

HOUSE BILL No. 6064

September 16, 1998, Introduced by Reps. Llewellyn, Wetters and Cropsey and referred to the Committee on Agriculture.

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending sections 10, 12, 16, 20, 30, and 31 (MCL 431.310,
431.312, 431.316, 431.320, 431.330, and 431.331), section 20 as
amended by 1997 PA 73.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10. (1) A person desiring to conduct a thoroughbred,
2 standardbred, quarter horse, Appaloosa, AMERICAN PAINT HORSE, or
3 Arabian race meeting, or a combination of these race meetings,
4 with pari-mutuel wagering on the results of live and simulcast
5 horse races pursuant to this act shall apply each year to the
6 racing commissioner for a race meeting license in the manner and
7 form required by the racing commissioner. The application shall
8 be filed with the racing commissioner before July 1 of the
9 preceding year except that a race meeting license issued for 1996

1 under former ~~Act No. 327 of the Public Acts of 1980~~ 1980 PA 327
2 may be amended by the racing commissioner pursuant to a new
3 application submitted under this act within 30 days of the effec-
4 tive date of this act. The application, after being filed, shall
5 be made available for public inspection during regular business
6 hours. The application shall be in writing and shall give the
7 name and address of the applicant, and, if the applicant is a
8 corporation or partnership, shall state the place of the
9 applicant's incorporation or partnership and the names and
10 addresses of all corporate directors, officers, shareholders, and
11 partners. The application shall also do all of the following:

12 (a) Specify the licensed racetrack at which the proposed
13 race meeting will be held.

14 (b) Specify whether the applicant requests or will request
15 to conduct simulcasting at the proposed race meeting and, if so,
16 demonstrate the applicant's ability to conduct simulcasting in
17 accordance with this act.

18 (c) Specify the horse breed for which the applicant desires
19 to conduct live racing at the proposed race meeting, and the days
20 on which the applicant proposes to conduct live horse racing at
21 the race meeting.

22 (d) Specify the time period during which the applicant
23 requests to be licensed during the calendar year immediately fol-
24 lowing the date of application.

25 (e) Demonstrate to the racing commissioner that the appli-
26 cant, and all persons associated with the applicant, who hold any
27 beneficial or ownership interest in the business activities of

1 the applicant, or who have power or ability to influence or
2 control the business decisions or actions of the applicant, are
3 persons of good character, honesty, and integrity; possess suffi-
4 cient financial resources and business ability and experience to
5 conduct the proposed race meeting; and do not pose a threat to
6 the public interest of the state or to the security and integrity
7 of horse racing or pari-mutuel wagering on the results of horse
8 races in the state.

9 (f) Provide any other information required by the rules
10 promulgated under this act or by the racing commissioner.

11 (2) Upon the filing of the application for a race meeting
12 license, the racing commissioner shall conduct an investigation
13 of the applicant and the application to determine whether the
14 applicant, application, and proposed race meeting comply with the
15 licensing requirements under this act and the rules promulgated
16 under this act. Unless a different agreement is reached by all
17 the race meeting licensees in a city area, a race meeting
18 licensee shall not conduct a live or simulcast thoroughbred horse
19 race after 6:45 p.m. on any day except Sunday. Unless a differ-
20 ent agreement is reached by all the race meeting licensees in a
21 city area, a race meeting licensee shall not conduct a live or
22 simulcast standardbred horse race before 6:45 p.m. on any day
23 except Sunday. Notwithstanding the 6:45 p.m. time restrictions,
24 the commissioner, upon request by a race meeting licensee, may
25 grant to the race meeting licensee a race meeting license autho-
26 rizing either of the following:

1 (a) The licensee to conduct live horse racing programs that
2 would otherwise be prevented by the 6:45 p.m. time restriction,
3 if no other race meeting in a city area is licensed or authorized
4 to conduct live horse racing at the same time the licensee pro-
5 poses to conduct the requested live horse racing programs.

6 (b) Waiver of the 6:45 p.m. time restriction pursuant to the
7 written agreement of all race meeting licensees in the city
8 area.

9 Sec. 12. (1) Each applicant for a thoroughbred, quarter
10 horse, Appaloosa, AMERICAN PAINT HORSE, or Arabian license in a
11 county located outside of a city area shall apply to conduct at
12 least 45 days of live thoroughbred, quarter horse, Appaloosa,
13 AMERICAN PAINT HORSE, or Arabian horse racing during its race
14 meeting. Except during the opening and closing week of a race
15 meeting, the applicant shall apply to conduct live racing at
16 least 3 days per week, including Saturdays and Sundays, with not
17 less than 9 live horse races programmed, and shall conduct live
18 racing programs on such days allocated by the racing
19 commissioner.

20 (2) Each applicant for a thoroughbred, quarter horse,
21 Appaloosa, AMERICAN PAINT HORSE, or Arabian race meeting license
22 in a city area shall apply to conduct at least 160 days of live
23 thoroughbred, quarter horse, Appaloosa, AMERICAN PAINT HORSE, or
24 Arabian horse racing during its proposed race meeting. Except
25 during the opening and closing week of a race meeting, the appli-
26 cant shall apply to conduct live racing at least 5 days per week,
27 including Saturdays and Sundays, with not less than 9 live horse

1 races programmed, and shall conduct live racing programs on such
2 days allocated by the racing commissioner.

3 (3) Each applicant for a standardbred race meeting license
4 in a county having a population of less than 250,000 and that is
5 not part of a city area shall apply to conduct at least 75 days
6 of live standardbred harness horse racing during its proposed
7 race meeting. Except during the opening and closing week of a
8 race meeting, the applicant shall apply to conduct live horse
9 racing at least 4 days per week, including Saturdays, with not
10 less than 9 live horse races programmed, and shall conduct live
11 racing programs on such days awarded.

12 (4) Each applicant for a standardbred race meeting license
13 in a county having a population greater than 250,000 but less
14 than 750,000 and that is not part of a city area shall apply to
15 conduct at least 100 days of live standardbred harness horse
16 racing during its proposed race meeting. Except during the open-
17 ing and closing week of a race meeting, the applicant shall apply
18 to conduct live racing at least 4 days per week, including
19 Saturdays, with not less than 9 live horse races programmed, and
20 shall conduct live racing programs on such days awarded.

