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Senate Fiscal Agency  
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Lansing, Michigan 48909-7536

**SFA****BILL ANALYSIS**

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Senate Bill 1314 (as reported without amendment)  
Sponsor: Senator George A. McManus, Jr.  
Committee: Farming, Agribusiness and Food Systems

### **CONTENT**

The bill would amend Public Act 90 of 1951, which regulates racing meets, to delete current requirements that a licensee pay to the racing commissioner funds held for the payment of outstanding, unclaimed tickets. Instead, beginning in 1998, all funds held by any licensee for the payment of outstanding winning tickets for any race meeting conducted under the Horse Racing Law, which had not been claimed by the owner of those funds within 365 days after the ticket had been issued, would have to be retained by the licensee and distributed as follows:

- 50% of the funds would be retained by the licensee and 50% would be earmarked for standardbred programs established by the Michigan Agriculture Equine Fund, if the licensee were a standardbred race meeting licensee.
- 100% would be earmarked for the development and capital improvement of a thoroughbred racing facility as approved by a certified thoroughbred horsemen's organization and as licensed by the racing commissioner, if the licensee were a thoroughbred race meeting licensee.

Funds for 1996 and 1997 held by the Department of Treasury that were remitted by licensees would have to be returned to the licensees and distributed as provided above.

MCL 431.252 et al.

Legislative Analyst: L. Arasim

### **FISCAL IMPACT**

The bill would result in an initial \$5.1 million reduction in current General Fund balances, which would represent a State appropriation to private parties, and pursuant to Section 30, Article 4 of the State Constitution may require a two-thirds vote. For ensuing years, the bill would annually reduce State revenues by an estimated \$1.8 million.

The FY 1998-99 Department of Agriculture budget includes appropriation of \$14.3 million in horse racing revenues. This amount includes the anticipated receipt of \$1.8 million in additional horse racing revenue from unclaimed winnings, based on discussions with the industry regarding pending legislation to change current law. This bill as written would directly provide funds to the industry, instead of to the Agriculture Equine Development Fund, and a revenue shortfall in State horse racing programs is anticipated.

Date Completed: 9-23-98

Fiscal Analyst: G. Cutler