

**SENATE BILL NO. 1307**

September 17, 1998, Introduced by Senators MC MANUS, STILLE and KOIVISTO and referred to the Committee on Farming, Agribusiness and Food Systems.

A bill to amend 1995 PA 279, entitled  
"Horse racing law of 1995,"  
by amending sections 10, 17, and 18 (MCL 431.310, 431.317, and 431.318).

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

1       Sec. 10. (1) A person desiring to conduct a thoroughbred,  
2 standardbred, quarter horse, Appaloosa, or Arabian race meeting,  
3 or a combination of these race meetings, with pari-mutuel wager-  
4 ing on the results of live and simulcast horse races pursuant to  
5 this act shall apply each year to the racing commissioner for a  
6 race meeting license in the manner and form required by the  
7 racing commissioner. The application shall be filed with the  
8 racing commissioner before July 1 of the preceding year ~~except~~  
9 ~~that a race meeting license issued for 1996 under former Act~~  
10 ~~No. 327 of the Public Acts of 1980 may be amended by the racing~~

~~1 commissioner pursuant to a new application submitted under this~~  
~~2 act within 30 days of the effective date of this act~~ UNLESS THE  
3 RACING COMMISSIONER EXTENDS THE FILING DATE TO A LATER DATE AS HE  
4 OR SHE CONSIDERS NECESSARY FOR THE BEST INTERESTS OF RACING. The  
5 application, after being filed, shall be made available for  
6 public inspection during regular business hours. The application  
7 shall be in writing and shall give the name and address of the  
8 applicant, and, if the applicant is a corporation or partnership,  
9 shall state the place of the applicant's incorporation or part-  
10 nership and the names and addresses of all corporate directors,  
11 officers, shareholders, and partners. The application shall also  
12 do all of the following:

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

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

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

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

26       (e) Demonstrate to the racing commissioner that the  
27 applicant — and all persons associated with the applicant —

1 who hold any beneficial or ownership interest in the business  
2 activities of the applicant ~~—~~ or who have power or ability to  
3 influence or control the business decisions or actions of the  
4 applicant ~~—, are~~ SATISFY ALL OF THE FOLLOWING REQUIREMENTS:

5 (i) ARE persons of good character, honesty, and integrity.  
6 ~~i possess~~

7 (ii) POSSESS sufficient financial resources and business  
8 ability and experience to conduct the proposed race meeting. ~~→~~  
9 ~~and do~~

10 (iii) DO not pose a threat to the public interest of the  
11 state or to the security and integrity of horse racing or  
12 pari-mutuel wagering on the results of horse races in the state.

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

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

1 restrictions, the commissioner, upon request by a race meeting  
2 licensee, may grant to the race meeting licensee a race meeting  
3 license authorizing either of the following:

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

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

12       Sec. 17. (1) The pari-mutuel system of wagering upon the  
13 results of horse races as permitted by this act shall not be held  
14 or construed to be unlawful. All forms of pari-mutuel wagering  
15 conducted at a licensed race meeting shall be preapproved by the  
16 racing commissioner pursuant to rule or written order of the  
17 commissioner.

18       (2) A holder of a race meeting license may provide a place  
19 in the race meeting grounds or enclosure at which he or she may  
20 conduct and supervise the pari-mutuel system of wagering on the  
21 results of horse races as permitted by this act. 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 and  
24 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.

1       (3) Subject to section 18(3), each holder of a race meeting  
2 license shall retain as his or her commission on all forms of  
3 straight wagering 17% of all money wagered involving straight  
4 wagers on the results of live and simulcast horse races conducted  
5 at the licensee's race meetings. ~~Except as provided in subsec-~~  
6 ~~tion (8) and subject~~ SUBJECT to section 18(3), each holder of a  
7 race meeting license shall retain as his or her commission on all  
8 forms of multiple wagering — 20.5% of all money wagered involv-  
9 ing any form of multiple wager on the results of live and simul-  
10 cast horse races conducted at the licensee's race meeting.

11 HOWEVER, THE RACING COMMISSIONER MAY ADJUST THE PERCENTAGE OF  
12 MONEY WAGERED ON ALL FORMS OF STRAIGHT WAGERING, MULTIPLE WAGER-  
13 ING, OR BOTH, THAT THE HOLDER OF A RACE MEETING LICENSE RETAINS  
14 AS HIS OR HER COMMISSION. Except as otherwise provided by con-  
15 tract, 50% of all commissions from wagering on the results of  
16 live racing at the racetrack where the live racing was conducted  
17 shall be paid to the horsemen's purse pool at the racetrack where  
18 the live racing was conducted. As used in this subsection:

19       (a) "Straight wagering" means a wager made on the finishing  
20 position of a single specified horse in a single specified race.

