

SUBSTITUTE FOR
HOUSE BILL NO. 5546

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending the title and sections 2, 3, 4, 6, 7, 8, 9, 9a, 10, 12,
13, 14, 15, 16, 17, 18, 19, 19a, 20, 21, 22, 23, 24, 25, 26, 27,
28, 29, and 32 (MCL 431.302, 431.303, 431.304, 431.306, 431.307,
431.308, 431.309, 431.309a, 431.310, 431.312, 431.313, 431.314,
431.315, 431.316, 431.317, 431.318, 431.319, 431.319a, 431.320,
431.321, 431.322, 431.323, 431.324, 431.325, 431.326, 431.327,
431.328, 431.329, and 431.332), sections 2 and 4 as amended by 2006
PA 445, sections 7, 9, 10, and 12 as amended by 2000 PA 164,
section 9a as added by 1997 PA 73, sections 14, 17, and 18 as
amended and section 19a as added by 1998 PA 408, section 16 as
amended by 2005 PA 7, and section 20 as amended by 2006 PA 185; and
to repeal acts and parts of acts.

House Bill No. 5546 (H-1) as amended November 8, 2012

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to license and regulate ~~the conducting of~~ horse race meetings in this state, ~~with~~ pari-mutuel wagering on the results of horse races, and persons involved in horse racing and pari-mutuel gaming activities at ~~such~~ race meetings; ~~to create the office of racing commissioner; to prescribe the powers and duties of the racing commissioner; to prescribe certain~~ **TO PROVIDE FOR THE** powers and duties of ~~the department of agriculture and the director of the department of agriculture~~ **CERTAIN STATE GOVERNMENTAL OFFICERS AND ENTITIES**; to provide for the promulgation of rules; to ~~provide for the imposition of~~ **IMPOSE** taxes and fees and ~~the disposition~~ **DISPOSE** of revenues; ~~to impose certain taxes;~~ to create funds; to legalize and permit the pari-mutuel method of wagering **AND GAMING** on the results of ~~[live and simulcast~~ **HORSE]** races **AND EVENTS** at licensed race meetings in this state; to appropriate the funds derived from pari-mutuel wagering on the results of horse races at licensed race meetings in this state; to prescribe remedies and penalties; **[TO DECLARE THE EFFECT OF THIS ACT;]** and to repeal acts and parts of acts.

Sec. 2. As used in this act:

(a) "Affiliate" means a person who, directly or indirectly, controls, is controlled by, or is under common control with; is in a partnership or joint venture relationship with; or is a co-shareholder of a corporation, co-member of a limited liability company, or co-partner in a limited liability partnership with a person who holds or applies for a race meeting or track license under this act. For purposes of this subdivision, a controlling

1 interest is a pecuniary interest of more than 15%.

2 (b) "Breaks" means the cents over any multiple of 10 otherwise
3 payable to a patron on a wager of \$1.00.

4 (c) "Certified horsemen's organization" means an organization
5 **THAT IS** registered with the office of racing commissioner in a
6 manner and form required by the racing commissioner, **AND** that can
7 demonstrate all of the following:

8 (i) The organization's capacity to supply horses.

9 (ii) The organization's ability to assist a race meeting
10 licensee in conducting the licensee's racing program.

11 (iii) The organization's ability to monitor and improve physical
12 conditions and controls for individuals and horses participating at
13 licensed race meetings.

14 (iv) The organization's ability to protect the financial
15 interests of the individuals participating at licensed race
16 meetings.

17 ~~—— (d) "City area" means a city with a population of 750,000 or~~
18 ~~more and every county located wholly or partly within 30 miles of~~
19 ~~the city limits of the city.~~

20 (D) "COMMISSIONER" OR "RACING COMMISSIONER" MEANS THE
21 EXECUTIVE DIRECTOR OF THE MICHIGAN GAMING CONTROL BOARD APPOINTED
22 UNDER SECTION 4 OF THE MICHIGAN GAMING CONTROL AND REVENUE ACT,
23 1996 IL 1, MCL 432.204, WHO IS ORDERED UNDER EXECUTIVE
24 REORGANIZATION ORDER NO. 2009-31, MCL 324.99919, TO PERFORM ALL THE
25 FUNCTIONS AND EXERCISE THE POWERS PERFORMED AND EXERCISED BY THE
26 RACING COMMISSIONER BEFORE THAT POSITION WAS ABOLISHED.

27 (e) "Controlled substance" means that term as defined in

section 7104 of the public health code, 1978 PA 368, MCL 333.7104.

(f) "Day of operation" means a period of 24 hours beginning at 12 noon and ending at 11:59 a.m. the following day.

(g) "Drug" means any of the following:

(i) A substance intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals.

(ii) A substance, other than food, intended to affect the structure ~~—OR~~ condition ~~—or any~~ ~~A~~ function of the body of humans or other animals.

(iii) A substance intended for use as a component of a substance specified in subparagraph (i) or (ii).

(h) "Fair" means ~~any~~ ~~A~~ county, district, or community fair ~~and any~~ ~~OR A~~ state fair.

(i) "Foreign substance" means a substance, or its metabolites, that does not exist naturally in an untreated horse or, if natural to an untreated horse, exists at an unnaturally high physiological concentration as a result of having been administered to the horse.

(j) "Full card simulcast" means an entire simulcast ~~racine~~ program of 1 or more race meeting licensees **OR EVENTS** located in this state, or an entire simulcast ~~racine~~ program of 1 or more races ~~simulcasted~~ **OR EVENTS SIMULCAST** from 1 or more racetracks ~~located~~ **OR LOCATIONS** outside of this state.

(K) "INTERSTATE SIMULCAST" MEANS A SIMULCAST FROM A RACETRACK OUTSIDE THIS STATE TO A RACETRACK INSIDE THIS STATE.

(I) "INTERTRACK SIMULCAST" MEANS A SIMULCAST FROM 1 RACETRACK IN THIS STATE TO ANOTHER RACETRACK IN THIS STATE.

1 (M) ~~(k)~~—"Member of the immediate family" means the spouse,
2 child, parent, or sibling.