21 (5) Each applicant for a standardbred race meeting license
22 in a city area shall apply to conduct during its race meeting no
23 less than the following number of live racing days:

24 (a) The race meeting applicant with the highest pari-mutuel
25 handle in the previous calendar year shall apply for no less than
26 140 days of live racing and the applicant shall apply to conduct
27 live racing at least 5 days per week, including Saturdays, with

1 not less than 9 live horse races programmed and shall conduct
2 live racing programs on the days awarded.

3 (b) All other applicants shall apply for not less than an
4 aggregate total of at least 120 days of live racing and the
5 applicants shall apply to conduct live racing at least 5 days per
6 week, including Saturdays, with not less than 9 live horse races
7 programmed and shall conduct live racing programs on the days
8 awarded.

9 (6) If a race meeting licensee is unable to program and con-
10 duct 9 live horse races on any racing date that the commissioner
11 allocates to the licensee because there are less than 5 entries
12 in any race, the licensee shall not conduct any simulcasting on
13 that day without the written consent of the certified horsemen's
14 organization with which it has a contract.

15 (7) If a race meeting licensee is unable to conduct racing
16 on any live racing dates allocated to the licensee by the racing
17 commissioner or less than 9 live horse races on any allocated
18 live racing dates because of a labor dispute, fire, adverse
19 weather conditions, or other causes beyond the race meeting
20 licensee's control, then the race meeting licensee is considered
21 to have conducted those races or race days for purposes of this
22 act and is not precluded from conducting any simulcasts because
23 of the licensee's inability to conduct those live races or race
24 dates.

25 (8) Intertrack simulcast races that a race meeting licensee
26 contracts to receive from other racetracks that are canceled for

1 any of the reasons described in subsection (7) shall be
2 considered to be offered to the public for purposes of this act.

3 (9) If an entire race meeting or the balance of a race meet-
4 ing and racing dates allocated to a licensee cannot be raced due
5 to an act of God or significant physical damage to the licensed
6 racetrack at which the race meeting was licensed to be conducted
7 caused by fire or some other catastrophe, the racing commissioner
8 may transfer those dates to another race meeting licensee upon
9 application of the substitute licensee if the substitute licensee
10 satisfies the requirements for licensure under this act and
11 demonstrates that it has or will have a legal or contractual
12 right to the use of a different licensed racetrack facility on
13 the racing dates in question, and all race meeting licensees that
14 will be conducting live racing on such dates within 50 miles of
15 the substitute racetrack consent to the transfer.

16 Sec. 16. (1) Each person participating in or having to do
17 with pari-mutuel horse racing or pari-mutuel wagering on the
18 results of horse races at a licensed race meeting, including, but
19 not limited to, all racing officials, veterinarians, pari-mutuel
20 clerks or tellers, totalisator company employees, security
21 guards, timers, horse owners, jockeys, drivers, apprentices,
22 exercise riders, authorized agents, trainers, grooms, valets,
23 owners of stables operating under an assumed name, jockey agents,
24 pony riders, hot walkers, blacksmiths, starting gate employees,
25 owners and operators of off-track training centers, farms or sta-
26 bles where racehorses are kept, and vendors operating within the
27 barn area of a licensed racetrack or off-track training center,

1 farm, or stable where racehorses are kept may be licensed by the
2 racing commissioner pursuant to rules promulgated by the racing
3 commissioner under this act. The racing commissioner shall not
4 issue an occupational license to a person who, within the 6 years
5 immediately preceding the date of the person's application for
6 the occupational license, was convicted of a felony involving
7 theft, dishonesty, misrepresentation, fraud, corruption, drug
8 possession, delivery, or use, or other criminal misconduct that
9 is related to the person's ability and likelihood to perform the
10 functions and duties of the racing related occupation for which
11 the person seeks to be licensed and participate in pari-mutuel
12 horse racing in that licensed occupation in a fair, honest, open,
13 and lawful manner. The racing commissioner shall not issue a
14 pari-mutuel occupational license to a person who, within 2 years
15 immediately preceding the date of the person's application for
16 the occupational license, was convicted of a misdemeanor involv-
17 ing theft, dishonesty, misrepresentation, fraud, corruption, drug
18 possession, delivery, or use, or other criminal misconduct that
19 is related to the person's ability and likelihood to perform the
20 functions and duties of the racing related occupation for which
21 the person seeks to be licensed and participate in pari-mutuel
22 horse racing in that licensed occupation in a fair, honest, open,
23 and lawful manner.

24 (2) A veterinarian is not required to be licensed under this
25 act to provide necessary and appropriate emergency veterinary
26 care or treatment to any horse that is intended to be entered, is
27 entered, or participates in a race with wagering by pari-mutuel

1 methods or a nonbetting race or workout conducted at a licensed
2 race meeting in this state. For purposes of this section,
3 "emergency veterinary care or treatment" means care or treatment
4 necessary and appropriate to save the life of a horse or prevent
5 permanent physical injury or damage to a horse in a situation
6 requiring immediate veterinary action. Only veterinarians
7 licensed under this act may provide nonemergency veterinary care
8 or treatment to a horse in this state ~~that is intended to be~~
9 ~~entered, is entered, or participates in races~~ IF THAT HORSE WILL
10 PARTICIPATE IN A RACE at licensed race meetings in this state
11 WITHIN 48 HOURS OF RECEIVING THE CARE OR TREATMENT. Only persons
12 licensed under this act or otherwise authorized by the racing
13 commissioner may enter the restricted grounds of a licensed race
14 meeting where horses are kept that are eligible to race at the
15 race meeting. ~~For the purposes of this section and sections 30~~
16 ~~and 31, a horse that is intended to be entered is a horse that~~
17 ~~has its name put into the draw for a specific race, and a horse~~
18 ~~that is entered in a race is a horse that has been drawn into a~~
19 ~~specific race.~~

20 (3) As conditions precedent to being issued and holding a
21 valid pari-mutuel occupational license, a license applicant shall
22 disclose, in writing, any ownership interest that the applicant
23 has in a racehorse in addition to other information the racing
24 commissioner considers necessary and proper, including finger-
25 prints of occupational license applicants and proof of compliance
26 with the worker's disability compensation act of 1969, ~~Act~~
27 ~~No. 317 of the Public Acts of 1969, being sections 418.101 to~~

~~1 418.941 of the Michigan Compiled Laws~~ 1969 PA 317, MCL 418.101
2 TO 418.941, except that proof of compliance requirement does not
3 apply to horse owners and trainers not covered under section 115
4 of ~~Act No. 317 of the Public Acts of 1969, being section 418.115~~
5 ~~of the Michigan Compiled Laws~~ THE WORKER'S DISABILITY COMPENSA-
6 TION ACT OF 1969, 1969 PA 317, MCL 418.115.