21       (b) "Multiple wagering" means a wager made on the finishing  
22 positions of more than 1 horse in a specified race or the finish-  
23 ing positions of 1 or more horses in more than 1 specified race.

24       (4) All breaks shall be retained by the race meeting  
25 licensee and paid directly to the city or township in which the  
26 racetrack is located as a fee for services provided pursuant to  
27 section 21.

1       (5) Payoff prices of tickets of a higher denomination shall  
2 be calculated as even multiples of the payoff price for a \$1.00  
3 wager. Each holder of a race meeting license shall distribute to  
4 the persons holding winning tickets, as a minimum, a sum not less  
5 than \$1.10 calculated on the basis of each \$1.00 deposited in a  
6 pool, except that each race meeting licensee may distribute a sum  
7 of not less than \$1.05 to persons holding winning tickets for  
8 each \$1.00 deposited in a minus pool. As used in this subsec-  
9 tion, "minus pool" means any win, place, or show pool in which  
10 the payout would exceed the total value of the pool.

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

14       (7) Any act or transaction relative to pari-mutuel wagering  
15 on the results of live or simulcast horse races shall only occur  
16 or be permitted to occur within the enclosure of a licensed race  
17 meeting. A person shall not participate or be a party to any act  
18 or transaction relative to placing a wager or carrying a wager  
19 for placement outside of a race meeting ground. A person shall  
20 not provide messenger service for the placing of a bet for  
21 another person who is not a patron. However, this subsection  
22 does not prevent simulcasting or intertrack or interstate common  
23 pool wagering inside or outside this state — as permitted by  
24 this act or the rules promulgated under this act.

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

~~1 approval of the racing commissioner. The racing commissioner may  
2 promulgate rules or issue written orders to approve and regulate  
3 a special sweepstakes pari-mutuel pool which shall not be con-  
4 nected with or related to any other form of multiple wagering, or  
5 to any other win, place, or show pool. A special sweepstakes  
6 pari-mutuel pool may be given a distinctive name by the race  
7 meeting licensee, subject to the approval of the racing  
8 commissioner. Subject to section 18(3), each holder of a race  
9 meeting license shall retain as his or her commission on special  
10 sweepstakes pari-mutuel pools 25% of all money wagered on such  
11 races.~~

12       Sec. 18. (1) Simulcasting by race meeting licensees may be  
13 authorized by the racing commissioner subject to the limitations  
14 of this section. As used in this section, "simulcast" means the  
15 live transmission of video and audio signals conveying a horse  
16 race held either inside or outside this state to a licensed race  
17 meeting in this state. A simulcast from 1 racetrack in this  
18 state to another racetrack in this state shall be called an  
19 "intertrack simulcast". A simulcast from a racetrack outside  
20 this state to a racetrack inside this state shall be called an  
21 "interstate simulcast".

22       (2) The holder of a race meeting license may apply to the  
23 racing commissioner, in the manner and form required by the com-  
24 missioner, for a permit to televise simulcasts of horse races to  
25 viewing areas within the enclosure of the licensed racetrack at  
26 which the applicant is licensed to conduct its race meeting. The  
27 commissioner may issue a permit for individual race and full card

1 simulcasts televised during, between, before, or after programmed  
2 live horse races on any day that live racing is conducted by the  
3 applicant, and also on other days during the term of the  
4 applicant's license when the applicant does not conduct live  
5 horse racing, subject to the following conditions:

6 (a) The applicant shall have a current contract with a cer-  
7 tified horsemen's organization.

8 (b) The applicant shall have applied for and been allocated  
9 the minimum number of live racing dates required by section 12(1)  
10 to (5), subject to the availability of adequate horse supply as  
11 determined by the racing commissioner.

12 (c) The applicant shall make a continuing good faith effort  
13 throughout the duration of its race meeting to program and con-  
14 duct ~~at least~~ NOT LESS THAN 9 live horse races on each live  
15 racing date allocated to the applicant.

16 (d) The certified horsemen's organization with which the  
17 applicant has contracted shall have consented to the requested  
18 simulcasts on any live racing day when the applicant is unable to  
19 program and conduct ~~at least~~ NOT LESS THAN 9 live horse races,  
20 if required by section 12(6).

21 (e) If the requested simulcasts are interstate, the appli-  
22 cant shall waive in writing any right that the applicant may have  
23 under the interstate horse racing act of 1978, PUBLIC LAW 95-515,  
24 15 U.S.C. 3001 to 3007, to restrict interstate simulcasts by  
25 other race meeting licensees in this state.