3 (N) "NET COMMISSION" MEANS THE MONEY RETAINED BY THE RACE
4 MEETING LICENSEE FROM PARI-MUTUEL WAGERING UNDER THIS ACT AFTER ALL
5 WINNING WAGERS AND FEES AND TAXES PAID BY THE RACE MEETING LICENSEE
6 ARE DEDUCTED. AS USED IN THIS SUBDIVISION:

7 (i) "FEES AND TAXES" INCLUDES, BUT IS NOT LIMITED TO, BREAKS,
8 SIMULCAST FEES, LICENSING FEES, AND OTHER REGULATORY FEES.

9 (ii) "MONEY RETAINED BY THE RACE MEETING LICENSEE FROM PARI-
10 MUTUEL WAGERING" INCLUDES ANY MONEY PAID BY PARTICIPANTS TO ENGAGE
11 IN PARI-MUTUEL WAGERING, INCLUDING A FEE TO PARTICIPATE IN A PARI-
12 MUTUEL CARD GAME.

13 (iii) "WINNING WAGERS" INCLUDES PAYMENTS BY THE RACE MEETING
14 LICENSEE IN THE FORM OF CASH, PRIZES, AWARDS, OR OTHER THINGS OF
15 VALUE.

16 (O) "OFFICE OF THE RACING COMMISSIONER" MEANS THE HORSE RACING
17 SECTION OF THE HORSE RACING, AUDIT, AND GAMING TECHNOLOGY DIVISION
18 OF THE MICHIGAN GAMING CONTROL BOARD CREATED UNDER SECTION 4 OF THE
19 MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.204,
20 WHICH OPERATES UNDER THE DIRECTION OF THE EXECUTIVE DIRECTOR OF THE
21 MICHIGAN GAMING CONTROL BOARD, TO WHICH EXECUTIVE REORGANIZATION
22 ORDER NO. 2009-31, MCL 324.99919, TRANSFERRED ALL OF THE AUTHORITY,
23 POWERS, DUTIES, FUNCTIONS, RECORDS, PERSONNEL, PROPERTY, UNEXPENDED
24 BALANCES OF APPROPRIATIONS, ALLOCATIONS, OR OTHER FUNDS OF THE
25 OFFICE OF RACING COMMISSIONER THAT PREVIOUSLY EXISTED UNDER THIS
26 ACT AND THAT WAS ABOLISHED BY THAT EXECUTIVE REORGANIZATION ORDER.

27 (P) "PARI-MUTUEL", "PARI-MUTUEL GAMING ACTIVITIES", AND "PARI-

House Bill No. 5546 (H-1) as amended November 8, 2012

MUTUEL WAGERING" MEAN THE FORM OR SYSTEM OF GAMBLING ON RACES, EVENTS, GAMES, AND ACTIVITIES IN WHICH THE WINNER OR WINNERS DIVIDE THE TOTAL AMOUNT OF MONEY BET, AFTER DEDUCTING ALL COMMISSIONS, FEES, AND TAXES. [PARI-MUTUEL, PARI-MUTUEL GAMING ACTIVITIES, AND PARI-MUTUEL WAGERING ALLOWED UNDER THIS ACT ARE LIMITED TO WAGERING ON THE RESULTS OF HORSE RACES, BUT INCLUDE ALL TECHNOLOGY AND INNOVATIONS RELATED TO HORSE RACES AND WAGERING ON THE RESULTS OF HORSE RACES THAT MAY EXIST NOW OR IN THE FUTURE.] PARI-MUTUEL, PARI-MUTUEL GAMING ACTIVITIES, AND

PARI-MUTUEL WAGERING DO NOT INCLUDE BANKED GAMES IN WHICH THE RACE MEETING LICENSEE IS A PARTICIPANT OR OTHERWISE HOLDS A STAKE IN THE OUTCOME OF THE GAME, OR IN WHICH THE RACE MEETING LICENSEE ESTABLISHES A BANK AGAINST WHICH PARTICIPANTS PLAY. PARI-MUTUEL, PARI-MUTUEL GAMING ACTIVITIES, AND PARI-MUTUEL WAGERING UNDER THIS ACT DO NOT INCLUDE A VIDEO LOTTERY THAT MUST BE AUTHORIZED UNDER THE MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELY LOTTERY ACT, 1972 PA 239, MCL 432.1 TO 432.47 [, OR ANY OTHER LAW OF THIS STATE].

(Q) ~~(I)~~—"Person" means an individual, firm, partnership, corporation, association, or other legal entity.

(R) ~~(m)~~—"Purse pool" means an amount of money allocated or apportioned to pay prizes for horse races and from which OTHER payments may be made ~~to certified horsemen's organizations pursuant to~~ CONSISTENT WITH this act.

(S) "SIMULCAST" MEANS A LIVE TRANSMISSION OF VIDEO AND AUDIO SIGNALS CONVEYING A HORSE RACE HELD EITHER INSIDE OR OUTSIDE THIS STATE TO A LICENSED RACE MEETING IN THIS STATE.

(T) ~~(n)~~—"Veterinarian" means ~~a person~~ AN INDIVIDUAL licensed to practice veterinary medicine under part 188 of the public health code, 1978 PA 368, MCL ~~333.16101~~ 333.18801 to 333.18838, or under a state or federal law applicable to that ~~person~~ INDIVIDUAL.

