

**SUBSTITUTE FOR
SENATE BILL NO. 837**

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending section 20 (MCL 431.320), as amended by 2006 PA 42.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20. (1) It is the policy of this state to encourage the
2 breeding of horses of all breeds in this state and the ownership of
3 such horses by residents of this state to provide for sufficient
4 numbers of high quality race horses of all breeds to participate in
5 licensed race meetings in this state; to promote the positive
6 growth and development of high quality horse racing and other
7 equine competitions in this state as a business and entertainment
8 activity for residents of this state; and to establish and preserve
9 the substantial agricultural and commercial benefits of the horse

1 racing and breeding industry to the state of Michigan. It is the
2 intent ~~and purpose~~ of the legislature to further this policy by
3 the provisions of this act and annual appropriations to administer
4 this act and adequately fund the agriculture and equine industry
5 programs established by this section.

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

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

15 (4) Money shall not be expended from the Michigan agriculture
16 equine industry development fund except as appropriated by the
17 legislature. Money appropriated by the legislature for the Michigan
18 agriculture equine industry development fund shall be expended by
19 the director of the department of agriculture with the advice and
20 assistance of the racing commissioner to provide funding for the
21 general fund as provided in subsection (17) and agriculture and
22 equine industry development programs as provided in subsections (5)
23 to (11).

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

26 (a) A sum not to exceed 75% of the purses for standardbred
27 harness horse races offered by fairs and races at licensed pari-

Senate Bill No. 837 as amended May 9, 2006

1 mutuel racetracks. Purse supplements for overnight races at fairs

2 paid pursuant to this subsection ~~may not exceed~~ **SHALL BE**

3 **\$1,000.00<<. HOWEVER>>, IF** the ~~<<lowest~~ **AVERAGE>>** purse offered for
 4 **<<MAIDEN>>** overnight races of

4 the same breed at any licensed race meeting in this state during

5 the previous year **<<AS CALCULATED BY THE DEPARTMENT OF AGRICULTURE WAS**

6 **LESS THAN \$1,000.00, PURSE SUPPLEMENTS FOR OVERNIGHT RACES AT FAIRS
 PAID UNDER THIS SUBSECTION SHALL NOT EXCEED THAT AVERAGE PURSE.>>**

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

12 (c) A sum to be allotted for paying special purses at fairs on
 13 2-year-old and 3-year-old standardbred harness horses conceived
 14 after January 1, 1992, and sired by a standardbred stallion
 15 registered with the Michigan department of agriculture that was
 16 leased or owned by a resident or residents of this state and that
 17 did not serve a mare at a location outside of this state from
 18 February 1 through July 31 of the calendar year in which the
 19 conception occurred. A foal that is born on or after January 1,
 20 2002 of a mare owned by a nonresident of this state and that is
 21 conceived outside of this state from transported semen of a
 22 stallion registered with the Michigan department of agriculture is
 23 eligible for Michigan tax-supported races only if, in the year that
 24 the foal is conceived, the Michigan department of agriculture's
 25 agent for receiving funds as the holding agent for stakes and
 26 futurities is paid a transport fee as determined by the Michigan
 27 department of agriculture and administered by the Michigan harness

1 horsemen's association.

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

6 (e) A sum to pay breeders' awards in an amount not to exceed
7 10% of the gross purse to breeders of Michigan bred standardbred
8 harness horses for each time the horse wins a race at a licensed
9 race meeting or fair in this state. As used in this subdivision,
10 "Michigan bred standardbred harness horse" means a horse from a
11 mare owned by a resident or residents of this state at the time of
12 conception, that was conceived after January 1, 1992, and sired by
13 a standardbred stallion registered with the Michigan department of
14 agriculture that was leased or owned by a resident or residents of
15 this state and that did not serve a mare at a location outside of
16 this state from February 1 through July 31 of the calendar year in
17 which the conception occurred. To be eligible, each mare shall be
18 registered with the Michigan department of agriculture. A foal that
19 is born on or after January 1, 2002 of a mare owned by a
20 nonresident of this state and that is conceived outside of this
21 state from transported semen of a stallion registered with the
22 Michigan department of agriculture is eligible for Michigan tax-
23 supported races only if, in the year that the foal is conceived,
24 the Michigan department of agriculture's agent for receiving funds
25 as the holding agent for stakes and futurities is paid a transport
26 fee as determined by the Michigan department of agriculture and
27 administered by the Michigan harness horsemen's association.

