more than \$5,000.00, or imprisonment for
5 not more than 6 months, or both.

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

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

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

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

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

1 racetrack is located. Either party may appeal from the circuit
2 court to the court of appeals. The applicant for the license
3 shall also pay the license fees provided in this act.

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

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

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

16 Sec. 12. (1) A holder of a race meeting license may provide
17 a place in the race meeting grounds or enclosure at which he or
18 she may conduct and supervise the pari-mutuel system of wagering
19 by patrons on horse racing. The pari-mutuel system of wagering
20 upon horse racing within the race meeting grounds AND VIDEO
21 LOTTERY shall not be held or construed to be unlawful. If the
22 pari-mutuel system of wagering is used at a race meeting, a
23 totalisator, or other device ~~which~~ THAT is equal in accuracy
24 and clearness to a totalisator and approved by the racing commis-
25 sioner, shall be used. The odds display of the totalisator or
26 other device shall be placed in full view of the patrons. VIDEO
27 LOTTERY SHALL COMPLY WITH THE STANDARDS IMPOSED BY THE

1 COMMISSIONER OF STATE LOTTERY AS PRESCRIBED IN THE
2 MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELY LOTTERY ACT, ACT NO. 239 OF
3 THE PUBLIC ACTS OF 1972, BEING SECTIONS 432.1 TO 432.47 OF THE
4 MICHIGAN COMPILED LAWS, AND RULES PROMULGATED UNDER THAT ACT.

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

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

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

6 (4) A holder of a race meeting license shall not knowingly
7 permit a person less than 18 years of age to be a patron of the
8 pari-mutuel wagering conducted or supervised by the holder OR
9 VIDEO LOTTERY CONDUCTED 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 OR OTHER LICENSED LOCATION
13 WITHIN OR ADJACENT TO THE ENCLOSURE. 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. Upon proper application,
21 the racing commissioner may issue a permit allowing a race meet-
22 ing licensee to transmit, by live video and audio signals, a live
23 horse race to a viewing area outside this state.

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

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

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

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

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

1 which the racetrack is located. If the track is located in more
2 than 1 city or township, then the revenue provided for in this
3 subsection shall be divided equally between the cities or
4 townships. Funds shall not be returned to a city or township
5 pursuant to this subsection or subsection (2) ~~7~~ if a city or
6 township fails to provide a statement as required in section 14.

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

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

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

22 (c) A sum to be allotted to be used for paying special
23 purses at fairs on 2- and 3-year-old standardbred harness horses
24 conceived after January 1, 1992, and sired by a standardbred
25 stallion registered with the Michigan department of agriculture
26 that was leased or owned by a resident or residents of this state
27 and which did not serve a mare at a location outside of this

1 state from February 1 through July 31 of the calendar year in
2 which the conception occurred. Transportation of semen from a
3 standardbred stallion registered with the Michigan department of
4 agriculture to a location outside the state of Michigan shall not
5 create eligibility for Michigan tax supported races, and shall
6 not affect the eligibility of Michigan conceived foals for the
7 purses provided for by this section. A foal conceived outside
8 the state of Michigan by means of semen from a standardbred stal-
9 lion registered with the Michigan department of agriculture is
10 not eligible for Michigan tax-supported races.

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

15 (e) A sum to pay breeders' awards in the amount of 10% of
16 the gross purse to breeders of Michigan bred standardbred harness
17 horses for each time the horse wins at a licensed racetrack or
18 fair in this state. As used in this subdivision, "Michigan bred
19 standardbred harness horse" means a horse from a mare owned by a
20 resident or residents of this state at the time of conception,
21 that was conceived after January 1, 1992, and sired by a stan-
22 dardbred stallion registered with the Michigan department of
23 agriculture that was leased or owned by a resident or residents
24 of this state and ~~which~~ THAT did not serve a mare at a location
25 outside of this state from February 1 through July 31 of the cal-
26 endar year in which the conception occurred. To be eligible,
27 each mare shall be registered with the Michigan department of

1 agriculture. Transportation of semen from a standardbred
2 stallion registered with the Michigan department of agriculture
3 to a location outside the state of Michigan shall not create eli-
4 gibility for Michigan tax supported races, and shall not affect
5 the eligibility of Michigan conceived foals for the purses pro-
6 vided for by this section. A foal conceived outside the state of
7 Michigan by means of semen from a standardbred stallion regis-
8 tered with the Michigan department of agriculture is not eligible
9 for Michigan tax-supported races.

