

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5407

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	(1,385,850)
Interdepartmental grant revenues:		

1	Total interdepartmental grants and intradepartmental		
2	transfers		0
3	ADJUSTED GROSS APPROPRIATION.....	\$	(1,385,850)
4	Federal revenues:		
5	Total federal revenues.....		0
6	Special revenue funds:		
7	Total local revenues.....		0
8	Total private revenues.....		0
9	Total state restricted revenues.....		(1,385,850)
10	State general fund/general purpose.....	\$	0
11	Sec. 102. DEPARTMENT OF AGRICULTURE		
12	(1) APPROPRIATION SUMMARY		
13	GROSS APPROPRIATION.....	\$	(1,668,494)
14	Interdepartmental grant revenues:		
15	Total interdepartmental grants and intradepartmental		
16	transfers		0
17	ADJUSTED GROSS APPROPRIATION.....	\$	(1,668,494)
18	Federal revenues:		
19	Total federal revenues.....		0
20	Special revenue funds:		
21	Total local revenues.....		0
22	Total private revenues.....		0
23	Total other state restricted revenues.....		(1,668,494)
24	State general fund/general purpose.....	\$	0
25	(2) FAIRS AND EXPOSITIONS		
26	Fairs and racing.....	\$	(34,755)

1	Purses and supplements-fairs/licensed tracks	(203,820)
2	Licensed tracks - light horse racing	(52,256)
3	Standardbred breeders' awards	(285,642)
4	Standardbred purses and supplements - licensed tracks	(462,568)
5	Standardbred sire stakes	(69,660)
6	Standardbred training and stabling	(3,100)
7	Thoroughbred owners' awards	(10,660)
8	Thoroughbred program	(397,244)
9	Thoroughbred sire stakes	(71,380)
10	Distribution of outstanding winning tickets	<u>(56,089)</u>
11	GROSS APPROPRIATION	\$ (1,647,174)
12	Appropriated from:	
13	Special revenue funds:	
14	Agriculture equine industry development fund	(1,647,174)
15	State general fund/general purpose	\$ 0
16	(3) INFORMATION AND TECHNOLOGY	
17	Information technology services and projects	\$ <u>(21,320)</u>
18	GROSS APPROPRIATION	\$ (21,320)
19	Appropriated from:	
20	Special revenue funds:	
21	Agriculture equine industry development fund	(21,320)
22	State general fund/general purpose	\$ 0
23	Sec. 103. DEPARTMENT OF TREASURY	
24	(1) APPROPRIATION SUMMARY	
25	GROSS APPROPRIATION	\$ 282,644
26	Interdepartmental grant revenues:	

1	Total interdepartmental grants and intradepartmental		
2	transfers		0
3	ADJUSTED GROSS APPROPRIATION.....	\$	282,644
4	Federal revenues:		
5	Total federal revenues.....		0
6	Special revenue funds:		
7	Total local revenues.....		0
8	Total private revenues.....		0
9	Total other state restricted revenues.....		282,644
10	State general fund/general purpose.....	\$	0
11	(2) CASINO GAMING		
12	Racing commissioner.....		<u>306,684</u>
13	GROSS APPROPRIATION.....	\$	306,684
14	Appropriated from:		
15	Special revenue funds:		
16	Agriculture equine industry development fund.....		282,684
17	Industry support funds.....		24,000
18	State general fund/general purpose.....	\$	0
19	(3) INFORMATION AND TECHNOLOGY		
20	Information technology services and projects.....	\$	<u>(24,040)</u>
21	GROSS APPROPRIATION.....	\$	(24,040)
22	Appropriated from:		
23	Special revenue funds:		
24	Agriculture equine industry development fund.....		(24,040)
25	State general fund/general purpose.....	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is \$(1,385,850.00) and state appropriations paid to local units of government are \$0.

Sec. 202. The appropriations made and expenditures authorized under this act and the departments, commissions, boards, offices, and programs for which appropriations are made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. The departments described in this act shall fulfill reporting requirements of this act by use of the Internet. Reports identified for each reporting requirement shall be placed on the Internet.

