

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5078

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending sections 7, 9, 10, 12, and 20 (MCL 431.307, 431.309,
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. 7. (1) The racing commissioner may promulgate rules
2 pursuant to the administrative procedures act of 1969, ~~Act~~
3 ~~No. 306 of the Public Acts of 1969, being sections 24.201 to~~
4 ~~24.328 of the Michigan Compiled Laws~~ 1969 PA 306, MCL 24.201 TO
5 24.328, for conducting horse racing, pari-mutuel wagering on
6 horse racing results, and simulcasting. The rules promulgated
7 under this section shall be designed to accomplish all of the
8 following:

1 (a) The governing, restricting, approving, or regulating of
2 horse racing, pari-mutuel wagering on the results of horse races,
3 and simulcasting conducted at licensed race meetings within this
4 state.

5 (b) The promoting of the safety, security, growth, and
6 integrity of all horse racing, pari-mutuel wagering on the
7 results of horse races, and simulcasting conducted at licensed
8 race meetings within this state.

9 (c) The licensing and regulating of each person participat-
10 ing in, or having to do with, pari-mutuel horse racing and wager-
11 ing, and simulcasting at licensed race meetings within this
12 state.

13 (2) Each race meeting licensee shall provide security at all
14 times so as to reasonably ensure the safety of all persons and
15 horses on the grounds, and to protect and preserve the integrity
16 of horse racing, pari-mutuel wagering, and simulcasting at
17 licensed race meetings. If the racing commissioner determines
18 that additional security is necessary to ensure the safety and
19 integrity of racing, the racing commissioner shall provide sup-
20 plemental security at each race meeting in areas where occupa-
21 tional licenses are required for admittance.

22 (3) The racing commissioner may issue sanctions including,
23 but not limited to, revocation or suspension of a license, exclu-
24 sion from racetrack grounds, or a fine of not more than
25 \$25,000.00 for each violation of this act or a rule promulgated
26 under this act committed by a licensee or other person under this
27 act. A sanction issued under this section may be appealed to the

1 racing commissioner. The appeal shall be heard pursuant to the
2 contested case provisions of ~~Act No. 306 of the Public Acts of~~
3 ~~1969~~ THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306,
4 MCL 24.201 TO 24.328.

5 (4) All proposed extensions, additions, modifications, or
6 improvements to the racecourse, roadways, parking lots, build-
7 ings, stables, lighting and electrical service, plumbing, public
8 utilities, drainage, totalisator system and equipment, hardware
9 and software for all approved methods of conducting pari-mutuel
10 wagering, and security on the grounds of a licensed racetrack
11 owned or leased by a person licensed under this act are subject
12 to the approval of the racing commissioner.

13 (5) The racing commissioner may compel the production of
14 books, records, memoranda, electronically retrievable data, or
15 documents that relate to horse racing, simulcasting, and
16 pari-mutuel wagering conducted at a licensed race meeting.

17 (6) The racing commissioner at any time may require for
18 cause the removal of any employee or official involved in or
19 having to do with horse racing, simulcasting, or pari-mutuel
20 wagering conducted at a licensed race meeting.

21 (7) The racing commissioner may visit, investigate, and
22 place auditors and other persons as the racing commissioner con-
23 siderers necessary in the offices, racetracks, or places of busi-
24 ness of a licensee under this act to ensure compliance with this
25 act and the rules promulgated under this act.

26 (8) The racing commissioner may summon witnesses and
27 administer oaths or affirmations to exercise and discharge his or

1 her powers and duties under this act. A person failing to appear
2 before the racing commissioner at the time and place specified in
3 a summons from the racing commissioner or refusing to testify,
4 without just cause, in answer to a summons from the racing com-
5 missioner is guilty of a misdemeanor punishable by a fine of not
6 more than \$1,000.00, or imprisonment for not more than 6 months,
7 or both, and may also be sanctioned by the racing commissioner.
8 A person testifying falsely to the racing commissioner or his or
9 her authorized representative while under oath is guilty of a
10 felony punishable by a fine of not more than \$10,000.00 or
11 imprisonment for not more than 4 years, or both, and may also be
12 sanctioned by the racing commissioner.

