



Senate Fiscal Agency  
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**BILL ANALYSIS**

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House Bill 4233 (Substitute S-3 as passed by the Senate)  
Sponsor: Representative Morris Hood III  
House Committee: Judiciary  
Senate Committee: Judiciary

Date Completed: 3-21-05

**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 may send them to the Michigan State Police (as it has done in the past) or to the Association of Racing Commissioners International (as it currently does); 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 Federal

Bureau of Investigation in a manner acceptable to the FBI.

If the fingerprints and fees were sent to the State Police, the Department would have to forward them to the FBI 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 Association of Racing Commissioners International (ARCI). Forwarding the prints

to the ARCI amounts to sending them to the FBI "in a manner acceptable to the Federal Bureau of Investigation", as the bill would require. A Federal law enacted in 1988, the Parimutuel Licensing Simplification Act (P.L. 100-413), authorizes a designated association of state officials to submit fingerprints to the U.S. Attorney General on behalf of applicants for state licensure to participate in pari-mutuel licensing. (Although the Act refers to the U.S. Attorney General, the FBI performs the fingerprinting responsibilities.) Established in 1934, the ARCI is that designated association, and its stated objectives include multijurisdictional licensing and fingerprinting and background investigations of licensees. Evidently, Michigan's Racing Commissioner has sent applicants' fingerprints exclusively to the Association for the past several years. In fact, the horse racing occupational license guide, on the Michigan Department of Agriculture website, requires first-time licensees to submit a Racing Commissioners International fingerprint card and pay the \$34 ARCI fingerprint fee.

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 to continue submitting fingerprints; that extension expired at the end of 2004. Under the bill, the Racing Commissioner could continue to send the prints to the FBI through 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.

The bill also would codify the requirement that horse racing license applicants pay the fees necessary for a criminal history check to be conducted.

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.

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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.