Sec. 3. ~~The office of racing commissioner is created within the department of agriculture. The racing commissioner has the~~
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1 powers and duties prescribed in this act and shall administer the
 2 ~~provisions of this act. relating to licensing, enforcement, and~~
 3 ~~regulation.~~ The racing commissioner also has those additional
 4 powers necessary and proper to implement and enforce this act, and
 5 to regulate and maintain jurisdiction over the conduct of each
 6 licensed race meeting ~~within~~ **IN** this state ~~where horse races or~~
 7 **SUBJECT TO THIS ACT, AND TO TAKE ANY OTHER ACTIONS NECESSARY TO**
 8 **SUPPORT AND PROMOTE HORSE RACING, SIMULCAST RACES AND EVENTS, AND**
 9 ~~pari-mutuel wagering on the results of horse races is permitted for~~
 10 ~~a stake, purse, prize, share, or reward.~~ **AND PARI-MUTUEL GAMING**
 11 **ACTIVITIES UNDER THIS ACT.**

12 Sec. 4. ~~(1) The racing commissioner shall be appointed for a~~
 13 ~~term of 4 years by the governor by and with the advice and consent~~
 14 ~~of the senate.~~

15 (1) ~~(2)~~ The racing commissioner shall be a resident of this
 16 state and, during his or her term of office, shall not be a
 17 stockholder of, or be directly or indirectly connected with the
 18 conduct or management of, or have any other legal or beneficial
 19 interest in, any of the following:

20 (a) A racetrack, race meeting, or a racing interest,
 21 including, but not limited to, the ownership, breeding, training,
 22 or racing of horses or any vendor, supplier, or distributor of
 23 goods or services to a racetrack, race meeting, or racing
 24 participant licensed under this act.

25 (b) Any **PARI-MUTUEL WAGERING AND PARI-MUTUEL** gaming activity
 26 conducted at ~~any~~ **A** licensed race meeting in this state.

27 (2) ~~(3)~~ The racing commissioner, an employee of the office of

1 the racing commissioner, or a member of the immediate family of the
 2 racing commissioner or of an employee of the office of the racing
 3 commissioner shall not participate in wagering permitted under this
 4 act or conducted by a person or an affiliate of a person licensed
 5 or applying for a license under this act. This subsection does not
 6 apply to wagering that is part of surveillance, security, or other
 7 official duties for the office of the racing commissioner.

8 Sec. 6. (1) ~~The racing commissioner shall receive an annual~~
 9 ~~salary as appropriated by the legislature.~~ The racing commissioner
 10 shall appoint 2 deputy commissioners and 3 state stewards of racing
 11 as special deputies for each licensed race meeting in ~~the~~ **THIS**
 12 **state. THE RACING COMMISSIONER SHALL APPOINT ADDITIONAL DEPUTY**
 13 **COMMISSIONERS OR SPECIAL DEPUTIES AS NECESSARY.** For the purpose of
 14 carrying out this act, the racing commissioner may delegate the
 15 performance of his or her duties to the deputy commissioners or
 16 special deputies. ~~A~~ **AN INDIVIDUAL APPOINTED AS A** deputy
 17 commissioner ~~and~~ **OR** state steward shall take the constitutional
 18 oath of office and may exercise any power granted by the rules of
 19 the racing commissioner promulgated ~~pursuant to~~ **UNDER** this act. A
 20 decision of a deputy commissioner or state steward may be appealed
 21 to the racing commissioner pursuant to the contested case
 22 provisions of the administrative procedures act of 1969, ~~Act No.~~
 23 ~~306 of the Public Acts of 1969, being sections~~ **1969 PA 306, MCL**
 24 **24.201 to 24.328. of the Michigan Compiled Laws.** The racing
 25 commissioner shall employ other personnel as necessary for the
 26 administration of this act within the limits of the appropriations
 27 made by the legislature and subject to civil service rules. The

1 racing commissioner is entitled to the reasonable and necessary
 2 expenses incurred in performing his or her duties prescribed in
 3 this act.

4 (2) The racing commissioner shall keep a record of all
 5 proceedings and preserve all books, maps, documents, and papers
 6 belonging to the racing commissioner or entrusted to the care of
 7 the office of racing commissioner.

8 (3) The racing commissioner shall make an annual report to the
 9 governor before April 15 for the immediately preceding calendar
 10 year. ~~which~~ **THE** report shall include a statement of the racing
 11 commissioner's receipts and disbursements and additional
 12 information and recommendations that the racing commissioner
 13 considers necessary or the governor requires.

14 Sec. 7. (1) The racing commissioner ~~may~~ **SHALL** promulgate rules
 15 pursuant to the administrative procedures act of 1969, 1969 PA 306,
 16 MCL 24.201 to 24.328, for conducting **LIVE** horse racing, **SIMULCAST**
 17 **RACES AND EVENTS, AND** pari-mutuel wagering ~~on horse racing results,~~
 18 ~~and simulcasting~~ **AND PARI-MUTUEL GAMING ACTIVITIES**. The rules
 19 promulgated under this section shall ~~be designed to accomplish~~ **DO**
 20 all of the following:

21 (a) ~~The governing, restricting, approving, or regulating of~~
 22 **GOVERN, RESTRICT, APPROVE, OR REGULATE** horse racing, pari-mutuel
 23 wagering ~~on the results of horse races~~ **AND PARI-MUTUEL GAMING**
 24 **ACTIVITIES**, and simulcasting ~~conducted at~~ **OF RACES AND EVENTS FOR**
 25 licensed race meetings ~~within~~ **IN** this state.

26 (b) ~~The promoting of~~ **PROMOTE** the safety, security, growth, and
 27 integrity of all horse racing, pari-mutuel wagering ~~on the results~~

1 ~~of horse races~~ **AND PARI-MUTUEL GAMING ACTIVITIES**, and simulcasting
2 ~~conducted at~~ **OF RACES AND EVENTS FOR** licensed race meetings ~~within~~
3 **IN** this state.

4 (c) ~~The licensing and regulating of~~ **LICENSE OR REGULATE** each
5 person participating in, or having to do with, ~~pari-mutuel~~ **LIVE**
6 horse racing, ~~and wagering, and simulcasting~~ **OF RACES AND EVENTS,**
7 **PARI-MUTUEL WAGERING AND PARI-MUTUEL GAMING ACTIVITIES** at licensed
8 race meetings ~~within~~ **IN** this state.