13 Sec. 9. (1) The racing commissioner shall issue, without
14 further application, a track license to any person holding a
15 valid track license under former ~~Act No. 327 of the Public Acts~~
16 ~~of 1980~~ 1980 PA 327, and maintaining or operating a licensed
17 horse racetrack as of the effective date of this act at which
18 wagering by pari-mutuel methods on the results of horse racing
19 has been conducted by a race meeting licensee.

20 (2) A track license, once issued, is valid only as long as
21 the annual license fee is paid, or until the track license is
22 voluntarily surrendered or is revoked as provided in this act or
23 the rules promulgated under this act.

24 (3) An applicant for a track license shall submit an appli-
25 cation that is in writing, that demonstrates to the racing com-
26 missioner that the applicant has satisfactory financial
27 responsibility, that shows the location of the racetrack or of

1 the proposed racetrack, and that is accompanied by substantially
2 detailed plans and specifications for the racecourse, paddock,
3 grandstand, stable barns, racetrack buildings, fences, electrical
4 service and lighting, plumbing, parking, and other facilities and
5 improvements. The application shall include the name and address
6 of the applicant, and, if a corporation, the place of its incor-
7 poration, and any other information required by the rules promul-
8 gated under this act by the racing commissioner. Upon the
9 applicant's filing of the application and the payment of the
10 license fee, the racing commissioner shall investigate the appli-
11 cant and the racetrack or proposed racetrack as the racing com-
12 missioner considers necessary. If the racing commissioner deter-
13 mines that the applicant and the racetrack satisfy the require-
14 ments of this act and the rules promulgated under this act, the
15 racing commissioner shall grant a license for the racetrack, des-
16 ignating in the license the county or other municipality in which
17 the licensed racetrack shall be or is located. If the racing
18 commissioner determines that the applicant or the racetrack, or
19 both, do not comply with this act and the rules promulgated under
20 this act, the racing commissioner shall deny the license. The
21 action of the racing commissioner in denying a track license may
22 be reviewed by the circuit court pursuant to section 631 of the
23 revised judicature act of 1961, ~~Act No. 236 of the Public Acts~~
24 ~~of 1961, being section 600.631 of the Michigan Compiled Laws~~
25 1961 PA 236, MCL 600.631.

26 (4) A track license may be transferred to a new owner of a
27 racetrack with the consent of the racing commissioner.

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1 (5) After a track license is issued under this section, the
2 racing commissioner may impose a fine or suspend or revoke the
3 license if the holder of the license, after reasonable notice
4 from the racing commissioner, does not make necessary improve-
5 ments, additions, or corrections to the licensed premises, fix-
6 tures, or equipment as determined and required by the racing com-
7 missioner; if the holder of the license violates or is no longer
8 in compliance with the requirements of this act or the rules
9 promulgated under this act; or if the licensed premises are not
10 utilized to conduct a licensed race meeting for 2 consecutive
11 years. In addition to the suspension or revocation of the
12 license, the racing commissioner may impose a fine or bring an
13 action in circuit court seeking an order of the court requiring
14 the licensee to make reasonable and necessary racetrack improve-
15 ments or additions as determined by the commissioner if the
16 licensee fails to make improvements or corrections that comply
17 with the applicable construction code or local ordinances. The
18 action of the racing commissioner in suspending or revoking a
19 track license shall comply with the administrative procedures act
20 of 1969, ~~Act No. 306 of the Public Acts of 1969, being sections~~
21 ~~24.201 to 24.328 of the Michigan Compiled Laws 1969 PA 306,~~
22 ~~MCL 24.201 TO 24.328,~~ and shall be subject to appeal.

23 (6) In a city area, not more than 3 racetracks shall be
24 licensed, except that in a city with a population of 900,000 or
25 more the racing commissioner may issue 1 additional license.

1 (7) A person shall not be issued more than 1 track
2 license. Controlling ownership and interlocking directorates
3 among the holders of track licenses are prohibited.

