

Act No. 164
Public Acts of 2000
Approved by the Governor
June 20, 2000
Filed with the Secretary of State
June 20, 2000
EFFECTIVE DATE: June 20, 2000

**STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 2000**

Introduced by Reps. Caul and Stamas

ENROLLED HOUSE BILL No. 5078

AN ACT to amend 1995 PA 279, entitled "An act to license and regulate the conducting of horse race meetings in this state with pari-mutuel wagering on the results of horse races and persons involved in horse racing and pari-mutuel gaming activities at such race meetings; to create the office of racing commissioner; to prescribe the powers and duties of the racing commissioner; to prescribe certain powers and duties of the department of agriculture and the director of the department of agriculture; to provide for the promulgation of rules; to provide for the imposition of taxes and fees and the disposition of revenues; to impose certain taxes; to create funds; to legalize and permit the pari-mutuel method of wagering on the results of live and simulcast races at licensed race meetings in this state; to appropriate the funds derived from pari-mutuel wagering on the results of horse races at licensed race meetings in this state; to prescribe remedies and penalties; and to repeal acts and parts of acts," 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:

Sec. 7. (1) The racing commissioner may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, for conducting horse racing, pari-mutuel wagering on horse racing results, and simulcasting. The rules promulgated under this section shall be designed to accomplish all of the following:

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

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

(c) The licensing and regulating of each person participating in, or having to do with, pari-mutuel horse racing and wagering, and simulcasting at licensed race meetings within this state.

(2) Each race meeting licensee shall provide security at all times so as to reasonably ensure the safety of all persons and horses on the grounds, and to protect and preserve the integrity of horse racing, pari-mutuel wagering, and simulcasting at licensed race meetings. If the racing commissioner determines that additional security is necessary to ensure the safety and integrity of racing, the racing commissioner shall provide supplemental security at each race meeting in areas where occupational licenses are required for admittance.

(3) The racing commissioner may issue sanctions including, but not limited to, revocation or suspension of a license, exclusion from racetrack grounds, or a fine of not more than \$25,000.00 for each violation of this act or a rule promulgated under this act committed by a licensee or other person under this act. A sanction issued under this section may be appealed to the racing commissioner. The appeal shall be heard pursuant to the contested case provisions of the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

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

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

(7) The racing commissioner may visit, investigate, and place auditors and other persons as the racing commissioner considers necessary in the offices, racetracks, or places of business of a licensee under this act to ensure compliance with this act and the rules promulgated under this act.

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

Sec. 9. (1) The racing commissioner shall issue, without further application, a track license to any person holding a valid track license under former 1980 PA 327, and maintaining or operating a licensed horse racetrack as of the effective date of this act at which wagering by pari-mutuel methods on the results of horse racing has been conducted by a race meeting licensee.

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

(3) An applicant for a track license shall submit an application that is in writing, that demonstrates to the racing commissioner that the applicant has satisfactory financial responsibility, that shows the location of the racetrack or of the proposed racetrack, and that is accompanied by substantially detailed plans and specifications for the racecourse, paddock, grandstand, stable barns, racetrack buildings, fences, electrical service and lighting, plumbing, parking, and other facilities and improvements. The application shall include the name and address of the applicant, and, if a corporation, the place of its incorporation, and any other information required by the rules promulgated under this act by the racing commissioner. Upon the applicant's filing of the application and the payment of the license fee, the racing commissioner shall investigate the applicant and the racetrack or proposed racetrack as the racing commissioner considers necessary. If the racing commissioner determines that the applicant and the racetrack satisfy the requirements of this act and the rules promulgated under this act, the racing commissioner shall grant a license for the racetrack, designating in the license the county or other municipality in which the licensed racetrack shall be or is located. If the racing commissioner determines that the applicant or the racetrack, or both, do not comply with this act and the rules promulgated under this act, the racing commissioner shall deny the license. The action of the racing commissioner in denying a track license may be reviewed by the circuit court pursuant to section 631 of the revised judiciary act of 1961, 1961 PA 236, MCL 600.631.

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

(5) After a track license is issued under this section, the racing commissioner may impose a fine or suspend or revoke the license if the holder of the license, after reasonable notice from the racing commissioner, does not make necessary improvements, additions, or corrections to the licensed premises, fixtures, or equipment as determined and required by the racing commissioner; if the holder of the license violates or is no longer in compliance with the requirements of this act or the rules promulgated under this act; or if the licensed premises are not utilized to conduct a licensed race meeting for 2 consecutive years. In addition to the suspension or revocation of the license, the racing commissioner may impose a fine or bring an action in circuit court seeking an order of the court requiring the licensee to make reasonable and necessary racetrack improvements or additions as determined by the commissioner if the licensee fails to make improvements or corrections that comply with the applicable construction code or local ordinances. The action of the racing commissioner in suspending or revoking a track license shall comply with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and shall be subject to appeal.

