

**SENATE BILL NO. 478**

March 24, 1999, Introduced by Senator KOIVISTO and referred to the Committee on Gaming and Casino Oversight.

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending sections 7, 9, 17, and 20 (MCL 431.307, 431.309, 431.317, and 431.320), section 17 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, MCL  
4 24.201 TO 24.328, OR, IN THE CASE OF A LICENSEE HOLDING A VIDEO  
5 GAMING LICENSE, FOR A VIOLATION OF THE MICHIGAN VIDEO GAMING ACT  
6 OR RULES PROMULGATED UNDER THAT ACT.

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

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

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

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

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

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

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

26 (3) An applicant for a track license shall submit an  
27 application that is in writing, that demonstrates to the racing

1 commissioner that the applicant has satisfactory financial  
2 responsibility, that shows the location of the racetrack or of  
3 the proposed racetrack, and that is accompanied by substantially  
4 detailed plans and specifications for the racecourse, paddock,  
5 grandstand, stable barns, racetrack buildings, fences, electrical  
6 service and lighting, plumbing, parking, and other facilities and  
7 improvements. The application shall include the name and address  
8 of the applicant, and, if a corporation, the place of its incor-  
9 poration, and any other information required by the rules promul-  
10 gated under this act by the racing commissioner. Upon the  
11 applicant's filing of the application and the payment of the  
12 license fee, the racing commissioner shall investigate the appli-  
13 cant and the racetrack or proposed racetrack as the racing com-  
14 missioner considers necessary. If the racing commissioner deter-  
15 mines that the applicant and the racetrack satisfy the require-  
16 ments of this act and the rules promulgated under this act, the  
17 racing commissioner shall grant a license for the racetrack, des-  
18 ignating in the license the county or other municipality in which  
19 the licensed racetrack shall be or is located. If the racing  
20 commissioner determines that the applicant or the racetrack, or  
21 both, do not comply with this act and the rules promulgated under  
22 this act, the racing commissioner shall deny the license. The  
23 action of the racing commissioner in denying a track license may  
24 be reviewed by the circuit court pursuant to section 631 of the  
25 revised judicature act of 1961, ~~Act No. 236 of the Public Acts~~  
26 ~~of 1961, being section 600.631 of the Michigan Compiled Laws~~  
27 1961 PA 236, MCL 600.631.

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

3 (5) After a track license is issued under this section, the  
4 racing commissioner may impose a fine or suspend or revoke the  
5 license if the holder of the license, after reasonable notice  
6 from the racing commissioner, does not make necessary improve-  
7 ments, additions, or corrections to the licensed premises, fix-  
8 tures, or equipment as determined and required by the racing com-  
9 missioner; if the holder of the license violates or is no longer  
10 in compliance with the requirements of this act or the rules  
11 promulgated under this act; IN THE CASE OF A LICENSEE HOLDING A  
12 VIDEO GAMING LICENSE, IF THE LICENSEE WILLFULLY VIOLATES THE  
13 MICHIGAN VIDEO GAMING ACT OR RULES PROMULGATED UNDER THAT ACT; or  
14 if the licensed premises are not utilized to conduct a licensed  
15 race meeting for 2 consecutive years. In addition to the suspen-  
16 sion or revocation of the license, the racing commissioner may  
17 impose a fine or bring an action in circuit court seeking an  
18 order of the court requiring the licensee to make reasonable and  
19 necessary racetrack improvements or additions as determined by  
20 the commissioner if the licensee fails to make improvements or  
21 corrections that comply with the applicable construction code or  
22 local ordinances. The action of the racing commissioner in sus-  
23 pending or revoking a track license shall comply with the admin-  
24 istrative procedures act of 1969, ~~Act No. 306 of the Public Acts~~  
25 ~~of 1969, being sections 24.201 to 24.328 of the Michigan Compiled~~  
26 ~~Laws~~ 1969 PA 306, MCL 24.201 TO 24.328, and shall be subject to  
27 appeal.