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

13 (g) A sum to be allotted to fairs to pay the presiding
14 judges and clerks of the course at fairs. Presiding judges and
15 clerks of the course shall be hired by the department of
16 agriculture. A person hired as a judge shall be approved by the
17 racing commissioner. The director of the department of agricul-
18 ture may allot funds for a photo finish system and a mobile
19 starting gate. The director of the department of agriculture
20 shall allot funds for the conducting of tests; ~~—~~ the collection
21 and laboratory analysis of urine, saliva, blood, and other sam-
22 ples from horses; ~~—~~ and the taking of blood alcohol tests on
23 drivers, jockeys, and starting gate employees, for those races
24 described in this subsection. The department may require a
25 driver, jockey, or starting gate employee to submit to a breath-
26 lyzer test, urine test, or other noninvasive fluid test to detect
27 the presence of alcohol or a controlled substance as defined in

1 section 7104 of the public health code, Act No. 368 of the Public
2 Acts of 1978, being section 333.7104 of the Michigan Compiled
3 Laws. If the results of a test show that a person has more than
4 0.05% of alcohol in his or her blood, or has present in his or
5 her body a controlled substance, the person shall not be permit-
6 ted to continue in his or her duties on that race day and until
7 he or she can produce, at his or her own expense, a negative test
8 result.

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

11 (5) A sufficient portion not to exceed 27-1/2% of the reve-
12 nue received from thoroughbred racing shall be placed in a spe-
13 cial fund under the control of the department of agriculture and
14 shall be allotted to thoroughbred racing associations to supple-
15 ment the purses for races to be conducted exclusively for
16 Michigan bred horses; to pay not more than 75% of the purses for
17 registered light horse races offered by fairs; to pay the cost of
18 administering this subsection; and to pay breeders' awards in the
19 amount of 10% of the gross purse to the breeders of Michigan bred
20 horses for each time Michigan bred horses win at a licensed race-
21 track in this state. In addition to the sums allotted for purse
22 supplements and breeders' awards, the department of agriculture
23 may allot sufficient funds from the revenue received from thor-
24 oughbred racing to create a fund not to exceed 1% of the revenue
25 received from the thoroughbred racing in this state which may be
26 allotted to provide training and stabling facilities for
27 thoroughbred horses. The department shall also allot sufficient

1 funds from the revenue received from thoroughbred racing to pay
2 for the collection and laboratory analysis of urine, saliva,
3 blood, and other samples from horses and for the conducting of
4 tests described in section 11(3)(b).

5 (6) A sufficient portion of the revenue received from quar-
6 ter horse racing in this state shall be placed in a special fund
7 under the control of the department of agriculture and shall be
8 allotted to quarter horse racing associations to supplement the
9 purses for races to be conducted exclusively for Michigan bred
10 horses; to pay not more than 75% of the purses for registered
11 light horse races offered by fairs; to pay the cost of adminis-
12 tering this subsection; and to pay breeders' awards in the amount
13 of 10% of a gross purse to breeders of Michigan bred quarter
14 horses for each time a Michigan bred quarter horse wins at a
15 county fair or licensed racetrack in this state. The department
16 shall also allot sufficient funds from the revenue received from
17 quarter horse racing to pay for the collection and laboratory
18 analysis of urine, saliva, blood, and other samples from horses
19 and the taking of blood alcohol tests on jockeys for those races
20 described in this subsection; and for the conducting of tests
21 described in section 11(3)(b). As used in this subsection,
22 "Michigan bred quarter horse" means a horse from a mare owned by
23 a resident of this state ~~at~~ at the time of breeding and sired by
24 a registered stallion owned exclusively by a resident of this
25 state and which did not serve a mare at a location outside of
26 this state during the calendar year in which the service

1 occurred. Each mare and stallion shall be registered with the
2 director of the department of agriculture.