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

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

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

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

- (a) Specify the licensed racetrack at which the proposed race meeting will be held.
- (b) Specify whether the applicant requests or will request to conduct simulcasting at the proposed race meeting and, if so, demonstrate the applicant's ability to conduct simulcasting in accordance with this act.
- (c) Specify the horse breed for which the applicant desires to conduct live racing at the proposed race meeting, and the days on which the applicant proposes to conduct live horse racing at the race meeting.
- (d) Specify the time period during which the applicant requests to be licensed during the calendar year immediately following the date of application.
- (e) Demonstrate to the racing commissioner that the applicant and all persons associated with the applicant who hold any beneficial or ownership interest in the business activities of the applicant or who have power or ability to influence or control the business decisions or actions of the applicant satisfy all of the following requirements:
 - (i) Are persons of good character, honesty, and integrity.
 - (ii) Possess sufficient financial resources and business ability and experience to conduct the proposed race meeting.
 - (iii) Do not pose a threat to the public interest of the state or to the security and integrity of horse racing or pari-mutuel wagering on the results of horse races in the state.
- (f) Provide any other information required by the rules promulgated under this act or by the racing commissioner.

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

- (a) The licensee to conduct live horse racing programs that would otherwise be prevented by the 6:45 p.m. time restriction, if no other race meeting in a city area is licensed or authorized to conduct live horse racing at the same time the licensee proposes to conduct the requested live horse racing programs.
- (b) Waiver of the 6:45 p.m. time restriction pursuant to the written agreement of all race meeting licensees in the city area.
- (c) The licensee to conduct live horse racing programs after 6:45 p.m., if the licensee is not in a city area and is 75 miles or more from the nearest race meeting licensee authorized to conduct live horse racing.

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

(2) Each applicant for a thoroughbred, quarter horse, Appaloosa, American paint horse, or Arabian race meeting license in a city area shall apply to conduct at least 160 days of live thoroughbred, quarter horse, Appaloosa, American paint horse, or Arabian horse racing during its proposed race meeting. Except during the opening and closing week of a race meeting, the applicant shall apply to conduct live racing at least 5 days per week, including Saturdays and Sundays, with not less than 9 live horse races programmed, and shall conduct live racing programs on such days allocated by the racing commissioner.

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

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

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

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

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

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

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

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

(9) If an entire race meeting or the balance of a race meeting and racing dates allocated to a licensee cannot be raced due to an act of God or significant physical damage to the licensed racetrack at which the race meeting was licensed to be conducted caused by fire or some other catastrophe, the racing commissioner may transfer those dates to another race meeting licensee upon application of the substitute licensee if the substitute licensee satisfies the requirements for licensure under this act and demonstrates that it has or will have a legal or contractual right to the use of a different licensed racetrack facility on the racing dates in question, and all race meeting licensees that will be conducting live racing on such dates within 50 miles of the substitute racetrack consent to the transfer.

Sec. 20. (1) It is the policy of this state to encourage the breeding of horses of all breeds in this state and the ownership of such horses by residents of this state to provide for sufficient numbers of high quality race horses of all breeds to participate in licensed race meetings in this state; to promote the positive growth and development of high quality horse racing and other equine competitions in this state as a beneficial business and entertainment activity for residents of this state; and to establish and preserve the substantial agricultural and commercial benefits of the horse racing and breeding industry to the state of Michigan. It is the intent and purpose of the legislature to further this policy by the provisions of this act and annual appropriations to administer this act and adequately fund the agriculture and equine industry programs established by this section.

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

(3) The Michigan agriculture equine industry development fund is created in the department of treasury. The Michigan agriculture equine industry development fund shall be administered by the director of the department of agriculture with the assistance and advice of the racing commissioner.

(4) Money shall not be expended from the Michigan agriculture equine industry development fund except as appropriated by the legislature. Money appropriated by the legislature for the Michigan agriculture equine industry development fund shall be expended by the director of the department of agriculture with the advice and assistance of the racing commissioner to provide funding for agriculture and equine industry development programs as provided in subsections (5) to (12).

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

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

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

(c) A sum to be allotted for paying special purses at fairs on 2-year-old and 3-year-old standardbred harness horses conceived after January 1, 1992, and sired by a standardbred stallion registered with the Michigan department of agriculture that was leased or owned by a resident or residents of this state and that did not serve a mare at a location outside of this state from February 1 through July 31 of the calendar year in which the conception occurred. A foal that is born on or after January 1, 2002 of a mare owned by a nonresident of this state and that is conceived outside of this state from transported semen of a stallion registered with the Michigan department of agriculture is eligible for Michigan tax-supported races only if, in the year that the foal is conceived, the Michigan department of agriculture's agent for receiving funds as the holding agent for stakes and futurities is paid a transport fee as determined by the Michigan department of agriculture and administered by the Michigan harness horsemen's association.