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

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

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

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

16 (2) A holder of a race meeting license may provide a place  
17 in the race meeting grounds or enclosure at which he or she may  
18 conduct and supervise the pari-mutuel system of wagering on the  
19 results of horse races as permitted by this act AND VIDEO GAMING  
20 AS PERMITTED BY THE MICHIGAN VIDEO GAMING ACT. If the  
21 pari-mutuel system of wagering is used at a race meeting, a  
22 totalisator or other device that is equal in accuracy and clear-  
23 ness to a totalisator and approved by the racing commissioner  
24 shall be used. The odds display of the totalisator or other  
25 device shall be placed in full view of the patrons. VIDEO GAMING  
26 SHALL COMPLY WITH THE STANDARDS PRESCRIBED IN THE MICHIGAN VIDEO  
27 GAMING ACT AND THE RULES PROMULGATED UNDER THAT ACT.

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. Subject to section 18(3), each  
6 holder of a race meeting license shall retain as his or her com-  
7 mission on all forms of multiple wagering, without the written  
8 permission of the racing commissioner not more than 28% and with  
9 the written permission of the racing commissioner not more than  
10 35% of all money wagered involving any form of multiple wager on  
11 the results of live and simulcast horse races conducted at the  
12 licensee's race meeting. Except as otherwise provided by con-  
13 tract, 50% of all commissions from wagering on the results of  
14 live racing at the racetrack where the live racing was conducted  
15 shall be paid to the horsemen's purse pool at the racetrack where  
16 the live racing was conducted. As used in this subsection:

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

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

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

26           (5) Payoff prices of tickets of a higher denomination shall  
27 be calculated as even multiples of the payoff price for a \$1.00

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

9 (6) REVENUE GENERATED BY A LICENSEE THROUGH THE CONDUCT OF  
10 VIDEO GAMING IS SUBJECT TO THE ALLOCATION FORMULA PROVIDED IN THE  
11 MICHIGAN VIDEO GAMING ACT.

12 (7) ~~(6)~~ A holder of a race meeting license shall not know-  
13 ingly permit a person less than 18 years of age to be a patron of  
14 the pari-mutuel wagering conducted or supervised by the holder OR  
15 VIDEO GAMING CONDUCTED BY THE HOLDER.

16 (8) ~~(7)~~ Any act or transaction relative to pari-mutuel  
17 wagering on the results of live or simulcast horse races shall  
18 only occur or be permitted to occur within the enclosure of a  
19 licensed race meeting OR OTHER LICENSED LOCATION WITHIN OR ADJA-  
20 CENT TO THE ENCLOSURE. A person shall not participate or be a  
21 party to any act or transaction relative to placing a wager or  
22 carrying a wager for placement outside of a race meeting ground.  
23 A person shall not provide messenger service for the placing of a  
24 bet for another person who is not a patron. However, this sub-  
25 section does not prevent simulcasting or intertrack or interstate  
26 common pool wagering inside or outside this state as permitted by  
27 this act or the rules promulgated under this act.

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 com-  
10 mercial benefits of the horse racing and breeding industry to the  
11 state of Michigan. It is the intent and purpose of the legisla-  
12 ture to further this policy by the provisions of the act and  
13 annual appropriations to administer this act and adequately fund  
14 the agriculture and equine industry programs established by this  
15 section.

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

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

25           (4) Money shall not be expended from the Michigan agricul-  
26 ture equine industry development fund except as appropriated by  
27 the legislature. Money appropriated by the legislature for the

1 Michigan agriculture equine industry development fund shall be  
2 expended by the director of the department of agriculture with  
3 the advice and assistance of the racing commissioner to provide  
4 funding for agriculture and equine industry development programs  
5 as provided in subsections (5) to (11).