4 (8) A track license shall not be issued under this
5 section if the new license would result in harmful competition
6 among existing racetracks.

7 Sec. 10. (1) A person desiring to conduct a thoroughbred,
8 standardbred, quarter horse, Appaloosa, AMERICAN PAINT HORSE, or
9 Arabian race meeting, or a combination of these race meetings,
10 with pari-mutuel wagering on the results of live and simulcast
11 horse races pursuant to this act shall apply each year to the
12 racing commissioner for a race meeting license in the manner and
13 form required by the racing commissioner. The application shall
14 be filed with the racing commissioner before September 1 of the
15 preceding year except that applications for 1999 racing dates may
16 be filed at any time. The application, after being filed, shall
17 be made available for public inspection during regular business
18 hours. The application shall be in writing and shall give the
19 name and address of the applicant, and, if the applicant is a
20 corporation or partnership, shall state the place of the
21 applicant's incorporation or partnership and the names and
22 addresses of all corporate directors, officers, shareholders, and
23 partners. The application shall also do all of the following:

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

26 (b) Specify whether the applicant requests or will request
27 to conduct simulcasting at the proposed race meeting and, if so,

1 demonstrate the applicant's ability to conduct simulcasting in
2 accordance with this act.

3 (c) Specify the horse breed for which the applicant desires
4 to conduct live racing at the proposed race meeting, and the days
5 on which the applicant proposes to conduct live horse racing at
6 the race meeting.

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

10 (e) Demonstrate to the racing commissioner that the appli-
11 cant and all persons associated with the applicant who hold any
12 beneficial or ownership interest in the business activities of
13 the applicant or who have power or ability to influence or con-
14 trol the business decisions or actions of the applicant satisfy
15 all of the following requirements:

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

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

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

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

24 (2) Upon the filing of the application for a race meeting
25 license, the racing commissioner shall conduct an investigation
26 of the applicant and the application to determine whether the
27 applicant, application, and proposed race meeting comply with the

1 licensing requirements under this act and the rules promulgated
2 under this act. Unless a different agreement is reached by all
3 the race meeting licensees in a city area, a race meeting
4 licensee shall not conduct a live thoroughbred horse race after
5 6:45 p.m. on any day except Sunday. Unless a different agreement
6 is reached by all the race meeting licensees in a city area, a
7 race meeting licensee shall not conduct a live standardbred horse
8 race before 6:45 p.m. on any day except Sunday. Notwithstanding
9 the 6:45 p.m. time restrictions, the commissioner, upon request
10 by a race meeting licensee, may grant to the race meeting
11 licensee a race meeting license authorizing any of the
12 following:

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

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

21 (c) The licensee to conduct live horse racing programs after
22 6:45 p.m., if the licensee is not in a city area and is 75 miles
23 or more from the nearest race meeting licensee authorized to con-
24 duct live horse racing.

25 Sec. 12. (1) Each applicant for a thoroughbred, quarter
26 horse, Appaloosa, AMERICAN PAINT HORSE, or Arabian license in a
27 county located outside of a city area shall apply to conduct at

1 least 45 days of live thoroughbred, quarter horse, Appaloosa,
2 AMERICAN PAINT HORSE, or Arabian horse racing during its race
3 meeting. Except during the opening and closing week of a race
4 meeting, the applicant shall apply to conduct live racing at
5 least 3 days per week, including Saturdays and Sundays, with not
6 less than 9 live horse races programmed, and shall conduct live
7 racing programs on such days allocated by the racing
8 commissioner.

9 (2) Each applicant for a thoroughbred, quarter horse,
10 Appaloosa, AMERICAN PAINT HORSE, or Arabian race meeting license
11 in a city area shall apply to conduct at least 160 days of live
12 thoroughbred, quarter horse, Appaloosa, AMERICAN PAINT HORSE, or
13 Arabian horse racing during its proposed race meeting. Except
14 during the opening and closing week of a race meeting, the appli-
15 cant shall apply to conduct live racing at least 5 days per week,
16 including Saturdays and Sundays, with not less than 9 live horse
17 races programmed, and shall conduct live racing programs on such
18 days allocated by the racing commissioner.