7 (4) In addition to the requirements of subsection (3), an
8 applicant for a pari-mutuel occupational license shall consent,
9 upon application and for the duration of the occupational
10 license, if issued, to all of the following:

11 (a) Personal inspections, inspections of the applicant's
12 personal property, and inspections of premises and property
13 related to his or her participation in a race meeting by persons
14 authorized by the racing commissioner.

15 (b) If the applicant is applying for a racing official,
16 jockey, driver, trainer, or groom license, or for any other
17 license for an occupation that involves contact with or access to
18 the racehorses or the barn areas or stables where racehorses are
19 kept, then the applicant shall agree as a condition of licensure
20 to submit for the duration of the license period to a breath-
21 lyzer test, urine test, or other noninvasive fluid test to detect
22 the presence of alcohol or a controlled substance as defined in
23 section 7104 of the public health code, ~~Act No. 368 of the~~
24 ~~Public Acts of 1978, being section 333.7104 of the Michigan~~
25 ~~Compiled Laws~~ 1978 PA 368, MCL 333.7104, if directed to do so by
26 the racing commissioner or his or her representative. If the
27 results of a test show that an occupational licensee has more

1 than .05% of alcohol in his or her blood, or has present in his
2 or her body a controlled substance, the person shall not be per-
3 mitted to continue in his or her duties or participate in horse
4 racing until he or she can produce, at his or her own expense, a
5 negative test result. The licensee may be penalized by the
6 racing commissioner for his or her positive test results, which
7 may include any disciplinary action authorized by this act or
8 rules promulgated under this act. This subsection does not apply
9 to a controlled substance obtained directly from, or pursuant to
10 a valid prescription from, a licensed health care provider,
11 except that the racing commissioner may consider the person's
12 medical need for prescribed controlled substances in determining
13 the person's fitness to be licensed to participate in pari-mutuel
14 horse racing. The racing commissioner shall suspend for not less
15 than 1 year the license of a person who for the third time in a
16 period of not more than 6 consecutive years is relieved of his or
17 her duties for the reasons prescribed in this subsection.

18 (5) A person who is issued a pari-mutuel occupational
19 license as a trainer is responsible for and absolute insurer of
20 the condition, fitness, eligibility, and qualification of the
21 horses entered to race for the person by whom the trainer is
22 employed, except as prescribed by the rules promulgated by the
23 racing commissioner under this act. This subsection shall not be
24 construed or interpreted to determine civil tort liability of any
25 racehorse owner or trainer but shall be for purposes of enforce-
26 ment of this act only. A trainer shall not start a horse that
27 has in its body a drug or foreign substance unless permitted

1 pursuant to section 30 and the rules promulgated under that
2 section. A trainer is strictly liable and subject to disci-
3 plinary action if a horse under the trainer's actual or apparent
4 care and control as trainer has a drug or foreign substance in
5 its body, in violation of section 30 and the rules promulgated
6 under that section.

7 (6) Upon the filing of a written complaint, under oath, in
8 the office of the racing commissioner, or upon the written motion
9 of the racing commissioner regarding the actions or omissions of
10 a person issued a pari-mutuel occupational license, the racing
11 commissioner may summarily suspend the occupational license of
12 the person for a period of not more than 90 days pending a hear-
13 ing and final determination by the racing commissioner regarding
14 the acts or omissions complained of in the written complaint or
15 motion, if the commissioner determines from the complaint or
16 motion that the public health, safety, or welfare requires emer-
17 gency action. The racing commissioner shall schedule the com-
18 plaint or motion to be heard within 14 business days after the
19 occupational license is summarily suspended and notify the holder
20 of the occupational license of the date, time, and place of the
21 hearing not less than 5 days before the date of the hearing. The
22 hearing shall be conducted in accordance with the contested case
23 provisions of the administrative procedures act of 1969, ~~Act~~
24 ~~No. 306 of the Public Acts of 1969, being sections 24.201 to~~
25 ~~24.328 of the Michigan Compiled Laws~~ 1969 PA 306, MCL 24.201 TO
26 24.328. The action of the racing commissioner in revoking or
27 suspending a pari-mutuel occupational license may be appealed to

1 the circuit court pursuant to ~~Act No. 306 of the Public Acts of~~
2 ~~1969~~ THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL
3 24.201 TO 24.328. If the racing commissioner's order is predi-
4 cated upon a series of acts, the review by the circuit court may
5 be in the county in which any of the alleged acts or failures to
6 act took place.

7 (7) A decision by the racing commissioner or his or her dep-
8 uties or appointed state stewards of racing to deny an applica-
9 tion for an occupational license may be appealed to the circuit
10 court and reviewed pursuant to section 631 of the revised judica-
11 ture act of 1961, ~~Act No. 236 of the Public Acts of 1961, being~~
12 ~~section 600.631 of the Michigan Compiled Laws~~ 1961 PA 236, MCL
13 600.631. A suspension or revocation of an occupational license
14 may be appealed and reviewed pursuant to the administrative pro-
15 cedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~
16 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws~~
17 1969 PA 306, MCL 24.201 TO 24.328.

18 (8) Each pari-mutuel occupational licensee shall pay a
19 license fee of not less than \$10.00 or more than \$100.00 as
20 determined by the racing commissioner.

21 Sec. 20. (1) It is the policy of this state to encourage
22 the breeding of horses of all breeds in this state and the owner-
23 ship of such horses by residents of this state to provide for
24 sufficient numbers of high quality race horses of all breeds to
25 participate in licensed race meetings in this state; to promote
26 the positive growth and development of high quality horse racing
27 and other equine competitions in this state as a beneficial

1 business and entertainment activity for residents of this state;
2 and to establish and preserve the substantial agricultural and
3 commercial benefits of the horse racing and breeding industry to
4 the state of Michigan. It is the intent and purpose of the leg-
5 islature to further this policy by the provisions of ~~the~~ THIS
6 act and annual appropriations to administer this act and ade-
7 quately fund the agriculture and equine industry programs estab-
8 lished by this section.