6 (5) The following amounts shall be paid to standardbred and  
7 fair programs:

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

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

20 (c) A sum to be allotted for paying special purses at fairs  
21 on 2-year-old and 3-year-old standardbred harness horses con-  
22 ceived after January 1, 1992, and sired by a standardbred stal-  
23 lion registered with the Michigan department of agriculture that  
24 was leased or owned by a resident or residents of this state and  
25 ~~which~~ THAT did not serve a mare at a location outside of this  
26 state from February 1 through July 31 of the calendar year in  
27 which the conception occurred. Transportation of semen from a

1 standardbred stallion registered with the Michigan department of  
2 agriculture to a location outside the state of Michigan does not  
3 create eligibility for Michigan tax supported races, and does not  
4 affect the eligibility of Michigan conceived foals for the purses  
5 provided for by this section. A foal conceived outside the state  
6 of Michigan by means of semen from a standardbred stallion regis-  
7 tered with the Michigan department of agriculture is not eligible  
8 for Michigan tax-supported races.

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

13 (e) A sum to pay breeders' awards in an amount not to exceed  
14 10% of the gross purse to breeders of Michigan bred standardbred  
15 harness horses for each time the horse wins a race at a licensed  
16 race meeting or fair in this state. As used in this subdivision,  
17 "Michigan bred standardbred harness horse" means a horse from a  
18 mare owned by a resident or residents of this state at the time  
19 of conception, that was conceived after January 1, 1992, and  
20 sired by a standardbred stallion registered with the Michigan  
21 department of agriculture that was leased or owned by a resident  
22 or residents of this state and that did not serve a mare at a  
23 location outside of this state from February 1 through July 31 of  
24 the calendar year in which the conception occurred. To be eligi-  
25 ble, each mare shall be registered with the Michigan department  
26 of agriculture. Transportation of semen from a standardbred  
27 stallion registered with the Michigan department of agriculture

1 to a location outside the state of Michigan does not create  
2 eligibility for Michigan tax-supported races, and does not affect  
3 the eligibility of Michigan conceived foals for the purses pro-  
4 vided for by this section. A foal conceived outside the state of  
5 Michigan by means of semen from a standardbred stallion regis-  
6 tered with the Michigan department of agriculture is not eligible  
7 for Michigan tax-supported races.

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

11 (g) A sum to be allotted to pay the presiding judges and  
12 clerks of the course at fairs. Presiding judges and clerks of  
13 the course shall be hired by the fair's administrative body with  
14 the advice and approval of the racing commissioner. The director  
15 of the department of agriculture may allot funds for a photo  
16 finish system and a mobile starting gate. The director of the  
17 department of agriculture shall allot funds for the conducting of  
18 tests, the collection and laboratory analysis of urine, saliva,  
19 blood, and other samples from horses, and the taking of blood  
20 alcohol tests on drivers, jockeys, and starting gate employees,  
21 for those races described in this subdivision. The department  
22 may require a driver, jockey, or starting gate employee to submit  
23 to a breathalyzer test, urine test, or other ~~nonevasive~~  
24 NONINVASIVE fluid test to detect the presence of alcohol or a  
25 controlled substance as defined in section 7104 of the public  
26 health code, 1978 PA 368, MCL 333.7104. If the results of a test  
27 show that a person has more than .05% of alcohol in his or her

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2 the person shall not be permitted to continue in his or her  
3 duties on that race day and until he or she can produce, at his

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5 (h) A sum to pay purse supplements to licensed pari-mutuel  
6 harness race meetings for special 4-year-old filly and colt horse

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8 (i) A sum not to exceed 0.25% of all money wagered on live  
9 and simulcast horse races in Michigan shall be placed in a spe-

10

11 be used to provide purses for races run exclusively for

12 2-year-old and 3-year-old Michigan sired standardbred horses at

13 licensed harness race meetings in this state. As used in this

14 subdivision, "Michigan sired standardbred horses" means standard-

15 bred horses conceived after January 1, 1992 and sired by a stan-

16 dardbred stallion registered with the Michigan department of

17 agriculture that was leased or owned by a resident or residents

18 of this state and ~~which~~ THAT did not serve a mare at a location

19 outside of this state from February 1 through July 31 of the cal-

20 endar year in which the conception occurred. Transportation of

21 semen from a standardbred stallion registered with the Michigan

22 department of agriculture to a location outside the state of

23 Michigan does not create eligibility for Michigan tax-supported

24 races, and does not affect the eligibility of Michigan conceived

25 foals for the purses provided for by this section. A foal con-

26 ceived outside the state of Michigan by means of semen from a

standardbred stallion registered with the Michigan department of

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

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6 to supplement the purses for races to be conducted exclusively  
for Michigan bred horses.