26 (f) If the applicant conducts its race meeting in a city  
27 area, the applicant shall make the video and audio signals of its



1 live horse races available for intertrack simulcasting to all  
 2 licensed race meetings in this state located more than 12 miles  
 3 from the applicant's race meeting. ~~no later than 120 days after~~  
 4 ~~the effective date of this act.~~ The applicant shall charge each  
 5 race meeting licensee the same fee to receive its live signals  
 6 for intertrack simulcasting. The fee shall not exceed 3% of the  
 7 total amount wagered on the intertrack simulcast at each race  
 8 meeting that receives the simulcast.

9 (g) Except as otherwise agreed by the race meeting licensees  
 10 in a city area and the respective certified horsemen's organiza-  
 11 tions with which they contract, a licensee in a city area shall  
 12 receive all available intertrack simulcasts from licensed race  
 13 meetings in the city area located more than 12 miles from the  
 14 licensee's race meeting.

15 (h) A licensed race meeting outside a city area shall not  
 16 conduct interstate simulcasts ~~before 6:45 p.m.,~~ unless it also  
 17 receives all intertrack simulcasts from licensed race meetings in  
 18 a city area that are available. ~~before 6:45 p.m.~~

19 ~~-(i) A licensed race meeting outside a city area shall not~~  
 20 ~~conduct interstate simulcasts after 6:45 p.m., unless it also~~  
 21 ~~receives all intertrack simulcasts from licensed race meetings in~~  
 22 ~~a city area that are available after 6:45 p.m.~~

23 (I) ~~-(j)~~ All applicants conducting licensed race meetings  
 24 in a city area shall authorize all other race meeting licensees  
 25 in the state to conduct simulcasts of the breed for which the  
 26 applicant is licensed to conduct live horse racing. An applicant  
 27 may not conduct interstate simulcasts unless ~~such~~ authorization

1 TO DO SO is given by the applicant, in accordance with  
2 subdivision ~~-(k)-~~ (J), permitting all other race meeting licens-  
3 ees to receive interstate simulcasts of a different breed than  
4 they are licensed to race live.

5       (J) ~~-(k)-~~ A race meeting licensee shall not conduct an  
6 interstate simulcast of a different breed than it is licensed to  
7 race live at its race meeting, unless the licensee has the writ-  
8 ten permission of all race meeting licensees in a city area that  
9 are licensed to race that breed live at their race meetings. ~~-A~~  
10 ~~city area race meeting licensee may charge another race meeting~~  
11 ~~licensee a fee for such permission. The permit fee may be no~~  
12 ~~more than 1.5% of the total amount wagered at city area race~~  
13 ~~meetings, and no more than 0.5% of the total amount wagered at~~  
14 ~~race meetings outside a city area, on the interstate simulcast~~  
15 ~~for which such permission is given. Any permit fee charged pur-~~  
16 ~~suant to this section shall be calculated and paid separate from~~  
17 ~~the amount paid by the receiving track to the out-of-state send-~~  
18 ~~ing track to receive the different breed interstate simulcast~~  
19 ~~signals. If simulcasting permission is required from more than 1~~  
20 ~~race meeting licensee in a city area under this section, the com-~~  
21 ~~bined permit fee, if any, shall not exceed the maximum amount~~  
22 ~~that may be charged by 1 licensee for such permission under this~~  
23 ~~subsection and shall be paid jointly to and shared by the licens-~~  
24 ~~ees in a city area on a pro rata basis according to the percen-~~  
25 ~~tage of total wagering that each licensee produced in the previ-~~  
26 ~~ous calendar year on live and simulcast races of the breed for~~  
27 ~~which simulcasting permission is requested.~~

1       (K) ~~(I)~~ All authorized simulcasts shall be conducted in  
2 compliance with the written permit and related orders issued by  
3 the racing commissioner and all other requirements and conditions  
4 of this act and the rules of the racing commissioner promulgated  
5 under this act.

6       (1) ~~(m)~~ All authorized interstate simulcasts shall also  
7 comply with the interstate horse racing act of 1978, PUBLIC LAW  
8 95-15, 15 U.S.C. 3001 to 3007.