9 (2) Money received by the racing commissioner and the state
10 treasurer under this act shall be paid promptly into the state
11 treasury and placed in the Michigan agriculture equine industry
12 development fund created in subsection (3).

13 (3) The Michigan agriculture equine industry development
14 fund is created in the department of treasury. The Michigan
15 agriculture equine industry development fund shall be adminis-
16 tered by the director of the department of agriculture with the
17 assistance and advice of the racing commissioner.

18 (4) Money shall not be expended from the Michigan agricul-
19 ture equine industry development fund except as appropriated by
20 the legislature. Money appropriated by the legislature for the
21 Michigan agriculture equine industry development fund shall be
22 expended by the director of the department of agriculture with
23 the advice and assistance of the racing commissioner to provide
24 funding for agriculture and equine industry development programs
25 as provided in subsections (5) to ~~(11)~~ (12).

26 (5) The following amounts shall be paid to standardbred and
27 fair programs:

1 (a) A sum not to exceed 75% of the purses for standardbred
2 harness horse races offered by fairs and races at licensed
3 pari-mutuel racetracks. Purse supplements for overnight races at
4 fairs paid pursuant to this subsection may not exceed the lowest
5 purse offered for overnight races of the same breed at any
6 licensed race meeting in this state during the previous year.

7 (b) A sum to be allotted on a matching basis, but not to
8 exceed \$15,000.00 each year to a single fair, for the purpose of
9 equipment rental during fairs; ground improvement; constructing,
10 maintaining, and repairing buildings; and making the racetrack
11 more suitable and safe for racing at fairs.

12 (c) A sum to be allotted for paying special purses at fairs
13 on 2-year-old and 3-year-old standardbred harness horses con-
14 ceived after January 1, 1992, and sired by a standardbred stal-
15 lion registered with the Michigan department of agriculture that
16 was leased or owned by a resident or residents of this state and
17 ~~which~~ THAT did not serve a mare at a location outside of this
18 state from February 1 through July 31 of the calendar year in
19 which the conception occurred. Transportation of semen from a
20 standardbred stallion registered with the Michigan department of
21 agriculture to a location outside the state of Michigan does not
22 create eligibility for Michigan tax supported races, and does not
23 affect the eligibility of Michigan conceived foals for the purses
24 provided for by this section. A foal conceived outside the state
25 of Michigan by means of semen from a standardbred stallion regis-
26 tered with the Michigan department of agriculture is not eligible
27 for Michigan tax-supported races.

1 (d) A sum to pay not more than 75% of an eligible cash
2 premium paid by a fair or exposition. The commission of agricul-
3 ture shall promulgate rules establishing which premiums are eli-
4 gible for payment and a dollar limit for all eligible payments.

5 (e) A sum to pay breeders' awards in an amount not to exceed
6 10% of the gross purse to breeders of Michigan bred standardbred
7 harness horses for each time the horse wins a race at a licensed
8 race meeting or fair in this state. As used in this subdivision,
9 "Michigan bred standardbred harness horse" means a horse from a
10 mare owned by a resident or residents of this state at the time
11 of conception, that was conceived after January 1, 1992, and
12 sired by a standardbred stallion registered with the Michigan
13 department of agriculture that was leased or owned by a resident
14 or residents of this state and that did not serve a mare at a
15 location outside of this state from February 1 through July 31 of
16 the calendar year in which the conception occurred. To be eligi-
17 ble, each mare shall be registered with the Michigan department
18 of agriculture. Transportation of semen from a standardbred
19 stallion registered with the Michigan department of agriculture
20 to a location outside the state of Michigan does not create eli-
21 gibility for Michigan tax-supported races, and does not affect
22 the eligibility of Michigan conceived foals for the purses pro-
23 vided for by this section. A foal conceived outside the state of
24 Michigan by means of semen from a standardbred stallion regis-
25 tered with the Michigan department of agriculture is not eligible
26 for Michigan tax-supported races.

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

4 (g) A sum to be allotted to pay the presiding judges and
5 clerks of the course at fairs. Presiding judges and clerks of
6 the course shall be hired by the fair's administrative body with
7 the advice and approval of the racing commissioner. The director
8 of the department of agriculture may allot funds for a photo
9 finish system and a mobile starting gate. The director of the
10 department of agriculture shall allot funds for the conducting of
11 tests, the collection and laboratory analysis of urine, saliva,
12 blood, and other samples from horses, and the taking of blood
13 alcohol tests on drivers, jockeys, and starting gate employees,
14 for those races described in this subdivision. The department
15 may require a driver, jockey, or starting gate employee to submit
16 to a breathalyzer test, urine test, or other ~~nonevasive~~
17 NONINVASIVE fluid test to detect the presence of alcohol or a
18 controlled substance as defined in section 7104 of the public
19 health code, 1978 PA 368, MCL 333.7104. If the results of a test
20 show that a person has more than .05% of alcohol in his or her
21 blood, or has present in his or her body a controlled substance,
22 the person shall not be permitted to continue in his or her
23 duties on that race day and until he or she can produce, at his
24 or her own expense, a negative test result.

25 (h) A sum to pay purse supplements to licensed pari-mutuel
26 harness race meetings for special 4-year-old filly and colt horse
27 races.

1 (i) A sum not to exceed 0.25% of all money wagered on live
2 and simulcast horse races in Michigan shall be placed in a spe-
3 cial standardbred sire stakes fund each year, 100% of which shall
4 be used to provide purses for races run exclusively for
5 2-year-old and 3-year-old Michigan sired standardbred horses at
6 licensed harness race meetings in this state. As used in this
7 subdivision, "Michigan sired standardbred horses" means standard-
8 bred horses conceived after January 1, 1992 and sired by a stan-
9 dardbred stallion registered with the Michigan department of
10 agriculture that was leased or owned by a resident or residents
11 of this state and ~~which~~ THAT did not serve a mare at a location
12 outside of this state from February 1 through July 31 of the cal-
13 endar year in which the conception occurred. Transportation of
14 semen from a standardbred stallion registered with the Michigan
15 department of agriculture to a location outside the state of
16 Michigan does not create eligibility for Michigan tax-supported
17 races, and does not affect the eligibility of Michigan conceived
18 foals for the purses provided for by this section. A foal con-
19 ceived outside the state of Michigan by means of semen from a
20 standardbred stallion registered with the Michigan department of
21 agriculture is not eligible for Michigan tax-supported races.