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9 that finish first, second, or third in races open to non-Michigan  
bred horses.

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12 10% of the gross purse to the breeders of Michigan bred thorough-  
bred horses for each time Michigan bred thoroughbred horses win

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15 (d) A sum to pay purse supplements to licensed thoroughbred  
race meetings for special 4-year-old and older filly and colt

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18 (e) A sum not to exceed 0.25% of all money wagered on live  
and simulcast horse races in Michigan shall be placed in a spe-

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21 be used to provide purses for races run exclusively for

2-year-old and 3-year-old and older Michigan sired thoroughbred

23

24 awards for owners of Michigan sired horses or stallions. As used  
in this subdivision, "Michigan sired thoroughbred horses" means

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27 department of agriculture that was leased or owned exclusively by

1 a resident or residents of this state and that did not serve a  
2 mare at a location outside of this state during the calendar year  
3 in which the service occurred.

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

8 (7) The following amounts shall be paid for quarter horse  
9 programs:

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

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

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

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

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

1 the calendar year in which the service occurred. Each mare and  
2 stallion shall be registered with the director of the department  
3 of agriculture.

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

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

8 (b) A sum to pay not more than 75% of the purses for regis-  
9 tered Appaloosa 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 Appaloosa  
12 horses for each time Michigan bred horses win at a fair or  
13 licensed race meeting in this state.

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

21 (e) As used in this subsection, "Michigan bred Appaloosa"  
22 means a horse from a mare owned by a resident of this state at  
23 the time of breeding, sired by a registered stallion owned exclu-  
24 sively by a resident of this state, and ~~which~~ THAT did not  
25 serve a mare at a location outside of this state during the cal-  
26 endar year in which the service occurred. Each mare and stallion

1 shall be registered with the director of the department of  
2 agriculture.

3 (9) The following amounts shall be paid for Arabian  
4 programs:

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

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

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

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

19 (e) As used in this subsection, "Michigan bred Arabian"  
20 means a horse from a mare owned by a resident of this state at  
21 the time of breeding, sired by a registered stallion owned exclu-  
22 sively by a resident of this state, and which did not serve a  
23 mare at a location outside of this state during the calendar year  
24 in which the service occurred. Each mare and stallion shall be  
25 registered with the director of the department of agriculture.

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

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 (11) 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 (12) A percentage of the Michigan agriculture equine  
2 industry development fund that is equal to 1/10 of 1% of the  
3  
4 under this act shall be deposited in the compulsive gaming pre-  
5 vention fund created in the compulsive gaming prevention act.  
6  
7 promulgate rules pursuant to the administrative procedures act of  
8 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this  
9  
10 all of the following:

(a) Prescribe the conditions under which the Michigan agri-  
11  
12 described in subsections (1) to (11) shall be funded.

(b) Establish conditions and penalties regarding the pro-  
13  
14

(c) Develop and maintain informational programs related to  
15  
16 this section.  
17  
18  
19 ture in this section shall be disbursed under the rules promul-  
20 gated pursuant to subsection (13). All funds under the control  
21  
22 and breeders' awards shall be paid by the state treasurer not  
23 later than 45 days from the date of the race.  
24  
25 OF VIDEO GAMING IS SUBJECT TO THE ALLOCATION FORMULA PROVIDED IN  
THE MICHIGAN VIDEO GAMING ACT.

1           Enacting section 1. This amendatory act does not take  
2 effect unless all of the following bills of the 90th Legislature  
3 are enacted into law:

4           (a) Senate Bill No. 480.

5

6           (b) Senate Bill No. 477.

7