9 (D) **PROVIDE A PROCESS BY WHICH RACE MEETING LICENSEES MAY**
10 **REQUEST AND OBTAIN APPROVAL FROM THE RACING COMMISSIONER TO CONDUCT**
11 **AND OFFER TO THE PUBLIC ALL PARI-MUTUEL WAGERING AND PARI-MUTUEL**
12 **GAMING ACTIVITIES CONSISTENT WITH THIS ACT.**

13 (2) Each race meeting licensee shall provide security at all
14 times so as to reasonably ensure the safety of all persons and
15 horses on the grounds, and to protect and preserve the integrity of
16 horse racing, pari-mutuel wagering **AND PARI-MUTUEL GAMING**
17 **ACTIVITIES**, and simulcasting **RACES AND EVENTS** at licensed race
18 meetings. If the racing commissioner determines that additional
19 security is necessary to ensure the safety and integrity of racing,
20 the racing commissioner shall provide supplemental security at each
21 race meeting in areas where occupational licenses are required for
22 admittance.

23 (3) The racing commissioner may issue sanctions including, but
24 not limited to, revocation or suspension of a license, exclusion
25 from racetrack grounds, or a fine of not more than \$25,000.00 for
26 each violation of this act or a rule promulgated under this act
27 committed by a licensee or other person under this act. A sanction

1 issued under this section may be appealed to the racing
2 commissioner. The appeal shall be heard pursuant to the contested
3 case provisions of the administrative procedures act of 1969, 1969
4 PA 306, MCL 24.201 to 24.328.

5 (4) All proposed extensions, additions, modifications, or
6 improvements to the racecourse, roadways, parking lots, buildings,
7 stables, lighting and electrical service, plumbing, public
8 utilities, drainage, totalisator system and equipment, hardware and
9 software for all approved methods of conducting pari-mutuel
10 wagering **AND PARI-MUTUEL GAMING ACTIVITIES**, and security on the
11 grounds of a licensed racetrack owned or leased by a person
12 licensed under this act are subject to the approval of the racing
13 commissioner.

14 (5) The racing commissioner may compel the production of
15 books, records, memoranda, electronically retrievable data, or
16 documents that relate to horse racing, ~~simulcasting~~ **SIMULCAST RACES**
17 **AND EVENTS**, and pari-mutuel wagering ~~conducted~~ **AND PARI-MUTUEL**
18 **GAMING ACTIVITIES** at a licensed race meeting.

19 (6) The racing commissioner at any time may require for cause
20 the removal of any employee or official involved in or having to do
21 with horse racing, ~~simulcasting~~ **A SIMULCAST RACE OR EVENT**, or pari-
22 mutuel wagering ~~conducted~~ **AND PARI-MUTUEL GAMING ACTIVITIES** at a
23 licensed race meeting.

24 (7) The racing commissioner may visit, investigate, and place
25 auditors and other persons as the racing commissioner considers
26 necessary in the offices, racetracks, or places of business of a
27 licensee under this act to ensure compliance with this act and the

1 rules promulgated under this act.

2 (8) The racing commissioner may summon witnesses and
 3 administer oaths or affirmations to exercise and discharge his or
 4 her powers and duties under this act. A person failing to appear
 5 before the racing commissioner at the time and place specified in a
 6 summons from the racing commissioner or refusing to testify,
 7 without just cause, in answer to a summons from the racing
 8 commissioner is guilty of a misdemeanor punishable by a fine of not
 9 more than \$1,000.00, or imprisonment for not more than 6 months, or
 10 both, and may also be sanctioned by the racing commissioner. A
 11 person testifying falsely to the racing commissioner or his or her
 12 authorized representative while under oath is guilty of a felony
 13 punishable by a fine of not more than \$10,000.00 or imprisonment
 14 for not more than 4 years, or both, and may also be sanctioned by
 15 the racing commissioner.

16 Sec. 8. ~~(1)~~ The racing commissioner may issue the following
 17 general classes of licenses:

18 (a) Occupational licenses issued to individuals participating
 19 in, involved in, or otherwise having to do with horse racing, pari-
 20 mutuel wagering **AND PARI-MUTUEL GAMING ACTIVITIES**, or simulcasting
 21 ~~at RACES AND EVENTS FOR~~ a licensed race meeting in this state.

22 (b) Race meeting licenses issued annually for the succeeding
 23 year to ~~a person~~ **PERSONS** to conduct live horse racing, simulcasting
 24 **OF RACES AND EVENTS**, and pari-mutuel wagering ~~on the results of~~
 25 ~~live and simulcast horse races at a~~ **AND PARI-MUTUEL GAMING**
 26 **ACTIVITIES FOR** licensed race meeting ~~meetings~~ **MEETINGS** in this state
 27 ~~pursuant to and in accordance with the provisions of~~ **UNDER** this

1 act.

2 (c) Track licenses issued to ~~a person~~ **PERSONS** to maintain or
3 operate ~~a racetrack~~ **RACETRACKS** at which 1 or more race meeting
4 licensees may conduct licensed race meetings in this state.

5 ~~—— (2) The racing commissioner shall not issue a race meeting~~
6 ~~license to a person if the person is licensed to conduct a licensed~~
7 ~~race meeting at another licensed racetrack within a city area and~~
8 ~~the person has a controlling interest in or co ownership of the~~
9 ~~other licensed racetrack within the city area.~~

10 Sec. 9. ~~(1) The racing commissioner shall issue, without~~
11 ~~further application, a track license to any person holding a valid~~
12 ~~track license under former 1980 PA 327, and maintaining or~~
13 ~~operating a licensed horse racetrack as of the effective date of~~
14 ~~this act at which wagering by pari mutuel methods on the results of~~
15 ~~horse racing has been conducted by a race meeting licensee.~~

16 ~~—— (2) A track license, once issued, is valid only as long as the~~
17 ~~annual license fee is paid, or until the track license is~~
18 ~~voluntarily surrendered or is revoked as provided in this act or~~
19 ~~the rules promulgated under this act.~~

20 (1) ON AND AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
21 ADDED THIS SENTENCE, A TRACK LICENSE FOR A RACETRACK WHERE LIVE
22 HORSE RACING WITH PARI-MUTUEL WAGERING UNDER A RACE MEETING LICENSE
23 WAS CONDUCTED IN 2010 IS VALID AND REMAINS VALID UNDER THE TERMS
24 AND REQUIREMENTS OF THIS ACT. A TRACK LICENSE IN EXISTENCE IN 2010
25 FOR A FACILITY THAT DID NOT OFFER LIVE HORSE RACING WITH PARI-
26 MUTUEL WAGERING UNDER A RACE MEETING LICENSE IN 2010 IS INVALID.