22 (6) The following amounts shall be paid to thoroughbred
23 programs:

24 (a) A sum to be allotted thoroughbred race meeting licensees
25 to supplement the purses for races to be conducted exclusively
26 for Michigan bred horses.

1 (b) A sum to pay awards to owners of Michigan bred horses
2 that finish first, second, or third in races open to non-Michigan
3 bred horses.

4 (c) A sum to pay breeders' awards in an amount not to exceed
5 10% of the gross purse to the breeders of Michigan bred thorough-
6 bred horses for each time Michigan bred thoroughbred horses win
7 at a licensed race meeting in this state.

8 (d) A sum to pay purse supplements to licensed thoroughbred
9 race meetings for special 4-year-old and older filly and colt
10 horse races.

11 (e) A sum not to exceed 0.25% of all money wagered on live
12 and simulcast horse races in Michigan shall be placed in a spe-
13 cial thoroughbred sire stakes fund each year, 100% of which shall
14 be used to provide purses for races run exclusively for
15 2-year-old and 3-year-old and older Michigan sired thoroughbred
16 horses at licensed thoroughbred race meetings in this state and
17 awards for owners of Michigan sired horses or stallions. As used
18 in this subdivision, "Michigan sired thoroughbred horses" means
19 thoroughbred horses sired by a stallion registered with the
20 department of agriculture that was leased or owned exclusively by
21 a resident or residents of this state and that did not serve a
22 mare at a location outside of this state during the calendar year
23 in which the service occurred.

24 (f) A sum to be allotted sufficient to pay for the collec-
25 tion and laboratory analysis of urine, saliva, blood, and other
26 samples from horses and licensed persons and for the conducting
27 of tests described in section 16(3)(b).

1 (7) The following amounts shall be paid for quarter horse
2 programs:

3 (a) A sum to supplement the purses for races to be conducted
4 exclusively for Michigan bred quarter horses.

5 (b) A sum to pay not more than 75% of the purses for regis-
6 tered quarter horse races offered by fairs.

7 (c) A sum to pay breeders' awards in an amount not to exceed
8 10% of a gross purse to breeders of Michigan bred quarter horses
9 for each time a Michigan bred quarter horse wins at a county fair
10 or licensed race meeting in this state.

11 (d) A sum to pay for the collection and laboratory analysis
12 of urine, saliva, blood, and other samples from horses and
13 licensed persons and the taking of blood alcohol tests on jockeys
14 for those races described in this subsection and for the conduct-
15 ing of tests described in section 16(3)(b).

16 (e) As used in this subsection, "Michigan bred quarter
17 horse" means ~~a horse from a mare owned by a resident of this~~
18 ~~state at the time of breeding, sired by a registered stallion~~
19 ~~owned exclusively by a resident of this state, and which did not~~
20 ~~serve a mare at a location outside of this state during the cal-~~
21 ~~endar year in which the service occurred~~ THAT TERM AS DEFINED IN
22 R 285.817.1(J) OF THE MICHIGAN ADMINISTRATIVE CODE. Each mare
23 and stallion shall be registered with the director of the depart-
24 ment of agriculture.

25 (8) The following amounts shall be paid for Appaloosa
26 programs:

1 (a) A sum to supplement the purses for races to be conducted
2 exclusively for Michigan bred Appaloosa horses.

3 (b) A sum to pay not more than 75% of the purses for regis-
4 tered Appaloosa horse races offered by fairs.

5 (c) A sum to pay breeders' awards in an amount not to exceed
6 10% of the gross purse to the breeders of Michigan bred Appaloosa
7 horses for each time Michigan bred horses win at a fair or
8 licensed race meeting in this state.

9 (d) The department shall also allot sufficient funds from
10 the revenue received from Appaloosa horse racing to pay for the
11 collection and laboratory analysis of urine, saliva, blood, or
12 other samples from horses and licensed persons and the taking of
13 blood alcohol tests on jockeys for those races described in this
14 subsection and for the conducting of tests described in section
15 16(3)(b).

16 (e) As used in this subsection, "Michigan bred Appaloosa"
17 means ~~a horse from a mare owned by a resident of this state at~~
18 ~~the time of breeding, sired by a registered stallion owned exclu-~~
19 ~~sively by a resident of this state, and which did not serve a~~
20 ~~mare at a location outside of this state during the calendar year~~
21 ~~in which the service occurred~~ THAT TERM AS DEFINED IN
22 R 285.817.1(K) OF THE MICHIGAN ADMINISTRATIVE CODE. Each mare
23 and stallion shall be registered with the director of the depart-
24 ment of agriculture.

25 (9) The following amounts shall be paid for Arabian
26 programs:

1 (a) A sum to supplement the purses for races to be conducted
2 exclusively for Michigan bred Arabian horses.

3 (b) A sum to pay not more than 75% of the purses for regis-
4 tered Arabian horse races offered by fairs.

5 (c) A sum to pay breeders' awards in an amount not to exceed
6 10% of the gross purse to the breeders of Michigan bred Arabian
7 horses for each time Michigan bred horses win at a fair or
8 licensed racetrack in this state.

9 (d) A sum allotted from the revenue received from Arabian
10 horse racing to pay for the collection and laboratory analysis of
11 urine, saliva, blood, and other samples from horses and licensed
12 persons and the taking of blood alcohol tests on jockeys for
13 those races described in this subsection and for the conducting
14 of tests described in section 16(3)(b).

15 (e) As used in this subsection, "Michigan bred Arabian"
16 means ~~a horse from a mare owned by a resident of this state at~~
17 ~~the time of breeding, sired by a registered stallion owned exclu-~~
18 ~~sively by a resident of this state, and which did not serve a~~
19 ~~mare at a location outside of this state during the calendar year~~
20 ~~in which the service occurred~~ THAT TERM AS DEFINED IN
21 R 285.822.I OF THE MICHIGAN ADMINISTRATIVE CODE. Each mare and
22 stallion shall be registered with the director of the department
23 of agriculture.