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

4 (g) A sum to be allotted to pay the presiding judges and
5 clerks of the course at fairs. Presiding judges and clerks of the
6 course shall be hired by the fair's administrative body with the
7 advice and approval of the racing commissioner. The director of the
8 department of agriculture may allot funds for a photo finish system
9 and a mobile starting gate. The director of the department of
10 agriculture shall allot funds for the conducting of tests, the
11 collection and laboratory analysis of urine, saliva, blood, and
12 other samples from horses, and the taking of blood alcohol tests on
13 drivers, jockeys, and starting gate employees, for those races
14 described in this subdivision. The department may require a driver,
15 jockey, or starting gate employee to submit to a breathalyzer test,
16 urine test, or other noninvasive fluid test to detect the presence
17 of alcohol or a controlled substance. If the results of a test show
18 that a person has more than .05% of alcohol in his or her blood, or
19 has present in his or her body a controlled substance, the person
20 shall not be permitted to continue in his or her duties on that
21 race day and until he or she can produce, at his or her own
22 expense, a negative test result.

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

26 (i) A sum not to exceed 0.25% of all money wagered on live and
27 simulcast horse races in Michigan shall be placed in a special

1 standardbred sire stakes fund each year, 100% of which shall be
2 used to provide purses for races run exclusively for 2-year-old and
3 3-year-old Michigan sired standardbred horses at licensed harness
4 race meetings in this state. As used in this subdivision, "Michigan
5 sired standardbred horses" means standardbred horses conceived
6 after January 1, 1992 and sired by a standardbred stallion
7 registered with the Michigan department of agriculture that was
8 leased or owned by a resident or residents of this state and that
9 did not serve a mare at a location outside of this state from
10 February 1 through July 31 of the calendar year in which the
11 conception occurred. A foal that is born on or after January 1,
12 2002 of a mare owned by a nonresident of this state and that is
13 conceived outside of this state from transported semen of a
14 stallion registered with the Michigan department of agriculture is
15 eligible for Michigan tax-supported races only if, in the year that
16 the foal is conceived, the Michigan department of agriculture's
17 agent for receiving funds as the holding agent for stakes and
18 futurities is paid a transport fee as determined by the Michigan
19 department of agriculture and administered by the Michigan harness
20 horsemen's association.

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

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

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

1 horses.

2 (c) A sum to pay breeders' awards in an amount not to exceed
3 10% of the gross purse to the breeders of Michigan bred
4 thoroughbred horses for each time Michigan bred thoroughbred horses
5 win at a licensed race meeting in this state.

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

9 (e) A sum not to exceed 0.25% of all money wagered on live and
10 simulcast horse races in Michigan shall be placed in a special
11 thoroughbred sire stakes fund each year, 100% of which shall be
12 used to provide purses for races run exclusively for 2-year-old and
13 3-year-old and older Michigan sired thoroughbred horses at licensed
14 thoroughbred race meetings in this state and awards for owners of
15 Michigan sired horses or stallions. As used in this subdivision,
16 "Michigan sired thoroughbred horses" means thoroughbred horses
17 sired by a stallion registered with the department of agriculture
18 that was leased or owned exclusively by a resident or residents of
19 this state and that did not serve a mare at a location outside of
20 this state during the calendar year in which the service occurred.

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

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

27 (a) A sum to supplement the purses for races to be conducted

1 exclusively for Michigan bred quarter horses.