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

21 (8) A sufficient portion of the revenue received from
22 Arabian horses racing in this state shall be placed in a special
23 fund under the control of the department of agriculture and shall
24 be allotted to Arabian horse racing associations to supplement
25 the purses for races to be conducted exclusively for Michigan
26 bred horses; to pay not more than 75% of the purses for
27 registered light horse races offered by fairs; to pay the cost of

1 administering this subsection; and to pay breeders' awards in the
2 amount of 10% of the gross purse to the breeders of Michigan bred
3 horses for each time Michigan bred horses win at a fair or
4 licensed racetrack in this state. The department shall also
5 allot sufficient funds from the revenue received from Arabian
6 horse racing to pay for the collection and laboratory analysis of
7 urine, saliva, blood, and other samples from horses; ~~and~~ the
8 taking of blood alcohol tests on jockeys for those races
9 described in this subsection; and for the conducting of tests
10 described in section 11(3)(b). Each mare and stallion shall be
11 registered with the director of the department of agriculture.

12 (9) Three-tenths of 1% of all money wagered on standardbred
13 races shall be placed in a special fund pursuant to subsections
14 (12) and (13), 100% of which shall be used to provide purses for
15 races to be conducted exclusively for 2- and 3-year-old Michigan
16 sired standardbred horses at licensed harness racetracks in this
17 state. As used in this section, "Michigan sired standardbred
18 horses" means a horse conceived after January 1, 1992 and sired
19 by a stallion registered with the Michigan department of agricul-
20 ture that was leased or owned by a resident or residents of this
21 state and which did not serve a mare at a location outside of
22 this state from February 1 through July 31 of the calendar year
23 in which the conception occurred. Transportation of semen from a
24 standardbred stallion registered with the Michigan department of
25 agriculture to a location outside the state of Michigan shall not
26 create eligibility for Michigan tax supported races, and shall
27 not affect the eligibility of Michigan conceived foals for the

1 purses provided for by this section. A foal conceived outside
2 the state of Michigan by means of semen from a standardbred stal-
3 lion registered with the Michigan department of agriculture is
4 not eligible for Michigan tax-supported races.

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

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

1 to the extent necessary, only to pay the annual rental to the
2 authority organized pursuant to state law ~~which~~ THAT acquired
3 the stadium and facilities and leased the stadium and facilities
4 to that county or city. A sum returned pursuant to this subsec-
5 tion shall not be specifically pledged for the payment of the
6 rental or for the payment of bonds issued in anticipation of the
7 rental. Pari-mutuel wagering shall not be conducted in the sta-
8 dium, appurtenant parking area, or other facilities.

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

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

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

19 (c) Develop and maintain informational programs related to
20 this section.

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

1 (14) The department shall report to the legislature by March
2 30, 1990 on the effect on the horse racing industry of the
3 practice of restricting premiums, purses, breeders' awards or
4 other payments to Michigan sired horses, including an analysis of
5 which sectors of the horse racing industry benefit from the pay-
6 ments and which are placed at a disadvantage. The report shall
7 recommend extensions or elimination of ~~such~~ THE payments and
8 regulatory restrictions.

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

14 Section 2. This amendatory act shall not take effect unless
15 all of the following bills of the 88th Legislature are enacted
16 into law:

17 (a) Senate Bill No. ____ or House Bill No. ____ (request
18 no. 00649'95).

19 (b) Senate Bill No. ____ or House Bill No. ____ (request
20 no. 00649'95 a).