

HOUSE BILL No. 5498

December 13, 2005, Introduced by Rep. Kolb and referred to the Committee on Appropriations.

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending section 20 (MCL 431.320), as amended by 2000 PA 471.

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

1 activity for residents of this state; and to establish and preserve
2 the substantial agricultural and commercial benefits of the horse
3 racing and breeding industry to the state of Michigan. It is the
4 intent and purpose of the legislature to further this policy by the
5 provisions of this act and annual appropriations to administer this
6 act and adequately fund the agriculture and equine industry
7 programs established by this section.

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

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

17 (4) Money shall not be expended from the Michigan agriculture
18 equine industry development fund except as appropriated by the
19 legislature. Money appropriated by the legislature for the Michigan
20 agriculture equine industry development fund shall be expended by
21 the director of the department of agriculture with the advice and
22 assistance of the racing commissioner to provide funding for **THE**
23 **GENERAL FUND AND** agriculture and equine industry development
24 programs as provided in subsections (5) to ~~—(12)—~~ (11).

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

27 (a) A sum not to exceed 75% of the purses for standardbred

1 harness horse races offered by fairs and races at licensed pari-
2 mutuel racetracks. Purse supplements for overnight races at fairs
3 paid pursuant to this subsection may not exceed the lowest purse
4 offered for overnight races of the same breed at any licensed race
5 meeting in this state during the previous year.

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

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

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

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

27 (f) A sum not to exceed \$4,000.00 each year to be allotted to

1 fairs to provide training and stabling facilities for standardbred
2 harness horses.

3 (g) A sum to be allotted to pay the presiding judges and
4 clerks of the course at fairs. Presiding judges and clerks of the
5 course shall be hired by the fair's administrative body with the
6 advice and approval of the racing commissioner. The director of the
7 department of agriculture may allot funds for a photo finish system
8 and a mobile starting gate. The director of the department of
9 agriculture shall allot funds for the conducting of tests, the
10 collection and laboratory analysis of urine, saliva, blood, and
11 other samples from horses, and the taking of blood alcohol tests on
12 drivers, jockeys, and starting gate employees, for those races
13 described in this subdivision. The department may require a driver,
14 jockey, or starting gate employee to submit to a breathalyzer test,
15 urine test, or other noninvasive fluid test to detect the presence
16 of alcohol or a controlled substance. ~~as defined in section 7104~~
17 ~~of the public health code, 1978 PA 368, MCL 333.7104.~~ If the
18 results of a test show that a person has more than .05% of alcohol
19 in his or her blood, or has present in his or her body a controlled
20 substance, the person shall not be permitted to continue in his or
21 her duties on that race day and until he or she can produce, at his
22 or her own 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(j)~~ **R 285.817.1** of the
15 Michigan administrative code. Each mare and stallion shall be
16 registered 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 285.817.1(k)~~ **R 285.819.1**
9 of the Michigan administrative code. Each mare and stallion shall
10 be registered 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 ~~as~~ **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 ~~purposes~~ **PURSES** for races to be
7 conducted 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 ~~that term as defined by the department of agriculture~~
21 ~~by rules promulgated under this section~~ **A MICHIGAN-BRED PAINT**
22 **HORSE AS THAT TERM IS DEFINED IN R 285.823.1 OF THE MICHIGAN**
23 **ADMINISTRATIVE CODE.**

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

26 (a) A sum to fund grants for research projects conducted by
27 persons affiliated with a university or governmental research

1 agency or institution or other private research entity approved by
2 the racing commissioner, which are beneficial to the horse racing
3 and breeding industry in this state.

4 (b) ~~Money appropriated and allotted to this fund shall not~~
5 ~~revert to the general fund and shall be carried forward from year~~
6 ~~to year until disbursed to fund grants for research projects~~
7 ~~beneficial to the industry.~~ **A SUM TO FUND THE DEVELOPMENT,**
8 **IMPLEMENTATION, AND ADMINISTRATION OF NEW PROGRAMS THAT PROMOTE THE**
9 **PROPER GROWTH AND DEVELOPMENT OF THE HORSE RACING AND BREEDING**
10 **INDUSTRY IN THIS STATE AND OTHER VALUABLE EQUINE-RELATED COMMERCIAL**
11 **AND RECREATIONAL ACTIVITIES IN THIS STATE.**

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

24 (13) ~~-(12) A sum to fund the development, implementation, and~~
25 ~~administration of new programs that promote the proper growth and~~
26 ~~development of the horse racing and breeding industry in this state~~
27 ~~and other valuable equine related commercial and recreational~~

1 ~~activities in this state.~~ MONEY APPROPRIATED AND ALLOTTED TO THE
2 MICHIGAN AGRICULTURE EQUINE INDUSTRY DEVELOPMENT FUND SHALL NOT
3 REVERT TO THE GENERAL FUND AND SHALL BE CARRIED FORWARD FROM YEAR
4 TO YEAR UNTIL DISBURSED TO THE GENERAL FUND OR TO FUND GRANTS FOR
5 RESEARCH PROJECTS BENEFICIAL TO THE INDUSTRY.

6 (14) ~~—(13)—~~ A percentage of the Michigan agriculture equine
7 industry development fund that is equal to 1/100 of 1% of the gross
8 wagers made each year in each of the racetracks licensed under this
9 act shall be deposited in the compulsive gaming prevention fund
10 created in section 3 of the compulsive gaming prevention act, 1997
11 PA 70, MCL 432.253.

12 (15) ~~—(14)—~~ The director of the department of agriculture
13 shall promulgate rules pursuant to the administrative procedures
14 act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this
15 section. The rules promulgated under this subsection shall do all
16 of the following:

17 (a) Prescribe the conditions under which the Michigan
18 agriculture equine industry development fund and related programs
19 described in subsections (1) to ~~—(12)—~~ (13) shall be funded.

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

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

24 (16) ~~—(15)—~~ Funds under the control of the department of
25 agriculture in this section shall be disbursed under the rules
26 promulgated pursuant to subsection ~~—(14)—~~ (15). All funds under the
27 control of the department of agriculture approved for purse

- 1 supplements and breeders' awards shall be paid by the state
- 2 treasurer not later than 45 days from the date of the race.