DEPARTMENT OF AGRICULTURE

Sec. 210. If the agriculture equine industry development fund revenue exceeds appropriations for the year ending September 30, 2010, up to \$308,688.00 shall be allocated to standardbred purses and supplements, up to \$202,302.00 shall be allocated to standardbred breeders' awards, up to \$40,896.00 shall be allocated to licensed tracks - light horse racing, and up to \$190,844.00 shall be allocated to thoroughbred programs for the year ending September 30, 2011 because standardbred purses and supplements,

1 standardbred breeders' awards, licensed tracks - light horse
2 racing, and thoroughbred programs are receiving larger cuts in the
3 current fiscal year than other appropriations to ensure the
4 continuation of races. Contingency fund transfers shall be used as
5 necessary to allow for spending of any additional revenue.

6 **DEPARTMENT OF TREASURY**

7 Sec. 250. The appropriations in part 1 to the racing
8 commissioner are intended to ensure that 217 total racing dates
9 occur at Michigan's 5 licensed horse racetracks for the fiscal year
10 ending September 30, 2010. The appropriations in part 1, in
11 combination with 2009 PA 119, 2009 PA 140, Executive Order No.
12 2009-45, and Executive Order No. 2009-54, are necessary to allow 62
13 race dates at Hazel Park, 11 race dates at Mount Pleasant Meadows,
14 32 race dates at Northville Downs, 35 race dates at Northville
15 Racing Corp, 43 race dates at Pinnacle Race Course, and 34 race
16 dates at Sports Creek Raceway for the fiscal year ending September
17 30, 2010. In order to allow 31 of the 43 race dates at Pinnacle
18 Race Course, the Michigan thoroughbred owners and breeders
19 association and the horsemen's benevolent and protection
20 association shall enter into an agreement to fund the Michigan bred
21 programs and the Michigan gaming control board's regulatory
22 expenses. From the amount appropriated in part 1 to the racing
23 commissioner, the Michigan gaming control board shall provide all
24 regulatory functions necessary for the conduct of horse racing
25 under the horse racing law of 1995, 1995 PA 279, MCL 431.301 to
26 431.336.

1 Sec. 251. The Michigan gaming control board, with the
2 assistance of the Michigan department of agriculture and each
3 certified horsemen's organization, shall report to the legislature
4 on the status and ongoing efforts to transfer the function of the
5 office of racing commissioner to the Michigan gaming control board
6 pursuant to Executive Order Nos. 2009-45 and 2009-54. The report
7 shall be submitted on or before September 1, 2010 to the house and
8 senate appropriations subcommittees on agriculture and general
9 government and the house and senate fiscal agencies. The report
10 shall include, at a minimum, the following:

11 (a) Efforts to utilize the most efficient and effective
12 methods of regulating and promoting the horse racing industry.

13 (b) Efforts to promote and support the horse racing industry
14 with the goal of increasing employment and expanded economic
15 activity associated with the horse racing industry.

16 (c) A comparison of Michigan with other states regarding both
17 regulation and promotion of the horse racing industry.

18 Sec. 252. The Michigan gaming control board shall use actual
19 expenditure data in determining the actual regulatory costs of
20 conducting racing dates and shall provide that data to the house
21 and senate appropriations subcommittees on agriculture and general
22 government and the house and senate fiscal agencies. The Michigan
23 gaming control board shall not be reimbursed for more than the
24 actual regulatory cost of conducting race dates. If a certified
25 horsemen's organization funds more than the actual regulatory cost,
26 the balance shall remain in the agriculture equine industry
27 development fund to be used to fund subsequent race dates conducted

1 by race meeting licensees with which the certified horsemen's
2 organization has contracts. If a certified horsemen's organization
3 funds less than the actual regulatory costs of the additional horse
4 racing dates, the Michigan gaming control board shall reduce the
5 number of future race dates conducted by race meeting licensees
6 with which the certified horsemen's organization has contracts.
7 Prior to the reduction in the number of authorized race dates due
8 to budget deficits, the executive director of the Michigan gaming
9 control board shall provide notice to the certified horsemen's
10 organizations with an opportunity to respond with alternatives. In
11 determining actual costs, the Michigan gaming control board shall
12 take into account that each specific breed may require different
13 regulatory mechanisms.