

SENATE BILL NO. 1070

April 22, 1998, Introduced by Senators GEAKE, HOFFMAN, MC MANUS, BENNETT, STILLE, NORTH, DUNASKISS, GAST, YOUNG and JAYE and referred to the Committee on Gaming and Casino Oversight.

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending section 20 (MCL 431.320), as amended by 1997 PA 73.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20. (1) It is the policy of this state to encourage
2 the breeding of horses of all breeds in this state and the owner-
3 ship of such horses by STATE residents ~~of this state~~ to provide
4 for sufficient numbers of high quality race horses of all breeds
5 to participate in licensed race meetings in this state, ~~to~~ to
6 promote the positive growth and development of high quality horse
7 racing and other equine competitions in this state as a benefi-
8 cial business and entertainment activity for STATE residents, ~~of~~
9 ~~this state;~~ and to establish and preserve the substantial
10 agricultural and commercial benefits of the horse racing and
11 breeding industry to the state of Michigan. It is the intent and

1 purpose of the legislature to further this policy by ~~the~~
2 ~~provisions of the~~ THIS act, ~~and~~ annual appropriations to
3 administer this act, and adequately fund the agriculture and
4 equine industry programs established by this section.

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

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

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

22 (5) The following amounts shall be paid to standardbred and
23 fair programs:

24 (a) A sum not to exceed 75% of the purses for standardbred
25 harness horse races offered by fairs and races at licensed
26 pari-mutuel racetracks. Purse supplements for overnight races at
27 fairs paid pursuant to this subsection may not exceed the lowest

1 purse offered for overnight races of the same breed at any
2 licensed race meeting in this state during the previous year.

3 (b) A sum to be allotted on a matching basis, but not to
4 exceed \$15,000.00 each year to a single fair, for the purpose of
5 equipment rental during fairs, ~~+~~ ground improvement, ~~+~~ con-
6 structing, maintaining, and repairing buildings, ~~+~~ and making
7 the racetrack more suitable and safe for racing at fairs.

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

24 (d) A sum to pay not more than 75% of an eligible cash pre-
25 mium paid by a fair or exposition. The commission of agriculture
26 shall promulgate rules establishing which premiums are eligible
27 for payment and a dollar limit for all eligible payments.

1 (e) A sum to pay breeders' awards in an amount not to exceed
2 10% of the gross purse to breeders of Michigan bred standardbred
3 harness horses for each time the horse wins a race at a licensed
4 race meeting or fair in this state. As used in this subdivision,
5 "Michigan bred standardbred harness horse" means a horse from a
6 mare owned by a resident or residents of this state at the time
7 of conception, that was conceived after January 1, 1992, and
8 sired by a standardbred stallion registered with the Michigan
9 department of agriculture that was leased or owned by a resident
10 or residents of this state and that did not serve a mare at a
11 location outside of this state from February 1 through July 31 of
12 the calendar year in which the conception occurred. To be eligi-
13 ble, each mare shall be registered with the Michigan department
14 of agriculture. Transportation of semen from a standardbred
15 stallion registered with the Michigan department of agriculture
16 to a location outside the state of Michigan does not create eli-
17 gibility for Michigan tax-supported races, and does not affect
18 the eligibility of Michigan conceived foals for the purses pro-
19 vided for by this section. A foal conceived outside the state of
20 Michigan by means of semen from a standardbred stallion regis-
21 tered with the Michigan department of agriculture is not eligible
22 for Michigan tax-supported races.

23 (f) A sum not to exceed \$4,000.00 each year to be allotted
24 to fairs to provide training and stabling facilities for stan-
25 dardbred harness horses.

26 (g) A sum to be allotted to pay the presiding judges and
27 clerks of the course at fairs. Presiding judges and clerks of

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

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

23 (i) A sum not to exceed 0.25% of all money wagered on live
24 and simulcast horse races in Michigan shall be placed in a spe-
25 cial standardbred sire stakes fund each year, 100% of which shall
26 be used to provide purses for races run exclusively for
27 2-year-old and 3-year-old Michigan sired standardbred horses at

1 licensed harness race meetings in this state. As used in this
2 subdivision, "Michigan sired standardbred horses" means standard-
3 bred horses conceived after January 1, 1992 and sired by a stan-
4 dardbred stallion registered with the Michigan department of
5 agriculture that was leased or owned by a resident or residents
6 of this state and which did not serve a mare at a location out-
7 side of this state from February 1 through July 31 of the calen-
8 dar year in which the conception occurred. Transportation of
9 semen from a standardbred stallion registered with the Michigan
10 department of agriculture to a location outside the state of
11 Michigan does not create eligibility for Michigan tax-supported
12 races, and does not affect the eligibility of Michigan conceived
13 foals for the purses provided for by this section. A foal con-
14 ceived outside the state of Michigan by means of semen from a
15 standardbred stallion registered with the Michigan department of
16 agriculture is not eligible for Michigan tax-supported races.