24 (10) THE FOLLOWING SUMS SHALL BE PAID FOR AMERICAN PAINT
25 HORSE PROGRAMS:

26 (A) A SUM TO SUPPLEMENT THE PURPOSES FOR RACES TO BE
27 CONDUCTED EXCLUSIVELY FOR MICHIGAN BRED AMERICAN PAINT HORSES.

1 (B) A SUM TO PAY NOT MORE THAN 75% OF THE PURSES FOR
2 REGISTERED AMERICAN PAINT HORSE RACES OFFERED BY FAIRS.

3 (C) A SUM TO PAY BREEDERS' AWARDS IN AN AMOUNT NOT TO EXCEED
4 10% OF THE GROSS PURPOSE TO THE BREEDERS OF MICHIGAN BRED
5 AMERICAN PAINT HORSES FOR EACH TIME A MICHIGAN BRED AMERICAN
6 PAINT HORSE WINS AT A COUNTY FAIR OR LICENSED RACE MEETING IN
7 THIS STATE.

8 (D) A SUM TO PAY FOR THE COLLECTION AND LABORATORY ANALYSIS
9 OF URINE, SALIVA, BLOOD, AND OTHER SAMPLES FROM HORSES AND
10 LICENSED PERSONS AND THE TAKING OF BLOOD ALCOHOL TESTS ON JOCKEYS
11 FOR THOSE RACES DESCRIBED IN THIS SUBSECTION AND FOR THE CONDUCT-
12 ING OF TESTS DESCRIBED IN SECTION 16(3)(B).

13 (E) AS USED IN THIS SUBSECTION, "MICHIGAN BRED AMERICAN
14 PAINT HORSE" MEANS THAT TERM AS DEFINED BY THE DEPARTMENT OF
15 AGRICULTURE BY RULES PROMULGATED UNDER THIS SECTION.

16 (11) ~~-(10)-~~ The following amounts shall be paid for the
17 equine industry research, planning, and development grant fund
18 program:

19 (a) A sum to fund grants for research projects conducted by
20 persons affiliated with a university or governmental research
21 agency or institution or other private research entity approved
22 by the racing commissioner, which are beneficial to the horse
23 racing and breeding industry in this state.

24 (b) Money appropriated and allotted to this fund shall not
25 revert to the general fund and shall be carried forward from year
26 to year until disbursed to fund grants for research projects
27 beneficial to the industry.

1 (c) As used in this subsection, "equine research" means the
2 study, discovery and generation of accurate and reliable informa-
3 tion, findings, conclusions, and recommendations that are useful
4 or beneficial to the horse racing and breeding industry in this
5 state through improvement of the health of horses; prevention of
6 equine illness and disease, and performance-related accidents and
7 injuries; improvement of breeding technique and racing per-
8 formance; and compilation and study of valuable and reliable sta-
9 tistical data regarding the size, organization, and economics of
10 the industry in this state; and strategic planning for the effec-
11 tive promotion, growth, and development of the industry in this
12 state.

13 (12) ~~-(11)-~~ A sum to fund the development, implementation,
14 and administration of new programs that promote the proper growth
15 and development of the horse racing and breeding industry in this
16 state and other valuable equine related commercial and recrea-
17 tional activities in this state.

18 (13) ~~-(12)-~~ A percentage of the Michigan agriculture equine
19 industry development fund that is equal to 1/10 of 1% of the
20 gross wagers made each year in each of the racetracks licensed
21 under this act shall be deposited in the compulsive gaming pre-
22 vention fund created in the compulsive gaming prevention act.

23 (14) ~~-(13)-~~ The director of the department of agriculture
24 shall promulgate rules pursuant to the administrative procedures
25 act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this
26 section. The rules promulgated under this subsection shall do
27 all of the following:

1 (a) Prescribe the conditions under which the Michigan
2 agriculture equine industry development fund and related programs
3 described in subsections (1) to ~~-(11)-~~ (12) shall be funded.

4 (b) Establish conditions and penalties regarding the pro-
5 grams described in subsections (5) to ~~-(11)-~~ (12).

6 (c) Develop and maintain informational programs related to
7 this section.

8 (15) ~~-(14)-~~ Funds under the control of the department of
9 agriculture in this section shall be disbursed under the rules
10 promulgated pursuant to subsection ~~-(13)-~~ (14). All funds under
11 the control of the department of agriculture approved for purse
12 supplements and breeders' awards shall be paid by the state trea-
13 surer not later than 45 days from the date of the race.

14 Sec. 30. (1) A drug or painkiller that is a stimulant to a
15 horse or depressant to a horse shall not be administered to a
16 horse ~~or be present in a horse that is intended to be entered,~~
17 ~~is entered, or participates~~ IF THAT HORSE WILL PARTICIPATE in a
18 race with wagering by pari-mutuel methods or any nonbetting race
19 or workout that is conducted at a licensed race meeting in this
20 state WITHIN 48 HOURS AFTER THE ADMINISTRATION OF THE DRUG OR
21 PAINKILLER. A DRUG OR PAINKILLER THAT IS A STIMULANT TO A HORSE
22 OR A DEPRESSANT TO A HORSE SHALL NOT BE PRESENT IN A HORSE THAT
23 HAS BEEN ENTERED IN A RACE WITH WAGERING BY PARI-MUTUEL METHODS
24 OR IN ANY NONBETTING RACE OR WORKOUT THAT IS CONDUCTED AT A
25 LICENSED RACE MEETING IN THIS STATE AT THE TIME THAT THE RACE OR
26 WORKOUT IN WHICH THE HORSE HAS BEEN ENTERED BEGINS. Any drug or
27 foreign substance, other than a stimulant or depressant, may be