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

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

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

13 (a) The race meeting applicant with the highest pari-mutuel
14 handle in the previous calendar year shall apply for no less than
15 140 days of live racing and the applicant shall apply to conduct
16 live racing at least 5 days per week, including Saturdays, with
17 not less than 9 live horse races programmed and shall conduct
18 live racing programs on the days awarded.

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

25 (6) If a race meeting licensee is unable to program and con-
26 duct 9 live horse races on any racing date that the commissioner
27 allocates to the licensee because there are less than 5 entries

1 in any race, the licensee shall not conduct any simulcasting on
2 that day without the written consent of the certified horsemen's
3 organization with which it has a contract.

4 (7) If a race meeting licensee is unable to conduct racing
5 on any live racing dates allocated to the licensee by the racing
6 commissioner or less than 9 live horse races on any allocated
7 live racing dates because of a labor dispute, fire, adverse
8 weather conditions, or other causes beyond the race meeting
9 licensee's control, then the race meeting licensee is considered
10 to have conducted those races or race days for purposes of this
11 act and is not precluded from conducting any simulcasts because
12 of the licensee's inability to conduct those live races or race
13 dates.

14 (8) Intertrack simulcast races that a race meeting licensee
15 contracts to receive from other racetracks that are canceled for
16 any of the reasons described in subsection (7) shall be consid-
17 ered to be offered to the public for purposes of this act.

18 (9) If an entire race meeting or the balance of a race meet-
19 ing and racing dates allocated to a licensee cannot be raced due
20 to an act of God or significant physical damage to the licensed
21 racetrack at which the race meeting was licensed to be conducted
22 caused by fire or some other catastrophe, the racing commissioner
23 may transfer those dates to another race meeting licensee upon
24 application of the substitute licensee if the substitute licensee
25 satisfies the requirements for licensure under this act and
26 demonstrates that it has or will have a legal or contractual
27 right to the use of a different licensed racetrack facility on

1 the racing dates in question, and all race meeting licensees that
2 will be conducting live racing on such dates within 50 miles of
3 the substitute racetrack consent to the transfer.

4 Sec. 20. (1) It is the policy of this state to encourage
5 the breeding of horses of all breeds in this state and the owner-
6 ship of such horses by residents of this state to provide for
7 sufficient numbers of high quality race horses of all breeds to
8 participate in licensed race meetings in this state; to promote
9 the positive growth and development of high quality horse racing
10 and other equine competitions in this state as a beneficial busi-
11 ness and entertainment activity for residents of this state; and
12 to establish and preserve the substantial agricultural and com-
13 mercial benefits of the horse racing and breeding industry to the
14 state of Michigan. It is the intent and purpose of the legisla-
15 ture to further this policy by the provisions of ~~the~~ THIS act
16 and annual appropriations to administer this act and adequately
17 fund the agriculture and equine industry programs established by
18 this section.

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

23 (3) The Michigan agriculture equine industry development
24 fund is created in the department of treasury. The Michigan
25 agriculture equine industry development fund shall be adminis-
26 tered by the director of the department of agriculture with the
27 assistance and advice of the racing commissioner.

1 (4) Money shall not be expended from the Michigan
2 agriculture equine industry development fund except as appropri-
3 ated by the legislature. Money appropriated by the legislature
4 for the Michigan agriculture equine industry development fund
5 shall be expended by the director of the department of agricul-
6 ture with the advice and assistance of the racing commissioner to
7 provide funding for agriculture and equine industry development
8 programs as provided in subsections (5) to ~~-(11)-~~ (12).

