

**SUBSTITUTE FOR
HOUSE BILL NO. 5078**

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending sections 10, 12, and 20 (MCL 431.310, 431.312, and
431.320), section 10 as amended by 1998 PA 408 and 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 September 1 of the
9 preceding year except that applications for 1999 racing dates may

1 be filed at any time. The application, after being filed, shall
2 be made available for public inspection during regular business
3 hours. The application shall be in writing and shall give the
4 name and address of the applicant, and, if the applicant is a
5 corporation or partnership, shall state the place of the
6 applicant's incorporation or partnership and the names and
7 addresses of all corporate directors, officers, shareholders, and
8 partners. The application shall also do all of the following:

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

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

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

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

22 (e) Demonstrate to the racing commissioner that the appli-
23 cant and all persons associated with the applicant who hold any
24 beneficial or ownership interest in the business activities of
25 the applicant or who have power or ability to influence or con-
26 trol the business decisions or actions of the applicant satisfy
27 all of the following requirements:

1 (i) Are persons of good character, honesty, and integrity.

2 (ii) Possess sufficient financial resources and business
3 ability and experience to conduct the proposed race meeting.

4 (iii) Do not pose a threat to the public interest of the
5 state or to the security and integrity of horse racing or
6 pari-mutuel wagering on the results of horse races in the state.

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

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

25 (a) The licensee to conduct live horse racing programs that
26 would otherwise be prevented by the 6:45 p.m. time restriction,
27 if no other race meeting in a city area is licensed or authorized

1 to conduct live horse racing at the same time the licensee
2 proposes to conduct the requested live horse racing programs.

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

6 (c) The licensee to conduct live horse racing programs after
7 6:45 p.m., if the licensee is not in a city area and is 75 miles
8 or more from the nearest race meeting licensee authorized to con-
9 duct live horse racing.

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

21 (2) Each applicant for a thoroughbred, quarter horse,
22 Appaloosa, AMERICAN PAINT HORSE, or Arabian race meeting license
23 in a city area shall apply to conduct at least 160 days of live
24 thoroughbred, quarter horse, Appaloosa, AMERICAN PAINT HORSE, or
25 Arabian horse racing during its proposed race meeting. Except
26 during the opening and closing week of a race meeting, the
27 applicant shall apply to conduct live racing at least 5 days per

1 week, including Saturdays and Sundays, with not less than 9 live
2 horse races programmed, and shall conduct live racing programs on
3 such days allocated by the racing commissioner.

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

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

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

25 (a) The race meeting applicant with the highest pari-mutuel
26 handle in the previous calendar year shall apply for no less than
27 140 days of live racing and the applicant shall apply to conduct

1 live racing at least 5 days per week, including Saturdays, with
2 not less than 9 live horse races programmed and shall conduct
3 live racing programs on the days awarded.

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

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

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

26 (8) Intertrack simulcast races that a race meeting licensee
27 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. 20. (1) It is the policy of this state to encourage
17 the breeding of horses of all breeds in this state and the owner-
18 ship of such horses by residents of this state to provide for
19 sufficient numbers of high quality race horses of all breeds to
20 participate in licensed race meetings in this state; to promote
21 the positive growth and development of high quality horse racing
22 and other equine competitions in this state as a beneficial busi-
23 ness and entertainment activity for residents of this state; and
24 to establish and preserve the substantial agricultural and com-
25 mercial benefits of the horse racing and breeding industry to the
26 state of Michigan. It is the intent and purpose of the
27 legislature to further this policy by the provisions of ~~the~~

1 THIS act and annual appropriations to administer this act and
2 adequately fund the agriculture and equine industry programs
3 established by this section.

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

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

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

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

23 (a) A sum not to exceed 75% of the purses for standardbred
24 harness horse races offered by fairs and races at licensed
25 pari-mutuel racetracks. Purse supplements for overnight races at
26 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; constructing,
6 maintaining, and repairing buildings; and making the racetrack
7 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~~ THAT did not serve a mare at a location outside of this
14 state from February 1 through July 31 of the calendar year in
15 which the conception occurred. Transportation of semen from a
16 standardbred stallion registered with the Michigan department of
17 agriculture to a location outside the state of Michigan does not
18 create eligibility for Michigan tax supported races, and does not
19 affect the eligibility of Michigan conceived foals for the purses
20 provided for by this section. A foal conceived outside the state
21 of 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~~ THAT did not serve a mare at a location
7 outside of this state from February 1 through July 31 of the cal-
8 endar 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

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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)~~ 16(4)(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)~~ 16(4)(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~~ THAT TERM AS DEFINED IN
18 R 285.817.1(J) OF THE MICHIGAN ADMINISTRATIVE CODE. Each mare
19 and stallion shall be registered with the director of the depart-
20 ment of agriculture.

