



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4233 (Substitute S-2 as reported)
Sponsor: Representative Morris Hood III
House Committee: Judiciary
Senate Committee: Judiciary

Date Completed: 3-11-05

RATIONALE

The Horse Racing Law provides for the licensure of individuals participating in or having to do with horse racing, pari-mutuel wagering, or simulcasting at licensed racetracks in the State. Occupational licenses are issued, for example, to jockeys, trainers, timers, groomers, veterinarians, horse owners, and racing officials. As a condition of licensure, an applicant must provide the Racing Commissioner with information he or she considers necessary, including fingerprints. If fingerprints are required, the Commissioner sends them either to the Michigan State Police or to the Association of Racing Commissioners International (ARCI); in either case, the fingerprints are forwarded to the Federal Bureau of Investigation for a criminal history check. Although the FBI apparently has provided these background checks for years, it recently notified the State Police that the Horse Racing Law is deficient, because it does not contain express authorization for fingerprints to be sent to the Bureau. Evidently, the FBI will discontinue performing the criminal history checks unless the statute is amended.

CONTENT

The bill would amend the Horse Racing Law to require an applicant for an occupational license to provide the Racing Commissioner with one or more sets of the applicant's fingerprints and the appropriate fees, as requested by the Commissioner. The Commissioner would have to send the fingerprints and fees either to the Department of State Police or to the Association of Racing Commissioners International.

If the fingerprints and fees were sent to the State Police, the Racing Commissioner would have to request the Department to forward them to the FBI for a criminal history check. If the fingerprints and fees were sent to the ARCI, the Commissioner would have to request the Association to forward the prints fees to the FBI or the Attorney General of the United States for a criminal history check.

Information obtained under these provisions could be used only to determine the character and fitness of the applicant for licensing purposes.

(The Racing Commissioner may not issue an occupational license to a person who, within six years before applying for licensure, was convicted of a felony involving theft, dishonesty, misrepresentation, fraud, corruption, drug possession, delivery, or use, or other criminal misconduct related to his or her ability to perform the duties of the racing-related occupation and participate in horse racing in a fair, honest, open, and lawful manner.)

MCL 431.316

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bill would enable the Racing Commissioner to continue to obtain from the FBI a criminal history check on applicants for

an occupational license, by sending fingerprints to the State Police or the ARCI. (Evidently, for the last several years, the Racing Commissioner has sent applicants' fingerprints to the Association, which forwards the prints to the FBI. According to a Deputy Racing Commissioner, the ARCI was designated by Congress in 1989 to perform this function.) When the FBI discovered that the Horse Racing Law does not expressly provide for fingerprints to be sent to the Bureau, it gave the State an extension, which expired at the end of 2004. Under the bill, the Racing Commissioner could continue to send the prints to the ARCI, or it could send them to the State Police, as it has done in the past. In either case, the FBI would continue to process the prints, since the bill would supply the statutory authorization that is needed to comply with FBI policy.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government. If fingerprints are submitted to the Department of State Police, the applicant pays a \$54 fee of which \$24 is forwarded to the Federal government and \$30 is allocated to the State Police for a check of State records.

Fiscal Analyst: Bruce Baker
Bill Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.