9 (5) The following amounts shall be paid to standardbred and
10 fair programs:

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

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

22 (c) A sum to be allotted for paying special purses at fairs
23 on 2-year-old and 3-year-old standardbred harness horses con-
24 ceived after January 1, 1992, and sired by a standardbred stal-
25 lion registered with the Michigan department of agriculture that
26 was leased or owned by a resident or residents of this state and
27 ~~which~~ THAT did not serve a mare at a location outside of this

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1 state from February 1 through July 31 of the calendar year in
2 which the conception occurred. ~~Transportation of semen from a~~
3 ~~standardbred stallion registered with the Michigan department of~~
4 ~~agriculture to a location outside the state of Michigan does not~~
5 ~~create eligibility for Michigan tax supported races, and does not~~
6 ~~affect the eligibility of Michigan conceived foals for the purses~~
7 ~~provided for by this section. A foal conceived outside the state~~
8 ~~of Michigan by means of semen from a standardbred stallion regis-~~
9 ~~tered with the Michigan department of agriculture is not eligible~~
10 ~~for Michigan tax-supported races.~~ A FOAL THAT IS BORN ON OR
11 AFTER JANUARY 1, 2002 OF A MARE OWNED BY A NONRESIDENT OF THIS
12 STATE AND THAT IS CONCEIVED OUTSIDE OF THIS STATE FROM TRANS-
13 PORTED SEMEN OF A STALLION REGISTERED WITH THE MICHIGAN DEPART-
14 MENT OF AGRICULTURE IS ELIGIBLE FOR MICHIGAN TAX-SUPPORTED RACES
15 ONLY IF, IN THE YEAR THAT THE FOAL IS CONCEIVED, THE MICHIGAN
16 DEPARTMENT OF AGRICULTURE'S AGENT FOR RECEIVING FUNDS AS THE
17 HOLDING AGENT FOR STAKES AND FUTURITIES IS PAID A TRANSPORT FEE
18 AS DETERMINED BY THE MICHIGAN DEPARTMENT OF AGRICULTURE AND
19 ADMINISTERED BY THE MICHIGAN HARNESS HORSEMEN'S ASSOCIATION.

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

24 (e) A sum to pay breeders' awards in an amount not to exceed
25 10% of the gross purse to breeders of Michigan bred standardbred
26 harness horses for each time the horse wins a race at a licensed
27 race meeting or fair in this state. As used in this subdivision,

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1 "Michigan bred standardbred harness horse" means a horse from a
2 mare owned by a resident or residents of this state at the time
3 of conception, that was conceived after January 1, 1992, and
4 sired by a standardbred stallion registered with the Michigan
5 department of agriculture that was leased or owned by a resident
6 or residents of this state and that did not serve a mare at a
7 location outside of this state from February 1 through July 31 of
8 the calendar year in which the conception occurred. To be eligi-
9 ble, each mare shall be registered with the Michigan department
10 of agriculture. ~~Transportation of semen from a standardbred~~
11 ~~stallion registered with the Michigan department of agriculture~~
12 ~~to a location outside the state of Michigan does not create eli-~~
13 ~~gibility for Michigan tax-supported races, and does not affect~~
14 ~~the eligibility of Michigan conceived foals for the purses pro-~~
15 ~~vided for by this section. A foal conceived outside the state of~~
16 ~~Michigan by means of semen from a standardbred stallion regis-~~
17 ~~tered with the Michigan department of agriculture is not eligible~~
18 ~~for Michigan tax-supported races.~~ A FOAL THAT IS BORN ON OR
19 AFTER JANUARY 1, 2002 OF A MARE OWNED BY A NONRESIDENT OF THIS
20 STATE AND THAT IS CONCEIVED OUTSIDE OF THIS STATE FROM TRANS-
21 PORTED SEMEN OF A STALLION REGISTERED WITH THE MICHIGAN DEPART-
22 MENT OF AGRICULTURE IS ELIGIBLE FOR MICHIGAN TAX-SUPPORTED RACES
23 ONLY IF, IN THE YEAR THAT THE FOAL IS CONCEIVED, THE MICHIGAN
24 DEPARTMENT OF AGRICULTURE'S AGENT FOR RECEIVING FUNDS AS THE
25 HOLDING AGENT FOR STAKES AND FUTURITIES IS PAID A TRANSPORT FEE
26 AS DETERMINED BY THE MICHIGAN DEPARTMENT OF AGRICULTURE AND
27 ADMINISTERED BY THE MICHIGAN HARNESS HORSEMEN'S ASSOCIATION.