1 administered to a horse or present in a horse that ~~is intended~~
2 ~~to be entered, is entered, or participates~~ WILL PARTICIPATE in a
3 race with wagering by pari-mutuel methods or any nonbetting race
4 or workout that is conducted at a licensed race meeting in this
5 state WITHIN 48 HOURS AFTER THE DRUG OR FOREIGN SUBSTANCE HAS
6 BEEN ADMINISTERED only if authorized by the racing commissioner
7 by rule or written order for use in the care or treatment of the
8 horse. ANY DRUG OR FOREIGN SUBSTANCE, OTHER THAN A STIMULANT OR
9 DEPRESSANT, MAY BE PRESENT IN A HORSE THAT HAS BEEN ENTERED IN A
10 RACE WITH WAGERING BY PARI-MUTUEL METHODS OR ANY ENTERED NONBET-
11 TING RACE OR WORKOUT THAT IS CONDUCTED AT A LICENSED RACE MEETING
12 IN THIS STATE AT THE TIME THAT THE RACE OR WORKOUT IN WHICH THE
13 HORSE HAS BEEN ENTERED BEGINS ONLY IF AUTHORIZED BY THE RACING
14 COMMISSIONER BY RULE OR WRITTEN ORDER FOR USE IN THE CARE OR
15 TREATMENT OF THE HORSE. A veterinarian is not prohibited by this
16 section from administering to a horse any drug or foreign sub-
17 stance that is necessary and appropriate for the emergency veter-
18 inary care and treatment of the horse under accepted standards of
19 veterinary practice in this state. The treating veterinarian and
20 the horse's trainer shall report immediately to the racing com-
21 missioner, the state veterinarian, or the state steward any unau-
22 thorized or emergency administration of an unauthorized drug or
23 foreign substance to a horse that ~~is intended to be entered, is~~
24 ~~entered, or participates~~ WILL PARTICIPATE in a race or workout
25 at a licensed race meeting in this state ~~—~~ WITHIN 48 HOURS
26 AFTER THE DRUG OR FOREIGN SUBSTANCE HAS BEEN ADMINISTERED. THE
27 REPORT SHALL BE MADE before the running of the race or workout,

1 in the manner and form prescribed by the racing commissioner and
2 the stewards shall scratch the horse from the race. A veterinar-
3 ian who administers ~~a~~ AN AUTHORIZED drug or foreign substance
4 to any horse that ~~is intended to be entered, is entered, or~~
5 ~~participates~~ WILL PARTICIPATE in a race or workout that is to be
6 conducted at a licensed race meeting in this state WITHIN 48
7 HOURS AFTER THE AUTHORIZED DRUG OR FOREIGN SUBSTANCE HAS BEEN
8 ADMINISTERED shall keep and maintain a true and complete written
9 record of the veterinarian's examination, examination findings,
10 diagnosis and treatment of the horse, and all drugs or foreign
11 substances administered to the horse by the veterinarian, in the
12 manner and form prescribed by the racing commissioner, and shall
13 provide the record to the commissioner for review upon request.

14 (2) The racing commissioner or his or her designee shall
15 conduct random testing to detect the presence of a drug or for-
16 eign substance in all winning horses and in any other horse in
17 each pari-mutuel horse race and may conduct individual testing
18 for the presence of a drug or foreign substance in any specific
19 horse within the racetrack.

20 (3) The racing commissioner shall issue written orders or
21 promulgate rules pursuant to the administrative procedures act of
22 1969, ~~Act No. 306 of the Public Acts of 1969, being sections~~
23 ~~24.201 to 24.328 of the Michigan Compiled Laws~~ 1969 PA 306, MCL
24 24.201 TO 24.328, that specify ~~the~~ ALL OF THE FOLLOWING:

25 (A) THE condition of the horse that must exist in order to
26 permit authorization of the use and possession of a foreign
27 substance or a permissible drug for the intended care or

1 treatment of a horse ~~and that specify the~~ THAT WILL PARTICIPATE
2 IN A LICENSED RACE MEETING IN THIS STATE WITHIN 48 HOURS OF
3 RECEIVING THE CARE OR TREATMENT.

4 (B) THE CONDITION OF THE HORSE THAT MUST EXIST IN ORDER TO
5 PERMIT THE PRESENCE OF A DRUG OR FOREIGN SUBSTANCE IN A HORSE
6 THAT WILL PARTICIPATE IN A LICENSED RACE MEETING IN THIS STATE AT
7 THE TIME THAT THE RACE IN WHICH THE HORSE WILL PARTICIPATE
8 BEGINS.

9 (C) THE procedures that must be followed in administering
10 the authorized drugs.

11 (4) Any written order issued by the racing commissioner pur-
12 suant to ~~this section~~ SUBSECTION (3) shall be available for
13 review in the office of racing commissioner at each licensed race
14 meeting in this state.

15 (5) ~~(4)~~ Except as authorized by the racing commissioner or
16 as provided in this section, a person who administers or con-
17 spires to administer a drug or foreign substance, that could
18 affect the racing condition or performance of a horse, internal-
19 ly, externally, by hypodermic method, or by any other method, to
20 a horse that ~~is intended to be entered, is entered, or~~
21 ~~participates~~ WILL PARTICIPATE in a race or workout at a licensed
22 race meeting in this state WITHIN 48 HOURS AFTER THE DRUG OR FOR-
23 EIGN SUBSTANCE HAS BEEN ADMINISTERED, or who knowingly starts a
24 horse in any race or workout at a licensed race meeting in this
25 state knowing that the horse was administered a drug or foreign
26 substance, by any method, ~~after the horse was entered or~~
27 ~~intended to be entered in~~ WITHIN 48 HOURS BEFORE the race or

1 workout is guilty of a felony punishable by a fine of not more
2 than \$10,000.00 or by imprisonment for not more than 5 years, or
3 both.

4 (6) ~~-(5)-~~ A postmortem examination shall be performed on
5 every horse that dies at a racetrack. A postmortem examination
6 shall be a complete autopsy unless the racing commissioner on the
7 advice of the veterinarian is satisfied as to the cause of death
8 without the complete autopsy being performed. A complete autopsy
9 shall be ordered and performed if the presence of a drug or for-
10 eign substance in the horse is suspected.

11 Sec. 31. (1) Except as provided in ~~subsection~~ SUBSECTIONS
12 (3), (4), AND (5), a person who does any of the following, or who
13 aids or abets another in doing any of the following, is guilty of
14 a misdemeanor punishable by a fine of not more than \$10,000.00 or
15 by imprisonment for not more than 1 year, or both:

16 (a) Introduces an object or foreign substance into the nos-
17 trils or windpipe of a horse, ~~that is entered or intended to be~~
18 ~~entered in~~ WITHIN 48 HOURS BEFORE a race or workout at a
19 licensed race meeting in this state IN WHICH THE HORSE HAS BEEN
20 ENTERED, for the purpose of affecting the racing condition or
21 performance of the horse in a race or workout, without authoriza-
22 tion of the racing commissioner.