27 (2) IF AT ANY TIME THERE ARE FEWER THAN 5 VALID TRACK LICENSES

1 IN THIS STATE, THE RACING COMMISSIONER SHALL ACCEPT APPLICATIONS
 2 FOR NEW TRACK LICENSES FROM ANY PERSON, REGARDLESS OF WHETHER THE
 3 PERSON CONDUCTED LIVE HORSE RACING WITH PARI-MUTUEL WAGERING UNDER
 4 A RACE MEETING LICENSE IN 2010, IF THE APPLICATION IS FOR A LICENSE
 5 FOR A TRACK LOCATED WHERE LIVE HORSE RACING WITH PARI-MUTUEL
 6 WAGERING OCCURRED IN 2010 OR AT LEAST 100 MILES AWAY FROM ANY OTHER
 7 LICENSED TRACK.

8 (3) An applicant for a **NEW** track license **UNDER THIS SECTION**
 9 shall submit an application that is in writing, that demonstrates
 10 to the racing commissioner that the applicant has satisfactory
 11 financial responsibility, that shows the location of the racetrack
 12 or of the proposed racetrack, and that is accompanied by
 13 substantially detailed plans and specifications for the racecourse,
 14 paddock, grandstand, stable barns, racetrack buildings, fences,
 15 electrical service and lighting, plumbing, parking, and other
 16 facilities and improvements. The application shall include the name
 17 and address of the applicant, ~~and, if~~ **THE APPLICANT IS** a
 18 corporation, the place of its incorporation, and any other
 19 information required by the rules promulgated under this act by the
 20 racing commissioner. ~~Upon~~

21 (4) ~~ON the applicant's filing of the~~ **A NEW** application **UNDER**
 22 **THIS SECTION** and the payment of the license fee, the racing
 23 commissioner shall investigate the applicant and the racetrack or
 24 proposed racetrack as the racing commissioner considers necessary.

25 (5) If the racing commissioner determines that ~~the~~ **AN**
 26 applicant **FOR A NEW TRACK LICENSE UNDER THIS SECTION** and the
 27 racetrack satisfy the requirements of this act and the rules

promulgated under this act, the racing commissioner ~~shall~~ **MAY** grant a license for the racetrack, designating in the license the **ADDRESS WHERE AND THE** county or other municipality in which the licensed racetrack ~~shall~~ **WILL** be or is located. ~~If the racing commissioner~~

(6) **THE RACING COMMISSIONER SHALL DENY AN APPLICATION FOR AND SHALL NOT ISSUE A NEW TRACK LICENSE UNDER THIS SECTION IF APPROVING THE APPLICATION WOULD INCREASE THE NUMBER OF VALID TRACK LICENSES IN THIS STATE TO MORE THAN 5 OR WOULD CAUSE HARMFUL COMPETITION BY OR AMONG EXISTING TRACKS. THE RACING COMMISSIONER SHALL DENY A NEW TRACK LICENSE APPLICATION IF HE OR SHE** determines that the applicant or the racetrack, or both, do not comply with this act and the rules promulgated under this act. ~~, the racing commissioner shall deny the license.~~

(7) The action of the racing commissioner in denying a **NEW** track license **UNDER THIS SECTION** may be reviewed by the circuit court pursuant to section 631 of the revised judicature act of 1961, 1961 PA 236, MCL 600.631.

(8) **SUBJECT TO SUBSECTION (1), A TRACK LICENSE IS VALID IF THE ANNUAL LICENSE FEE IS PAID OR UNTIL THE LICENSE IS VOLUNTARILY SURRENDERED OR IS REVOKED AS PROVIDED IN THIS ACT OR THE RULES PROMULGATED UNDER THIS ACT.**

(9) ~~(4)~~ **A VALID** track license may be transferred ~~to a new owner of a racetrack~~ **OR SOLD BY THE LICENSEE** with the consent of the racing commissioner. **THE RACING COMMISSIONER SHALL CONSENT TO THE TRANSFER OR SALE OF A TRACK LICENSE UNLESS THE PERSON SEEKING TO ACQUIRE THE TRACK LICENSE DOES NOT MEET THE REQUIREMENTS FOR A NEW TRACK LICENSE UNDER SUBSECTIONS (2) TO (6). A TRACK LICENSE**

1 TRANSFERRED OR SOLD WITH THE RACING COMMISSIONER'S CONSENT IS
 2 ENTITLED TO ALL PRIVILEGES AND SUBJECT TO ALL REQUIREMENTS
 3 APPLICABLE TO OTHER TRACK LICENSES.

4 (10) ~~(5) After a track license is issued under this section,~~
 5 ~~the~~ **THE** racing commissioner may impose a fine or suspend or revoke
 6 ~~the~~ **A TRACK** license if the holder of the license, after reasonable
 7 notice from the racing commissioner, does not make necessary
 8 improvements, additions, or corrections to the licensed premises,
 9 fixtures, or equipment as **REASONABLY** determined and required by the
 10 racing commissioner ~~;~~ **OR** if the holder of the license violates or
 11 is no longer in compliance with the requirements of this act or the
 12 rules promulgated under this act. ~~;~~ ~~or if the licensed premises are~~
 13 ~~not utilized to conduct a licensed race meeting for 2 consecutive~~
 14 ~~years.~~ In addition to ~~the suspension or revocation of the~~
 15 **SUSPENDING OR REVOKING A** license, the racing commissioner may
 16 impose a fine or bring an action in circuit court seeking an order
 17 of the court requiring the licensee to make reasonable and
 18 necessary racetrack improvements or additions as determined by the
 19 commissioner if the licensee fails to make improvements or
 20 corrections that comply with the applicable construction code or
 21 local ordinances. The action of the racing commissioner in
 22 suspending or revoking a track license shall comply with **AND IS**
 23 **SUBJECT TO** the administrative procedures act of 1969, 1969 PA 306,
 24 MCL 24.201 to 24.328, ~~and shall be subject~~ **INCLUDING THE RIGHT** to
 25 **JUDICIAL** appeal.