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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 stan-
3 dardbred 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.

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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. A~~
22 FOAL THAT IS BORN ON OR AFTER JANUARY 1, 2002 OF A MARE OWNED BY
23 A NONRESIDENT OF THIS STATE AND THAT IS CONCEIVED OUTSIDE OF THIS
24 STATE FROM TRANSPORTED SEMEN OF A STALLION REGISTERED WITH THE
25 MICHIGAN DEPARTMENT OF AGRICULTURE IS ELIGIBLE FOR MICHIGAN
26 TAX-SUPPORTED RACES ONLY IF, IN THE YEAR THAT THE FOAL IS
27 CONCEIVED, THE MICHIGAN DEPARTMENT OF AGRICULTURE'S AGENT FOR

1 RECEIVING FUNDS AS THE HOLDING AGENT FOR STAKES AND FUTURITIES IS
2 PAID A TRANSPORT FEE AS DETERMINED BY THE MICHIGAN DEPARTMENT OF
3 AGRICULTURE AND ADMINISTERED BY THE MICHIGAN HARNESS HORSEMEN'S
4 ASSOCIATION.

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

7 (a) A sum to be allotted thoroughbred race meeting licensees
8 to supplement the purses for races to be conducted exclusively
9 for Michigan bred horses.

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

13 (c) A sum to pay breeders' awards in an amount not to exceed
14 10% of the gross purse to the breeders of Michigan bred thorough-
15 bred horses for each time Michigan bred thoroughbred horses win
16 at a licensed race meeting in this state.

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

20 (e) A sum not to exceed 0.25% of all money wagered on live
21 and simulcast horse races in Michigan shall be placed in a spe-
22 cial thoroughbred sire stakes fund each year, 100% of which shall
23 be used to provide purses for races run exclusively for
24 2-year-old and 3-year-old and older Michigan sired thoroughbred
25 horses at licensed thoroughbred race meetings in this state and
26 awards for owners of Michigan sired horses or stallions. As used
27 in this subdivision, "Michigan sired thoroughbred horses" means

1 thoroughbred horses sired by a stallion registered with the
2 department of agriculture that was leased or owned exclusively by
3 a resident or residents of this state and that did not serve a
4 mare at a location outside of this state during the calendar year
5 in which the service occurred.

6 (f) A sum to be allotted sufficient to pay for the collec-
7 tion and laboratory analysis of urine, saliva, blood, and other
8 samples from horses and licensed persons and for the conducting
9 of tests described in section ~~16(3)(b)~~ 16(4)(B).

10 (7) The following amounts shall be paid for quarter horse
11 programs:

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

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

16 (c) A sum to pay breeders' awards in an amount not to exceed
17 10% of a gross purse to breeders of Michigan bred quarter horses
18 for each time a Michigan bred quarter horse wins at a county fair
19 or licensed race meeting in this state.

20 (d) A sum to pay for the collection and laboratory analysis
21 of urine, saliva, blood, and other samples from horses and
22 licensed persons and the taking of blood alcohol tests on jockeys
23 for those races described in this subsection and for the conduct-
24 ing of tests described in section ~~16(3)(b)~~ 16(4)(B).

25 (e) As used in this subsection, "Michigan bred quarter
26 horse" means ~~a horse from a mare owned by a resident of this~~
27 ~~state at the time of breeding, sired by a registered stallion~~

~~1 owned exclusively by a resident of this state, and which did not~~
~~2 serve a mare at a location outside of this state during the cal-~~
~~3 endar year in which the service occurred~~ THAT TERM AS DEFINED IN
4 R 285.817.1(J) OF THE MICHIGAN ADMINISTRATIVE CODE. Each mare
5 and stallion shall be registered with the director of the depart-
6 ment of agriculture.

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

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

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

13 (c) A sum to pay breeders' awards in an amount not to exceed
14 10% of the gross purse to the breeders of Michigan bred Appaloosa
15 horses for each time Michigan bred horses win at a fair or
16 licensed race meeting in this state.