23 (b) Has in his or her possession within the confines of a
24 racetrack, stable, shed, building, or grounds of a licensed race
25 meeting, or within the confines of an off-track stable, shed,
26 building, or grounds where horses are kept which are eligible to
27 race over the racetrack of the holder of a race meeting license,

1 any drug not authorized by the racing commissioner for use at
2 those locations, or battery or buzzer, electrical or mechanical,
3 or syringe, hypodermic needle, or other appliance device, other
4 than the ordinary whip, which may or can be used for the purpose
5 of affecting a horse's racing condition or performance in a race
6 or workout at a licensed race meeting in this state.

7 (c) Has in his or her possession within the confines of a
8 racetrack, stable, shed, building, or grounds of a licensed race
9 meeting or within the confines of an off-track stable, shed,
10 building, or grounds where horses are kept that are eligible to
11 race over the racetrack of the holder of a race meeting license a
12 controlled substance as defined in section 7104 of the public
13 health code, ~~Act No. 368 of the Public Acts of 1978, being sec-~~
14 ~~tion 333.7104 of the Michigan Compiled Laws~~ 1978 PA 368, MCL
15 333.7104, or a hypodermic needle or other instrument that can be
16 used to administer a controlled substance, unless the controlled
17 substance was obtained directly from or pursuant to a prescrip-
18 tion from, a licensed physician, and the person notifies the
19 racing commissioner or racing commissioner's designee that the
20 person possesses the controlled substance or instrument.

21 (2) In addition to the penalties prescribed in subsection
22 (1), a person who is a licensee under this act and who does any
23 of the acts described in subsection (1) shall have his or her
24 license suspended by the racing commission for a period of not
25 less than 5 years after being convicted.

26 (3) Subsections (1) and (2) do not prohibit the possession
27 and use of drugs, foreign substances, controlled substances,

1 hypodermic needles and syringes, nasogastric tubes, endotracheal
2 tubes, endoscopes, or other instruments or equipment by a veteri-
3 narian within the confines of a racetrack, stable, shed, build-
4 ing, or grounds of a licensed race meeting or within the confines
5 of an off-track stable, shed, building, or grounds where horses
6 are kept that are eligible to race over the racetrack of the
7 holder of a race meeting license, if the drugs and equipment are
8 recognized and accepted in veterinary medicine for use in the
9 care and treatment of horses and are possessed and used by the
10 veterinarian in accordance with accepted standards of veterinary
11 practice in this state and applicable state and federal laws and
12 not in violation of other provisions of this act.

13 (4) EXCEPT AS PROVIDED IN SECTION 30, SUBSECTIONS (1) AND
14 (2) DO NOT PROHIBIT THE POSSESSION AND USE OF DRUGS, FOREIGN SUB-
15 STANCES, OR CONTROLLED SUBSTANCES, BY A PERSON FOR ORAL ADMINIS-
16 TRATION TO A HORSE WITHIN THE CONFINES OF A RACETRACK, STABLE,
17 SHED, BUILDING, OR GROUNDS OF A LICENSED RACE MEETING, IF THE
18 DRUGS, FOREIGN SUBSTANCES, OR CONTROLLED SUBSTANCES WERE OBTAINED
19 DIRECTLY FROM A VETERINARIAN LICENSED BY THE RACING COMMISSIONER
20 FOR ORAL ADMINISTRATION IN THE VETERINARY TREATMENT OF HORSES,
21 WITHIN ACCEPTED STANDARDS OF VETERINARY PRACTICE IN THIS STATE.
22 A TRUE AND COMPLETE WRITTEN RECORD OF THE VETERINARIAN'S EXAMINA-
23 TION, EXAMINATION FINDINGS, DIAGNOSIS AND TREATMENT OF THE HORSE,
24 AND ALL DRUGS OR FOREIGN SUBSTANCES PRESCRIBED FOR THE HORSE BY
25 THE VETERINARIAN, IN THE MANNER AND FORM PRESCRIBED BY THE RACING
26 COMMISSIONER, SHALL BE PROVIDED, UPON REQUEST, TO THE
27 COMMISSIONER FOR REVIEW. THE PRESCRIBED MEDICATIONS SHALL BE

1 LABELED AND STORED IN A MANNER AND FORM PRESCRIBED BY THE RACING
2 COMMISSIONER.

3 (5) EXCEPT AS PROVIDED IN SECTION 30, SUBSECTIONS (1) AND
4 (2) DO NOT PROHIBIT THE POSSESSION AND USE OF DRUGS, FOREIGN SUB-
5 STANCES, CONTROLLED SUBSTANCES, OR HYPODERMIC NEEDLES AND
6 SYRINGES BY A PERSON FOR USE ON A HORSE WITHIN THE CONFINES OF AN
7 OFF-TRACK STABLE, SHED, BUILDING, OR GROUNDS WHERE HORSES ARE
8 KEPT THAT ARE ELIGIBLE TO RACE ON THE RACETRACK OF THE HOLDER OF
9 A RACE MEETING LICENSE, IF THE DRUGS, FOREIGN SUBSTANCES, CON-
10 TROLLED SUBSTANCES, OR HYPODERMIC NEEDLES AND SYRINGES WERE
11 OBTAINED DIRECTLY FROM A LICENSED VETERINARIAN FOR USE IN THE
12 VETERINARY TREATMENT OF A HORSE WITHIN ACCEPTED STANDARDS OF VET-
13 ERINARY PRACTICE IN THIS STATE. A TRUE AND COMPLETE WRITTEN
14 RECORD OF THE VETERINARIAN'S EXAMINATION, EXAMINATION FINDINGS,
15 DIAGNOSIS AND TREATMENT OF THE HORSE, AND ALL DRUGS OR FOREIGN
16 SUBSTANCES PRESCRIBED FOR THE HORSE BY THE VETERINARIAN, IN THE
17 MANNER AND FORM PRESCRIBED BY THE RACING COMMISSIONER, SHALL BE
18 PROVIDED, UPON REQUEST, TO THE COMMISSIONER FOR REVIEW. THE PRE-
19 SCRIBED MEDICATIONS, NEEDLES, AND SYRINGES SHALL BE LABELED AND
20 STORED IN A MANNER AND FORM PRESCRIBED BY THE RACING
21 COMMISSIONER.