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

(e) A sum to pay breeders' awards in an amount not to exceed 10% of the gross purse to breeders of Michigan bred standardbred harness horses for each time the horse wins a race at a licensed race meeting or fair in this state. As used in this subdivision, "Michigan bred standardbred harness horse" means a horse from a mare owned by a resident or residents of this state at the time of conception, that was conceived after January 1, 1992, and sired by a standardbred stallion registered with the Michigan department of agriculture that was leased or owned by a resident or residents of this state and that did not serve a mare at a location outside of this state from February 1 through July 31 of the calendar year in which the conception occurred. To be eligible, each mare shall be registered with the Michigan department of agriculture. A foal that is born on or after January 1, 2002 of a mare owned by a nonresident of this state and that is conceived outside of this state from transported semen of a stallion registered with the Michigan department of agriculture is eligible for Michigan tax-supported races only if, in the year that the foal is conceived, the Michigan department of agriculture's agent for receiving funds as the holding agent for stakes and futurities is paid a transport fee as determined by the Michigan department of agriculture and administered by the Michigan harness horsemen's association.

(f) A sum not to exceed \$4,000.00 each year to be allotted to fairs to provide training and stabling facilities for standardbred harness horses.

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

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

(i) A sum not to exceed 0.25% of all money wagered on live and simulcast horse races in Michigan shall be placed in a special standardbred sire stakes fund each year, 100% of which shall be used to provide purses for races run exclusively for 2-year-old and 3-year-old Michigan sired standardbred horses at licensed harness race meetings in this state. As used in this subdivision, "Michigan sired standardbred horses" means standardbred horses conceived after January 1, 1992 and sired by a standardbred stallion registered with the Michigan department of agriculture that was leased or owned by a resident or residents of this state and that did not serve a mare at a location outside of this state from February 1 through July 31 of the calendar year in which the conception occurred. A foal that is born on or after January 1, 2002 of a mare owned by a nonresident of this state and that is conceived outside of this state from transported semen of a stallion registered with the Michigan department of agriculture is eligible for Michigan tax-supported races only if, in the year that the foal is conceived, the Michigan department of agriculture's agent for receiving funds as the holding agent for stakes and futurities is paid a transport fee as determined by the Michigan department of agriculture and administered by the Michigan harness horsemen's association.

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

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

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

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

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

(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 special thoroughbred sire stakes fund each year, 100% of which shall be used to provide purses for races run exclusively for 2-year-old and 3-year-old and older Michigan sired thoroughbred horses at licensed thoroughbred race meetings in this state and awards for owners of Michigan sired horses or stallions. As used in this subdivision, "Michigan sired thoroughbred horses" means thoroughbred horses sired by a stallion registered with the department of agriculture that was leased or owned exclusively by a resident or residents of this state and that did not serve a mare at a location outside of this state during the calendar year in which the service occurred.

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

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

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

(b) A sum to pay not more than 75% of the purses for registered quarter horse races offered by fairs.

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

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

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

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

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

(b) A sum to pay not more than 75% of the purses for registered Appaloosa horse races offered by fairs.

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

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

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

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

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

(b) A sum to pay not more than 75% of the purses for registered Arabian horse races offered by fairs.

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

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

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

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

(a) A sum to supplement the purposes for races to be conducted exclusively for Michigan bred American paint horses.

(b) A sum to pay not more than 75% of the purses for registered American paint horse races offered by fairs.

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

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

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

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

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

(b) Money appropriated and allotted to this fund shall not revert to the general fund and shall be carried forward from year to year until disbursed to fund grants for research projects beneficial to the industry.

(c) As used in this subsection, "equine research" means the study, discovery and generation of accurate and reliable information, findings, conclusions, and recommendations that are useful or beneficial to the horse racing and breeding industry in this state through improvement of the health of horses; prevention of equine illness and disease, and performance-related accidents and injuries; improvement of breeding technique and racing performance; and compilation and study of valuable and reliable statistical data regarding the size, organization, and economics of the industry in this state; and strategic planning for the effective promotion, growth, and development of the industry in this state.

(12) A sum to fund the development, implementation, and administration of new programs that promote the proper growth and development of the horse racing and breeding industry in this state and other valuable equine related commercial and recreational activities in this state.

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

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

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

(b) Establish conditions and penalties regarding the programs described in subsections (5) to (12).

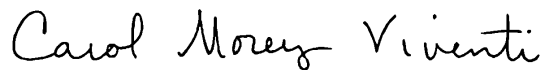
(c) Develop and maintain informational programs related to this section.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.