17 (d) The department shall also allot sufficient funds from
18 the revenue received from Appaloosa horse racing to pay for the
19 collection and laboratory analysis of urine, saliva, blood, or
20 other samples from horses and licensed persons and the taking of
21 blood alcohol tests on jockeys for those races described in this
22 subsection and for the conducting of tests described in section
23 ~~16(3)(b)~~ 16(4)(B).

24 (e) As used in this subsection, "Michigan bred Appaloosa"
25 means ~~a horse from a mare owned by a resident of this state at~~
26 ~~the time of breeding, sired by a registered stallion owned~~
27 ~~exclusively by a resident of this state, and which did not serve~~

~~1 a mare at a location outside of this state during the calendar~~
~~2 year in which the service occurred~~ THAT TERM AS DEFINED IN
~~3 R 285.817.1(K) OF THE MICHIGAN ADMINISTRATIVE CODE. Each mare~~
~~4 and stallion shall be registered with the director of the depart-~~
~~5 ment of agriculture.~~

6 (9) The following amounts shall be paid for Arabian
7 programs:

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

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

12 (c) A sum to pay breeders' awards in an amount not to exceed
13 10% of the gross purse to the breeders of Michigan bred Arabian
14 horses for each time Michigan bred horses win at a fair or
15 licensed racetrack in this state.

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

22 (e) As used in this subsection, "Michigan bred Arabian"
23 means ~~a horse from a mare owned by a resident of this state at~~
24 ~~the time of breeding, sired by a registered stallion owned exclu-~~
25 ~~sively by a resident of this state, and which did not serve a~~
26 ~~mare at a location outside of this state during the calendar year~~
27 ~~in which the service occurred~~ THAT TERM AS DEFINED IN

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23

1 R 285.822.I OF THE MICHIGAN ADMINISTRATIVE CODE. Each mare and
2 stallion shall be registered with the director of the department
3 of agriculture.

4 (10) THE FOLLOWING SUMS SHALL BE PAID FOR AMERICAN PAINT
5 HORSE PROGRAMS:

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

8 (B) A SUM TO PAY NOT MORE THAN 75% OF THE PURSES FOR REGIS-
9 TERED AMERICAN PAINT HORSE RACES OFFERED BY FAIRS.

10 (C) A SUM TO PAY BREEDERS' AWARDS IN AN AMOUNT NOT TO EXCEED
11 10% OF THE GROSS PURSE TO THE BREEDERS OF MICHIGAN BRED AMERICAN
12 PAINT HORSES FOR EACH TIME A MICHIGAN BRED AMERICAN PAINT HORSE
13 WINS AT A COUNTY FAIR OR LICENSED RACE MEETING IN THIS STATE.

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

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

22 (11) ~~-(10)-~~ The following amounts shall be paid for the
23 equine industry research, planning, and development grant fund
24 program:

25 (a) A sum to fund grants for research projects conducted by
26 persons affiliated with a university or governmental research
27 agency or institution or other private research entity approved

1 by the racing commissioner, which are beneficial to the horse
2 racing and breeding industry in this state.

3 (b) Money appropriated and allotted to this fund shall not
4 revert to the general fund and shall be carried forward from year
5 to year until disbursed to fund grants for research projects ben-
6 eficial to the industry.

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

19 (12) ~~-(11)-~~ A sum to fund the development, implementation,
20 and administration of new programs that promote the proper growth
21 and development of the horse racing and breeding industry in this
22 state and other valuable equine related commercial and recrea-
23 tional activities in this state.

24 (13) ~~-(12)-~~ A percentage of the Michigan agriculture equine
25 industry development fund that is equal to 1/10 of 1% of the
26 gross wagers made each year in each of the racetracks licensed

1 under this act shall be deposited in the compulsive gaming
2 prevention fund created in the compulsive gaming prevention act.

3 (14) ~~-(13)-~~ The director of the department of agriculture
4 shall promulgate rules pursuant to the administrative procedures
5 act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this
6 section. The rules promulgated under this subsection shall do
7 all of the following:

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

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

13 (c) Develop and maintain informational programs related to
14 this section.

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