26 ~~—— (6) In a city area, not more than 3 racetracks shall be~~
 27 ~~licensed, except that in a city with a population of 900,000 or~~

~~more the racing commissioner may issue 1 additional license.~~

~~—— (7) A person shall not be issued more than 1 track license.~~

~~Controlling ownership and interlocking directorates among the
holders of track licenses are prohibited.~~

~~—— (8) A track license shall not be issued under this section if
the new license would result in harmful competition among existing
racetracks.~~

Sec. 9a. Each holder of ~~the~~ **A** track license shall post a toll-free compulsive gaming helpline number at each entrance and exit of the racetrack and ~~at each location on the racetrack where wagers on horse races are accepted and shall include that number on all~~ **IN PROMINENT PLACES IN OTHER AREAS WHERE PARI-MUTUEL WAGERING AND PARI-MUTUEL GAMING ACTIVITIES ARE ALLOWED. ALL PRINTED advertisement and promotional materials FOR THE TRACK SHALL INCLUDE THE TOLL-FREE COMPULSIVE GAMING HELPLINE NUMBER.**

Sec. 10. (1) A person desiring to conduct ~~a thoroughbred, standardbred, quarter horse, Appaloosa, American paint horse, or Arabian race meeting, or a combination of these race meetings, with pari-mutuel wagering on the results of live and simulcast horse races pursuant to this act~~ **LIVE HORSE RACING, SIMULCASTING OF RACES AND EVENTS, PARI-MUTUEL WAGERING AND PARI-MUTUEL GAMING ACTIVITIES, OR A COMBINATION OF ANY OF THESE ACTIVITIES UNDER A LICENSE ISSUED UNDER SECTION 8(B)** shall apply each year to the racing commissioner for a race meeting license in the manner and form required by the racing commissioner. The application shall be filed with the racing commissioner before September 1 of the preceding year. ~~except that applications for 1999 racing dates may be filed at any time. The~~

1 application, after being filed, shall be made available for public
 2 inspection during regular business hours. The application shall be
 3 in writing and shall give the name and address of the applicant,
 4 and, if the applicant is a corporation or partnership, shall state
 5 the place of the applicant's incorporation or partnership and the
 6 names and addresses of all corporate directors, officers,
 7 shareholders, and partners. The application shall also do all of
 8 the following:

9 (a) Specify the ~~licensed racetrack~~ **FACILITY OF A TRACK**
 10 **LICENSEE** at which the proposed race meeting will be held.

11 (b) Specify ~~whether~~ **THAT** the applicant requests ~~or will~~
 12 ~~request to conduct simulcasting at the proposed race meeting and,~~
 13 ~~if so, demonstrate the applicant's ability to conduct simulcasting~~
 14 ~~in accordance with this act.~~

15 ~~Specify~~ **LIVE HORSE RACING**, the horse breed **OR BREEDS** for
 16 which the applicant desires to conduct live **HORSE** racing at the
 17 proposed race meeting, and the days on which the applicant proposes
 18 to conduct live horse racing at the race meeting.

19 **(C) SPECIFY WHETHER THE APPLICANT REQUESTS OR WILL REQUEST TO**
 20 **CONDUCT OTHER PARI-MUTUEL WAGERING AND PARI-MUTUEL GAMING**
 21 **ACTIVITIES AND SIMULCASTING OF RACES AND EVENTS.**

22 **(D) SPECIFY WHAT PARI-MUTUEL WAGERING WILL BE CONDUCTED ON**
 23 **LIVE HORSE RACING, SIMULCAST RACES AND EVENTS, AND GAMING**
 24 **ACTIVITIES, INCLUDING ANY PARI-MUTUEL WAGERING WITH COMMON, LINKED,**
 25 **OR PROGRESSIVE POOLS.**

26 **(E)** ~~(d)~~ Specify the ~~time~~ period during which the applicant
 27 requests to be licensed during the calendar year immediately

1 following the date of application.

2 (F) FOR AN APPLICANT REQUESTING TO CONDUCT STANDARDBRED
3 RACING, APPLY FOR A MINIMUM OF 50 DAYS OF LIVE RACING. FOR AN
4 APPLICANT REQUESTING TO CONDUCT THOROUGHBRED RACING, APPLY FOR A
5 MINIMUM OF 75 DAYS OF LIVE RACING.

6 (G) SPECIFY THAT THE APPLICANT REQUESTS TO OFFER AT LEAST 9
7 LIVE HORSE RACES ON EACH DAY OF LIVE HORSE RACING ALLOCATED BY THE
8 RACING COMMISSIONER IN THE RACE MEETING LICENSE, UNLESS ANOTHER
9 NUMBER OF LIVE HORSE RACES PER DAY IS SPECIFIED IN THE APPLICANT'S
10 CONTRACT WITH A CERTIFIED HORSEMEN'S ORGANIZATION.

11 (H) ~~(e)~~ Demonstrate to the racing commissioner that the
12 applicant and all persons associated with the applicant who hold
13 any beneficial or ownership interest in the business activities of
14 the applicant or who have power or ability to influence or control
15 the business decisions or actions of the applicant satisfy all of
16 the following requirements:

17 (i) Are persons of good character, honesty, and integrity.

18 (ii) Possess sufficient financial resources and business
19 ability and experience to conduct the proposed race meeting.

20 (iii) Do not pose a threat to the public interest of ~~the~~ **THIS**
21 state or to the security and integrity of horse racing,
22 **SIMULCASTING OF RACES AND EVENTS**, or pari-mutuel wagering ~~on the~~
23 ~~results of horse races~~ **AND PARI-MUTUEL GAMING ACTIVITIES** in the
24 **THIS** state.

25 (I) ~~(f)~~ Provide any other information required by the rules
26 promulgated under this act or by the racing commissioner.