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

4 (c) A sum to pay breeders' awards in an amount not to exceed
5 10% of a gross purse to breeders of Michigan bred quarter horses
6 for each time a Michigan bred quarter horse wins at a county fair
7 or licensed race meeting in this state.

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

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

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

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

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

23 (c) A sum to pay breeders' awards in an amount not to exceed
24 10% of the gross purse to the breeders of Michigan bred Appaloosa
25 horses for each time Michigan bred horses win at a fair or licensed
26 race meeting in this state.

27 (d) The department shall also allot sufficient funds from the

1 revenue received from Appaloosa horse racing to pay for the
2 collection and laboratory analysis of urine, saliva, blood, or
3 other samples from horses and licensed persons and the taking of
4 blood alcohol tests on jockeys for those races described in this
5 subsection and for the conducting of tests described in section
6 16(4)(b).

7 (e) As used in this subsection, "Michigan bred Appaloosa
8 horse" means that term as defined in R 285.819.1 of the Michigan
9 administrative code. Each mare and stallion shall be registered
10 with the director of the department of agriculture.

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

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

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

16 (c) A sum to pay breeders' awards in an amount not to exceed
17 10% of the gross purse to the breeders of Michigan bred Arabian
18 horses for each time Michigan bred horses win at a fair or licensed
19 racetrack in this state.

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

26 (e) As used in this subsection, "Michigan bred Arabian horse"
27 means a Michigan-bred horse as that term is defined in R

1 285.822.1(i) of the Michigan administrative code. Each mare and
2 stallion shall be registered with the director of the department of
3 agriculture.

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

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

8 (b) A sum to pay not more than 75% of the purses for
9 registered American paint 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 American
12 paint horses for each time a Michigan bred American paint horse
13 wins at a county fair or licensed race meeting in this state.

14 (d) A sum 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 those
17 races described in this subsection and for the conducting of tests
18 described in section 16(4)(b).

19 (e) As used in this subsection, "Michigan bred American paint
20 horse" means a Michigan-bred paint horse as that term is defined in
21 R 285.823.1 of the Michigan administrative code.

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

24 (a) A sum to fund grants for research projects conducted by
25 persons affiliated with a university or governmental research
26 agency or institution or other private research entity approved by
27 the racing commissioner, which are beneficial to the horse racing

1 and breeding industry in this state.

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

7 (12) As used in subsection (11), "equine **INDUSTRY** research"
8 means the study, discovery and generation of accurate and reliable
9 information, findings, conclusions, and recommendations that are
10 useful or beneficial to the horse racing and breeding industry in
11 this state through improvement of the health of horses; prevention
12 of equine illness and disease, and performance-related accidents
13 and injuries; improvement of breeding technique and racing
14 performance; and compilation and study of valuable and reliable
15 statistical data regarding the size, organization, and economics of
16 the industry in this state; and strategic planning for the
17 effective promotion, growth, and development of the industry in
18 this state.

19 (13) Subject to subsection (17), money appropriated and
20 allotted to the Michigan agriculture equine industry development
21 fund shall not revert to the general fund and shall be carried
22 forward from year to year until disbursed to fund grants for
23 research projects beneficial to the industry.

24 (14) A percentage of the Michigan agriculture equine industry
25 development fund that is equal to 1/100 of 1% of the gross wagers
26 made each year in each of the racetracks licensed under this act
27 shall be deposited in the compulsive gaming prevention fund created

1 in section 3 of the compulsive gaming prevention act, 1997 PA 70,
2 MCL 432.253.

3 (15) The director of the department of agriculture shall
4 promulgate rules pursuant to the administrative procedures act of
5 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this section.
6 The rules promulgated under this subsection shall do all of the
7 following:

8 (a) Prescribe the conditions under which the Michigan
9 agriculture equine industry development fund and related programs
10 described in subsections (1) to (13) shall be funded.

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

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

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

21 (17) Two million dollars shall be transferred from the
22 Michigan agriculture equine industry development fund to the
23 general fund in the fiscal year ending September 30, 2006.