17 (6) The following amounts shall be paid to thoroughbred
18 programs:

19 (a) A sum to be allotted thoroughbred race meeting licensees
20 to supplement the purses for races to be conducted exclusively
21 for Michigan bred horses.

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

25 (c) A sum to pay breeders' awards in an amount not to exceed
26 10% of the gross purse to the breeders of Michigan bred

1 thoroughbred horses for each time Michigan bred thoroughbred
2 horses win at a licensed race meeting in this state.

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

6 (e) A sum not to exceed 0.25% of all money wagered on live
7 and simulcast horse races in Michigan shall be placed in a spe-
8 cial thoroughbred sire stakes fund each year, 100% of which shall
9 be used to provide purses for races run exclusively for
10 2-year-old and 3-year-old and older Michigan sired thoroughbred
11 horses at licensed thoroughbred race meetings in this state and
12 awards for owners of Michigan sired horses or stallions. As used
13 in this subdivision, "Michigan sired thoroughbred horses" means
14 thoroughbred horses sired by a stallion registered with the
15 department of agriculture that was leased or owned exclusively by
16 a resident or residents of this state and that did not serve a
17 mare at a location outside of this state during the calendar year
18 in which the service occurred.

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

23 (7) The following amounts shall be paid for quarter horse
24 programs:

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

1 (b) A sum to pay not more than 75% of the purses for
2 registered quarter horse races offered by fairs.

3 (c) A sum to pay breeders' awards in an amount not to exceed
4 10% of a gross purse to breeders of Michigan bred quarter horses
5 for each time a Michigan bred quarter horse wins at a county fair
6 or licensed race meeting in this state.

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

12 (e) As used in this subsection, "Michigan bred quarter
13 horse" means a horse from a mare owned by a resident of this
14 state at the time of breeding, sired by a registered stallion
15 owned exclusively by a resident of this state, and which did not
16 serve a mare at a location outside of this state during the cal-
17 endar year in which the service occurred. Each mare and stallion
18 shall be registered with the director of the department of
19 agriculture.

20 (8) The following amounts shall be paid for Appaloosa
21 programs:

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

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

26 (c) A sum to pay breeders' awards in an amount not to exceed
27 10% of the gross purse to the breeders of Michigan bred Appaloosa

1 horses for each time Michigan bred horses win at a fair or
2 licensed race meeting in this state.

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

10 (e) As used in this subsection, "Michigan bred Appaloosa"
11 means a horse from a mare owned by a resident of this state at
12 the time of breeding, sired by a registered stallion owned exclu-
13 sively by a resident of this state, and which did not serve a
14 mare at a location outside of this state during the calendar year
15 in which the service occurred. Each mare and stallion shall be
16 registered with the director of the department of agriculture.

17 (9) The following amounts shall be paid for Arabian
18 programs:

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

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

23 (c) A sum to pay breeders' awards in an amount not to exceed
24 10% of the gross purse to the breeders of Michigan bred Arabian
25 horses for each time Michigan bred horses win at a fair or
26 licensed racetrack in this state.

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

7 (e) As used in this subsection, "Michigan bred Arabian"
8 means a horse from a mare owned by a resident of this state at
9 the time of breeding, sired by a registered stallion owned exclu-
10 sively by a resident of this state, and which did not serve a
11 mare at a location outside of this state during the calendar year
12 in which the service occurred. Each mare and stallion shall be
13 registered with the director of the department of agriculture.

14 (10) The following amounts shall be paid for the equine
15 industry research, planning, and development grant fund program:

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

21 (b) Money appropriated and allotted to this fund shall not
22 revert to the general fund and shall be carried forward from year
23 to year until disbursed to fund grants for research projects ben-
24 eficial to the industry.

25 (c) As used in this subsection, "equine research" means the
26 study, discovery and generation of accurate and reliable
27 information, findings, conclusions, and recommendations that are

1 useful or beneficial to the horse racing and breeding industry in
2 this state through improvement of the health of horses, ~~and~~ pre-
3 vention of equine illness and disease, and performance-related
4 accidents and injuries, ~~and~~ improvement of breeding technique and
5 racing performance, ~~and~~ and compilation and study of valuable and
6 reliable statistical data regarding the size, organization, and
7 economics of the industry in this state, ~~and~~ and strategic plan-
8 ning for the effective promotion, growth, and development of the
9 industry in this state.

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

15 (12) A percentage of the Michigan agriculture equine indus-
16 try development fund that is equal to 1/10 of 1% of the gross
17 wagers made each year in each of the racetracks licensed under
18 this act OR \$100,000.00, WHICHEVER IS LESS, shall be deposited in
19 the compulsive gaming prevention fund created in SECTION 3 OF the
20 compulsive gaming prevention act, 1997 PA 70, MCL 432.253.

21 (13) The director of the department of agriculture shall
22 promulgate rules pursuant to the administrative procedures act of
23 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this
24 section. The rules promulgated under this subsection shall do
25 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) shall be funded.

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

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

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