

# Legislative Analysis

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## **AGRICULTURE EQUINE INDUSTRY DEVELOPMENT FUND: PURSES FOR OVERNIGHT RACES**

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**Senate Bill 837 (S-2)**

**Sponsor: Sen. Robert Emerson**

**Senate Committee: Appropriations**

**House Committee: Appropriations**

**Complete to 5-15-06**

### **A SUMMARY OF SENATE BILL 837 (S-2) AS PASSED BY THE SENATE 5-10-06**

Senate Bill 837 (S-2) would amend Section 20 of the Horse Racing Law of 1995 (Public Act 279 of 1995), a section establishing the Agriculture Equine Industry Development Fund (AEIDF) and setting rules for appropriations and expenditures from the fund. Specifically, the bill would amend Subsection (5) to require that purse supplements for overnight races at fairs (paid from the AEIDF) be \$1,000. However, if the average purse offered for maiden overnight races of the same breed at any licensed track meeting in this state during the previous year, as calculated by the Michigan Department of Agriculture, was less than \$1,000, the purse supplements paid for overnight races at fairs could not exceed that average.

Overnight races are a type of standardbred harness race. The department indicates that fairs had typically offered purses of \$1,000 for such races. However, under current law, purse supplements for overnight races at fairs may not exceed the lowest purse offered for overnight purses of the same breed at any licensed track meeting in the state during the previous year. The department indicates that in 2005 a licensed track offered an \$800 purse at one race. As a result, under current law, this would have set a ceiling of \$800 for all overnight purses at fairs in 2006. The bill would enable fairs to continue to offer purses of \$1,000 for overnight racing in 2006 and beyond.

### **FISCAL IMPACT:**

The bill would have no impact on state or local costs or revenues.

[Note: This bill was originally introduced to effect the transfer of \$2.0 million from the AEIDF to the state General Fund as one of several target-agreement items needed to balance the current year state General Fund budget. This is still the tag-line description used for the bill on the Michigan Legislative website. However, this transfer was subsequently made in House Bill 5498 (PA 42 of 2006) instead, and transfer language was stripped from SB 837. Although the transfer is shown in Subsection 17 of the current bill as enacted law, SB 837 (S-2) would not make an additional transfer from the AEIDF.]

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