27 (2) Upon the filing of ~~the~~ **AN** application for a race meeting

1 license, the racing commissioner shall conduct an investigation of
2 the applicant and the application to determine whether the
3 applicant, application, and proposed race meeting comply with the
4 licensing requirements under this act and the rules promulgated
5 under this act. ~~Unless a different agreement is reached by all the~~
6 ~~race meeting licensees in a city area, a race meeting licensee~~
7 ~~shall not conduct a live thoroughbred horse race after 6:45 p.m. on~~
8 ~~any day except Sunday. Unless a different agreement is reached by~~
9 ~~all the race meeting licensees in a city area, a race meeting~~
10 ~~licensee shall not conduct a live standardbred horse race before~~
11 ~~6:45 p.m. on any day except Sunday. Notwithstanding the 6:45 p.m.~~
12 ~~time restrictions, the commissioner, upon request by a race meeting~~
13 ~~licensee, may grant to the race meeting licensee a race meeting~~
14 ~~license authorizing any of the following:~~

15 ~~—— (a) The licensee to conduct live horse racing programs that~~
16 ~~would otherwise be prevented by the 6:45 p.m. time restriction, if~~
17 ~~no other race meeting in a city area is licensed or authorized to~~
18 ~~conduct live horse racing at the same time the licensee proposes to~~
19 ~~conduct the requested live horse racing programs.~~

20 ~~—— (b) Waiver of the 6:45 p.m. time restriction pursuant to the~~
21 ~~written agreement of all race meeting licensees in the city area.~~

22 ~~—— (c) The licensee to conduct live horse racing programs after~~
23 ~~6:45 p.m., if the licensee is not in a city area and is 75 miles or~~
24 ~~more from the nearest race meeting licensee authorized to conduct~~
25 ~~live horse racing.~~ **IF THE RACING COMMISSIONER DETERMINES THAT THE**
26 **APPLICANT, APPLICATION, AND PROPOSED RACE MEETING COMPLY WITH THE**
27 **LICENSING REQUIREMENTS OF THIS ACT AND THE RULES PROMULGATED UNDER**

1 THIS ACT, THE RACING COMMISSIONER SHALL ISSUE THE RACE MEETING
2 LICENSE. THE RACING COMMISSIONER SHALL NOT DENY A RACE MEETING
3 LICENSE OR RESTRICT THE LAWFUL ACTIVITIES AVAILABLE UNDER A RACE
4 MEETING LICENSE BECAUSE LIVE RACING CANNOT BE OFFERED OR AUTHORIZED
5 FOR A REASON ALLOWED UNDER THIS ACT, THE RULES PROMULGATED UNDER
6 THIS ACT, OR AN ORDER OF THE RACING COMMISSIONER. HOWEVER, A RACE
7 MEETING LICENSEE SHALL HAVE A CONTRACT WITH A CERTIFIED HORSEMEN'S
8 ORGANIZATION DURING ANY YEAR IN WHICH THE RACE MEETING LICENSEE
9 DOES NOT CONDUCT LIVE HORSE RACING.

10 (3) A RACE MEETING LICENSEE MAY CONDUCT LIVE RACING OF ANY
11 BREED OR BREEDS OF HORSE NAMED IN SECTION 20 AND ANY COMBINATION OF
12 OTHER ACTIVITIES PERMITTED UNDER THIS ACT.

13 Sec. 12. ~~(1) Each applicant for a thoroughbred, quarter horse,~~
14 ~~Appaloosa, American paint horse, or Arabian license in a county~~
15 ~~located outside of a city area shall apply to conduct at least 45~~
16 ~~days of live thoroughbred, quarter horse, Appaloosa, American paint~~
17 ~~horse, or Arabian horse racing during its race meeting. Except~~
18 ~~during the opening and closing week of a race meeting, the~~
19 ~~applicant shall apply to conduct live racing at least 3 days per~~
20 ~~week, including Saturdays and Sundays, with not less than 9 live~~
21 ~~horse races programmed, and shall conduct live racing programs on~~
22 ~~such days allocated by the racing commissioner.~~

23 ~~—— (2) Each applicant for a thoroughbred, quarter horse,~~
24 ~~Appaloosa, American paint horse, or Arabian race meeting license in~~
25 ~~a city area shall apply to conduct at least 160 days of live~~
26 ~~thoroughbred, quarter horse, Appaloosa, American paint horse, or~~
27 ~~Arabian horse racing during its proposed race meeting. Except~~

~~during the opening and closing week of a race meeting, the applicant shall apply to conduct live racing at least 5 days per week, including Saturdays and Sundays, with not less than 9 live horse races programmed, and shall conduct live racing programs on such days allocated by the racing commissioner.~~

~~—— (3) Each applicant for a standardbred race meeting license in a county having a population of less than 250,000 and that is not part of a city area shall apply to conduct at least 75 days of live standardbred harness horse racing during its proposed race meeting.~~

~~Except during the opening and closing week of a race meeting, the applicant shall apply to conduct live horse racing at least 4 days per week, including Saturdays, with not less than 9 live horse races programmed, and shall conduct live racing programs on such days awarded.~~

~~—— (4) Each applicant for a standardbred race meeting license in a county having a population greater than 250,000 but less than 750,000 and that is not part of a city area shall apply to conduct at least 100 days of live standardbred harness horse racing during its proposed race meeting. Except during the opening and closing week of a race meeting, the applicant shall apply to conduct live racing at least 4 days per week, including Saturdays, with not less than 9 live horse races programmed, and shall conduct live racing programs on such days awarded.~~

~~—— (5) Each applicant for a standardbred race meeting license in a city area shall apply to conduct during its race meeting no less than the following number of live racing days:~~

~~—— (a) The race meeting applicant with the highest pari mutuel~~

~~handle in the previous calendar year shall apply for no less than 140 days of live racing and the applicant shall apply to conduct live racing at least 5 days per week, including Saturdays, with not less than 9 live horse races programmed and shall conduct live racing programs on the days awarded.~~

~~—— (b) All other applicants shall apply for not less than an aggregate total of at least 120 days of live racing and the applicants shall apply to conduct live racing at least 5 days per week, including Saturdays, with not less than 9 live horse races programmed and shall conduct live racing programs on the days awarded.~~

