

# SENATE BILL No. 837

October 25, 2005, Introduced by Senator EMERSON 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  
8       activity for residents of this state; and to establish and preserve

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

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

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

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

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

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

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

27 (d) A sum to pay not more than 75% of an eligible cash premium

1 paid by a fair or exposition. The commission of agriculture shall  
2 promulgate rules establishing which premiums are eligible for  
3 payment and a dollar limit for all eligible payments.

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

26 (f) A sum not to exceed \$4,000.00 each year to be allotted to  
27 fairs to provide training and stabling facilities for standardbred

1 harness horses.

2 (g) A sum to be allotted to pay the presiding judges and  
3 clerks of the course at fairs. Presiding judges and clerks of the  
4 course shall be hired by the fair's administrative body with the  
5 advice and approval of the racing commissioner. The director of the  
6 department of agriculture may allot funds for a photo finish system  
7 and a mobile starting gate. The director of the department of  
8 agriculture shall allot funds for the conducting of tests, the  
9 collection and laboratory analysis of urine, saliva, blood, and  
10 other samples from horses, and the taking of blood alcohol tests on  
11 drivers, jockeys, and starting gate employees, for those races  
12 described in this subdivision. The department may require a driver,  
13 jockey, or starting gate employee to submit to a breathalyzer test,  
14 urine test, or other noninvasive fluid test to detect the presence  
15 of alcohol or a controlled substance. ~~as defined in section 7104~~  
16 ~~of the public health code, 1978 PA 368, MCL 333.7104.~~ If the  
17 results of a test show that a person has more than .05% of alcohol  
18 in his or her blood, or has present in his or her body a controlled  
19 substance, the person shall not be permitted to continue in his or  
20 her duties on that race day and until he or she can produce, at his  
21 or her own expense, a negative test result.

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

25 (i) A sum not to exceed 0.25% of all money wagered on live and  
26 simulcast horse races in Michigan shall be placed in a special  
27 standardbred sire stakes fund each year, 100% of which shall be

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

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

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

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

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

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

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

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

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

26 (a) A sum to supplement the purses for races to be conducted  
27 exclusively for Michigan bred quarter horses.

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

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

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

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

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

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

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

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

26 (d) The department shall also allot sufficient funds from the  
27 revenue received from Appaloosa horse racing to pay for the

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

6 (e) As used in this subsection, "Michigan bred Appaloosa  
7 **HORSE**" means that term as defined in ~~R 285.817.1(k)~~ **R 285.819.1**  
8 of the Michigan administrative code. Each mare and stallion shall  
9 be registered with the director of the department of agriculture.

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

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

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

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

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

25 (e) As used in this subsection, "Michigan bred Arabian **HORSE**"  
26 means **A MICHIGAN-BRED HORSE AS** that term ~~as~~ **IS** defined in R  
27 285.822.1(i) of the Michigan administrative code. Each mare and

1 stallion shall be registered with the director of the department of  
2 agriculture.

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

5 (a) A sum to supplement the ~~purposes~~ **PURSES** for races to be  
6 conducted exclusively for Michigan bred American paint horses.

7 (b) A sum to pay not more than 75% of the purses for  
8 registered American paint horse races offered by fairs.

9 (c) A sum to pay breeders' awards in an amount not to exceed  
10 10% of the gross purse to the breeders of Michigan bred American  
11 paint horses for each time a Michigan bred American paint horse  
12 wins at a county fair or licensed race meeting in this state.

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

18 (e) As used in this subsection, "Michigan bred American paint  
19 horse" means ~~that term as defined by the department of agriculture~~  
20 ~~by rules promulgated under this section~~ **A MICHIGAN-BRED PAINT**  
21 **HORSE AS THAT TERM IS DEFINED IN R 285.823.1 OF THE MICHIGAN**  
22 **ADMINISTRATIVE CODE.**

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

25 (a) A sum to fund grants for research projects conducted by  
26 persons affiliated with a university or governmental research  
27 agency or institution or other private research entity approved by

1 the racing commissioner, which are beneficial to the horse racing  
2 and breeding industry in this state.

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

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

23 (13) ~~(12) A sum to fund the development, implementation, and~~  
24 ~~administration of new programs that promote the proper growth and~~  
25 ~~development of the horse racing and breeding industry in this state~~  
26 ~~and other valuable equine related commercial and recreational~~  
27 ~~activities in this state.~~ **SUBJECT TO SUBSECTION (17), MONEY**

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

5 (14) ~~—(13)—~~ A percentage of the Michigan agriculture equine  
6 industry development fund that is equal to 1/100 of 1% of the gross  
7 wagers made each year in each of the racetracks licensed under this  
8 act shall be deposited in the compulsive gaming prevention fund  
9 created in section 3 of the compulsive gaming prevention act, 1997  
10 PA 70, MCL 432.253.

11 (15) ~~—(14)—~~ The director of the department of agriculture  
12 shall promulgate rules pursuant to the administrative procedures  
13 act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this  
14 section. The rules promulgated under this subsection shall do all  
15 of the following:

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

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

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

23 (16) ~~—(15)—~~ Funds under the control of the department of  
24 agriculture in this section shall be disbursed under the rules  
25 promulgated pursuant to subsection ~~—(14)—~~ (15). All funds under the  
26 control of the department of agriculture approved for purse  
27 supplements and breeders' awards shall be paid by the state

1 treasurer not later than 45 days from the date of the race.

2 (17) TWO MILLION DOLLARS SHALL BE TRANSFERRED FROM THE  
3 MICHIGAN AGRICULTURE EQUINE INDUSTRY DEVELOPMENT FUND TO THE  
4 GENERAL FUND IN FISCAL YEAR 2005-2006.