9       (3) All forms of wagering by pari-mutuel methods provided  
10 for under this act for live racing shall be allowed on simulcast  
11 horse races authorized under this section. All money wagered on  
12 simulcast horse races at a licensed race meeting shall be  
13 included in computing the total amount of all money wagered at  
14 the licensed race meeting for purposes of section 17. When the  
15 simulcast is an interstate simulcast, the money wagered on that  
16 simulcast shall form a separate pari-mutuel pool at the receiving  
17 track unless 2 or more licensees receive the same interstate  
18 simulcast signals or the racing commissioner permits the receiv-  
19 ing track to combine its interstate simulcast pool with the pool  
20 created at the out-of-state sending track on the same race. If 2  
21 or more licensees receive the same interstate simulcast signals,  
22 the money wagered on the simulcasts shall be combined in a common  
23 pool and the licensees shall jointly agree and designate at which  
24 race meeting the common pool will be located. However, if the  
25 law of the jurisdiction in which the sending racetrack is located  
26 permits interstate common pools at the sending racetrack, the  
27 racing commissioner may permit pari-mutuel pools on interstate

1 simulcast races in this state to be combined with pari-mutuel  
2 pools on the same races created at the out-of-state sending  
3 racetrack. If the pari-mutuel pools on the interstate simulcast  
4 races in this state are combined in a common pool at the  
5 out-of-state sending track, then the commissions described in  
6 section 17 on the pool created in this state shall be adjusted to  
7 equal the commissions in effect at the sending track under the  
8 laws of its jurisdiction. If the simulcast is an intertrack  
9 simulcast, the money wagered on that simulcast at the receiving  
10 racetrack shall be added to the pari-mutuel pool at the sending  
11 racetrack.

12 (4) Each race meeting licensee that receives an interstate  
13 simulcast shall pay to the horsemen's simulcast purse pool estab-  
14 lished under section 19 a sum equal to 40% of the licensee's net  
15 commission from all money wagered on the interstate simulcast, as  
16 determined by section 17(3) ~~and (8)~~ after first deducting from  
17 the licensee's statutory commission the applicable state tax on  
18 wagering due and payable under section 22 and the actual verified  
19 fee paid by the licensee to the sending host track to receive the  
20 interstate simulcast signal. The licensee shall retain the  
21 remaining balance of its net commission and shall be responsible  
22 for paying all other capital and operational expenses related to  
23 receiving interstate simulcasts at its race meeting. Any subse-  
24 quent rebate of a fee paid by a licensee to receive interstate  
25 simulcast signals shall be shared equally by the licensee and the  
26 horsemen's simulcast purse pool established under section 19.

1       (5) ~~No later than 120 days after the effective date of this~~  
2 ~~act, a~~ A race meeting licensee licensed to conduct pari-mutuel  
3 horse racing in a city area shall provide the necessary equipment  
4 to send intertrack simulcasts of the live horse races conducted  
5 at its race meeting to all other race meeting licensees in this  
6 state, and shall send its intertrack simulcast signals to ~~such~~  
7 THOSE licensees upon request for an agreed fee, which shall not  
8 exceed 3% of the total amount wagered on the race at the receiv-  
9 ing track. Race meeting licensees that send or receive inter-  
10 track simulcasts shall make the following payments to the  
11 horsemen's purse pools:

12       (a) Each race meeting licensee that sends an intertrack  
13 simulcast shall pay 50% of the simulcast fee that it receives for  
14 sending the simulcast signal to the horsemen's purse pool at the  
15 sending track.

16       (b) Each race meeting licensee that receives an intertrack  
17 simulcast shall pay to the horsemen's simulcast purse pool estab-  
18 lished pursuant to section 19 a sum equal to 40% of the receiving  
19 track's net commission from wagering on the intertrack simulcast  
20 under section 17(3) ~~and (8),~~ after first deducting from the  
21 licensee's statutory commission the applicable state tax on  
22 wagering due and owing under section 22 and the actual verified  
23 fee paid by the receiving track to the sending host track to  
24 receive the intertrack simulcast signal.

25       (6) The racing commissioner may authorize a race meeting  
26 licensee to transmit simulcasts of live horse races conducted at  
27 its racetrack to locations outside of this state in accordance

1 with the interstate horse racing act of 1978, PUBLIC LAW 95-515,  
2 15 U.S.C. 3001 to 3007, or any other applicable laws, and may  
3 permit pari-mutuel pools on such simulcast races created under  
4 the laws of the jurisdiction in which the receiving track is  
5 located to be combined in a common pool with pari-mutuel pools on  
6 the same races created in this state. A race meeting licensee  
7 that transmits simulcasts of its races to locations outside this  
8 state shall pay 50% of the fee that it receives for sending the  
9 simulcast signal to the horsemen's purse pool at the sending  
10 track after first deducting the actual verified cost of sending  
11 the signal out of state.

12 (7) Simulcasting of events other than horse races for pur-  
13 poses of pari-mutuel wagering is prohibited.