

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 911**

(As amended December 5, 2000)

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending section 20 (MCL 431.320), as amended by 2000 PA 164.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

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

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

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

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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 that did not serve a mare at a location outside of this state
14 from February 1 through July 31 of the calendar year in which the
15 conception occurred. A foal that is born on or after January 1,
16 2002 of a mare owned by a nonresident of this state and that is
17 conceived outside of this state from transported semen of a stal-
18 lion registered with the Michigan department of agriculture is
19 eligible for Michigan tax-supported races only if, in the year
20 that the foal is conceived, the Michigan department of
21 agriculture's agent for receiving funds as the holding agent for
22 stakes and futurities is paid a transport fee as determined by
23 the Michigan department of agriculture and administered by the
24 Michigan harness horsemen's association.

25 (d) A sum to pay not more than 75% of an eligible cash pre-
26 mium paid by a fair or exposition. The commission of agriculture

1 shall promulgate rules establishing which premiums are eligible
2 for payment and a dollar limit for all eligible payments.

3 (e) A sum to pay breeders' awards in an amount not to exceed
4 10% of the gross purse to breeders of Michigan bred standardbred
5 harness horses for each time the horse wins a race at a licensed
6 race meeting or fair in this state. As used in this subdivision,
7 "Michigan bred standardbred harness horse" means a horse from a
8 mare owned by a resident or residents of this state at the time
9 of conception, that was conceived after January 1, 1992, and
10 sired by a standardbred stallion registered with the Michigan
11 department of agriculture that was leased or owned by a resident
12 or residents of this state and that did not serve a mare at a
13 location outside of this state from February 1 through July 31 of
14 the calendar year in which the conception occurred. To be eligi-
15 ble, each mare shall be registered with the Michigan department
16 of agriculture. A foal that is born on or after January 1, 2002
17 of a mare owned by a nonresident of this state and that is con-
18 ceived outside of this state from transported semen of a stallion
19 registered with the Michigan department of agriculture is eligi-
20 ble for Michigan tax-supported races only if, in the year that
21 the foal is conceived, the Michigan department of agriculture's
22 agent for receiving funds as the holding agent for stakes and
23 futurities is paid a transport fee as determined by the Michigan
24 department of agriculture and administered by the Michigan har-
25 ness 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
3 standardbred harness horses.

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

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

1 (i) A sum not to exceed 0.25% of all money wagered on live
2 and simulcast horse races in Michigan shall be placed in a spe-
3 cial standardbred sire stakes fund each year, 100% of which shall
4 be used to provide purses for races run exclusively for
5 2-year-old and 3-year-old Michigan sired standardbred horses at
6 licensed harness race meetings in this state. As used in this
7 subdivision, "Michigan sired standardbred horses" means standard-
8 bred horses conceived after January 1, 1992 and sired by a stan-
9 dardbred stallion registered with the Michigan department of
10 agriculture that was leased or owned by a resident or residents
11 of this state and that did not serve a mare at a location outside
12 of this state from February 1 through July 31 of the calendar
13 year in which the conception occurred. A foal that is born on or
14 after January 1, 2002 of a mare owned by a nonresident of this
15 state and that is conceived outside of this state from trans-
16 ported semen of a stallion registered with the Michigan depart-
17 ment of agriculture is eligible for Michigan tax-supported races
18 only if, in the year that the foal is conceived, the Michigan
19 department of agriculture's agent for receiving funds as the
20 holding agent for stakes and futurities is paid a transport fee
21 as determined by the Michigan department of agriculture and
22 administered by the Michigan harness horsemen's association.

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

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

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

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

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

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

24 (f) A sum to be allotted sufficient to pay for the collec-
25 tion and laboratory analysis of urine, saliva, blood, and other
26 samples from horses and licensed persons and for the conducting
27 of tests described in section 16(4)(b).

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

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

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

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

11 (d) A sum to pay for the collection and laboratory analysis
12 of urine, saliva, blood, and other samples from horses and
13 licensed persons and the taking of blood alcohol tests on jockeys
14 for those races described in this subsection and for the conduct-
15 ing of tests described in section 16(4)(b).

16 (e) As used in this subsection, "Michigan bred quarter
17 horse" means that term as defined in R 285.817.1(j) of the
18 Michigan administrative code. Each mare and stallion shall be
19 registered with the director of the department of agriculture.

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

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

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

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

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

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

10 (e) As used in this subsection, "Michigan bred Appaloosa"
11 means that term as defined in R 285.817.1(k) of the Michigan
12 administrative code. Each mare and stallion shall be registered
13 with the director of the department of agriculture.

14 (9) The following amounts shall be paid for Arabian
15 programs:

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

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

20 (c) A sum to pay breeders' awards in an amount not to exceed
21 10% of the gross purse to the breeders of Michigan bred Arabian
22 horses for each time Michigan bred horses win at a fair or
23 licensed racetrack in this state.

24 (d) A sum allotted from the revenue received from Arabian
25 horse racing to pay for the collection and laboratory analysis of
26 urine, saliva, blood, and other samples from horses and licensed
27 persons and the taking of blood alcohol tests on jockeys for

1 those races described in this subsection and for the conducting
2 of tests described in section 16(4)(b).

3 (e) As used in this subsection, "Michigan bred Arabian"
4 means that term as defined in R 285.822.1(i) of the Michigan
5 administrative code. Each mare and stallion shall be registered
6 with the director of the department of agriculture.

7 (10) The following sums shall be paid for American paint
8 horse programs:

9 (a) A sum to supplement the purposes for races to be con-
10 ducted exclusively for Michigan bred American paint horses.

11 (b) A sum to pay not more than 75% of the purses for regis-
12 tered American paint 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 American
15 paint horses for each time a Michigan bred American paint horse
16 wins at a county fair or licensed race meeting in this state.

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

22 (e) As used in this subsection, "Michigan bred American
23 paint horse" means that term as defined by the department of
24 agriculture by rules promulgated under this section.

25 (11) The following amounts shall be paid for the equine
26 industry research, planning, and development grant fund program:

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

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

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

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

1 (13) A percentage of the Michigan agriculture equine
2 industry development fund that is equal to ~~1/10~~ 1/100 of 1% of
3 the gross wagers made each year in each of the racetracks
4 licensed under this act shall be deposited in the compulsive
5 gaming prevention fund created in SECTION 3 OF the compulsive
6 gaming prevention act, 1997 PA 70, MCL 432.253.

7 (14) The director of the department of agriculture shall
8 promulgate rules pursuant to the administrative procedures act of
9 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this
10 section. The rules promulgated under this subsection shall do
11 all of the following:

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

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

17 (c) Develop and maintain informational programs related to
18 this section.

19 (15) Funds under the control of the department of agricul-
20 ture in this section shall be disbursed under the rules promul-
21 gated pursuant to subsection (14). All funds under the control
22 of the department of agriculture approved for purse supplements
23 and breeders' awards shall be paid by the state treasurer not
24 later than 45 days from the date of the race.