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

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

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

1 (c) A sum to pay breeders' awards in an amount not to exceed
2 10% of the gross purse to the breeders of Michigan bred Appaloosa
3 horses for each time Michigan bred horses win at a fair or
4 licensed race meeting in this state.

5 (d) The department shall also allot sufficient funds from
6 the revenue received from Appaloosa horse racing to pay for the
7 collection and laboratory analysis of urine, saliva, blood, or
8 other samples from horses and licensed persons and the taking of
9 blood alcohol tests on jockeys for those races described in this
10 subsection and for the conducting of tests described in section
11 ~~16(3)(b)~~ 16(4)(B).

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

21 (9) The following amounts shall be paid for Arabian
22 programs:

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

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

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1 (c) A sum to pay breeders' awards in an amount not to exceed
2 10% of the gross purse to the breeders of Michigan bred Arabian
3 horses for each time Michigan bred horses win at a fair or
4 licensed racetrack in this state.

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

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

20 (10) THE FOLLOWING SUMS SHALL BE PAID FOR AMERICAN PAINT
21 HORSE PROGRAMS:

22 (A) A SUM TO SUPPLEMENT THE PURPOSES FOR RACES TO BE CON-
23 DUCTED EXCLUSIVELY FOR MICHIGAN BRED AMERICAN PAINT HORSES.

24 (B) A SUM TO PAY NOT MORE THAN 75% OF THE PURSES FOR REGIS-
25 TERED AMERICAN PAINT 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

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1 AMERICAN PAINT HORSES FOR EACH TIME A MICHIGAN BRED AMERICAN
2 PAINT HORSE WINS AT A COUNTY FAIR OR LICENSED RACE MEETING IN
3 THIS STATE.

4 (D) A SUM TO PAY FOR THE COLLECTION AND LABORATORY ANALYSIS
5 OF URINE, SALIVA, BLOOD, AND OTHER SAMPLES FROM HORSES AND
6 LICENSED PERSONS AND THE TAKING OF BLOOD ALCOHOL TESTS ON JOCKEYS
7 FOR THOSE RACES DESCRIBED IN THIS SUBSECTION AND FOR THE CONDUCT-
8 ING OF TESTS DESCRIBED IN SECTION 16(4)(B).

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

12 (11) ~~-(10)-~~ The following amounts shall be paid for the
13 equine industry research, planning, and development grant fund
14 program:

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

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

24 (c) As used in this subsection, "equine research" means the
25 study, discovery and generation of accurate and reliable informa-
26 tion, findings, conclusions, and recommendations that are useful
27 or beneficial to the horse racing and breeding industry in this

1 state through improvement of the health of horses; prevention of
2 equine illness and disease, and performance-related accidents and
3 injuries; improvement of breeding technique and racing per-
4 formance; and compilation and study of valuable and reliable sta-
5 tistical data regarding the size, organization, and economics of
6 the industry in this state; and strategic planning for the effec-
7 tive promotion, growth, and development of the industry in this
8 state.

9 (12) ~~-(11)-~~ A sum to fund the development, implementation,
10 and administration of new programs that promote the proper growth
11 and development of the horse racing and breeding industry in this
12 state and other valuable equine related commercial and recrea-
13 tional activities in this state.

14 (13) ~~-(12)-~~ A percentage of the Michigan agriculture equine
15 industry development fund that is equal to 1/10 of 1% of the
16 gross wagers made each year in each of the racetracks licensed
17 under this act shall be deposited in the compulsive gaming pre-
18 vention fund created in the compulsive gaming prevention act.

19 (14) ~~-(13)-~~ The director of the department of agriculture
20 shall promulgate rules pursuant to the administrative procedures
21 act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this
22 section. The rules promulgated under this subsection shall do
23 all of the following:

24 (a) Prescribe the conditions under which the Michigan agri-
25 culture equine industry development fund and related programs
26 described in subsections (1) to ~~-(11)-~~ (12) shall be funded.

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1 (b) Establish conditions and penalties regarding the
2 programs described in subsections (5) to ~~-(11)-~~ (12).

3 (c) Develop and maintain informational programs related to
4 this section.

5 (15) ~~-(14)-~~ Funds under the control of the department of
6 agriculture in this section shall be disbursed under the rules
7 promulgated pursuant to subsection ~~-(13)-~~ (14). All funds under
8 the control of the department of agriculture approved for purse
9 supplements and breeders' awards shall be paid by the state trea-
10 surer not later than 45 days from the date of the race.