~~—— (6) If a race meeting licensee is unable to program and conduct 9 live horse races on any racing date that the commissioner allocates to the licensee because there are less than 5 entries in any race, the licensee shall not conduct any simulcasting on that day without the written consent of the certified horsemen's organization with which it has a contract.~~

(1) ~~(7)~~ If a race meeting licensee is unable to conduct **LIVE HORSE** racing on any live racing dates allocated to the licensee by the racing commissioner or ~~less than 9~~ **CANNOT CONDUCT THE NUMBER OF** live horse races ~~on any~~ **PER** allocated **DAY OF** live **HORSE** racing ~~dates~~ **REQUIRED BY THE RACE MEETING LICENSE** because of a labor dispute, **A** fire, adverse weather conditions, or ~~other causes~~ **ANOTHER CAUSE** beyond the race meeting licensee's control, ~~then the~~ race meeting licensee is considered to have conducted those races or race days for purposes of this act. ~~and is not precluded from conducting any simulcasts because of the licensee's inability to~~

~~conduct those live races or race dates.~~ **THE RACE MEETING LICENSEE SHALL MAKE A GOOD-FAITH EFFORT TO RESCHEDULE LIVE HORSE RACES ON ALLOCATED LIVE RACING DATES NOT HELD FOR 1 OF THE REASONS DESCRIBED IN THIS SECTION UNLESS RESCHEDULING IS IMPRACTICABLE.**

(2) ~~(8)~~—Intertrack simulcast races **AND EVENTS** that a race meeting licensee contracts to receive from other racetracks that are canceled for any of the reasons described in subsection ~~(7)~~ **(1)** shall be considered to be offered to the public for purposes of this act.

(3) ~~(9)~~—If an entire **LIVE HORSE** race meeting or the balance of a **LIVE HORSE** race meeting and **LIVE HORSE** racing dates allocated to a licensee cannot be raced due to an act of God or significant physical damage to the licensed racetrack at which the race meeting was licensed to be conducted caused by fire or some other catastrophe, the racing commissioner may transfer those **LIVE HORSE RACING** dates to another race meeting licensee upon application of the substitute licensee if the substitute licensee satisfies the requirements for licensure under this act and demonstrates that it has or will have a legal or contractual right to the use of a different licensed racetrack facility on the racing dates in question, and **IF** all race meeting licensees that will be conducting live **HORSE** racing on ~~such~~ **THOSE** dates within 50 miles of the substitute racetrack consent to the transfer.

Sec. 13. (1) A race meeting licensee shall have a current written contract with a certified horsemen's organization before it may conduct live **HORSE RACING** or simulcast horse ~~races with pari-mutuel wagering on the results of the races pursuant to~~ **RACING**

1 UNDER its license.

2 ~~—— (2) The racing commissioner shall register and certify all~~
3 ~~certified horsemen's organizations that had contracts with race~~
4 ~~meeting licensees in this state in 1995 or 1994 for the conduct of~~
5 ~~pari mutuel racing at race meetings in this state during 1994 or~~
6 ~~1995, and their successors or assigns as certified horsemen's~~
7 ~~organizations for purposes of this act. The racing commissioner~~
8 ~~shall also accept any current contracts that these certified~~
9 ~~horsemen's organizations have with race meeting licensees as~~
10 ~~complying with the requirements of subsection (1) for the term of~~
11 ~~the contract.~~

12 (2) EXCEPT AS PROVIDED IN SECTION 18, A CERTIFIED HORSEMEN'S
13 ORGANIZATION MAY USE ITS OWN HORSEMEN'S PURSE POOL MONEY TO PAY FOR
14 ALL OF THE FOLLOWING:

15 (A) ITS REASONABLE ANNUAL EXPENSES.

16 (B) PURSES FOR LIVE HORSE RACES AT THE TRACK WHERE THE RACE
17 MEETING LICENSEE WITH WHICH IT HAS A CONTRACT OPERATES.

18 (C) COSTS OF REGULATION BY THE RACING COMMISSIONER AT THE
19 RACETRACK WHERE THE RACE MEETING LICENSEE WITH WHICH IT HAS A
20 CONTRACT OPERATES.

21 (3) AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
22 THIS SUBSECTION, A CERTIFIED HORSEMEN'S ORGANIZATION MAY ALSO PAY
23 OR DISBURSE PURSE POOL MONEY DIRECTLY TO THE RACE MEETING LICENSEE
24 WITH WHICH THE CERTIFIED HORSEMEN'S ORGANIZATION HAS A CONTRACT FOR
25 PURPOSES EXPRESSLY ALLOWED UNDER THIS ACT, RULES PROMULGATED UNDER
26 THIS ACT, OR AN ORDER OF THE RACING COMMISSIONER AND ACCORDING TO
27 THE TERMS AND CONDITIONS OF A WRITTEN CONTRACT WITH THE RACE

1 MEETING LICENSEE.

2 (4) THE RACING COMMISSIONER SHALL CERTIFY A HORSEMAN'S
3 ORGANIZATION BIANNUALLY IF THE HORSEMAN'S ORGANIZATION DEMONSTRATES
4 THAT IT MEETS THE DEFINITION OF A CERTIFIED HORSEMAN'S ORGANIZATION
5 IN SECTION 2 AND IT SUBMITS DOCUMENTATION THAT IT HAS PROVIDED THE
6 CONSENTS REQUIRED BY THE INTERSTATE HORSE RACING ACT OF 1978, 15
7 USC 3001 TO 3007, TO ALLOW SIMULCAST HORSE RACING AND INTERSTATE
8 OFF-TRACK WAGERING ON SIMULCAST HORSE RACING CONSISTENT WITH THIS
9 ACT AT ALL LICENSED RACE MEETINGS IN THIS STATE THAT HAVE BEEN
10 LICENSED TO OFFER SIMULCAST HORSE RACING.

11 (5) THE RACING COMMISSIONER'S DECISION NOT TO CERTIFY A
12 HORSEMAN'S ORGANIZATION OR TO REVOKE ITS CERTIFICATION IS SUBJECT
13 TO REVIEW UNDER THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA
14 306, MCL 24.201 TO 24.328, AND TO APPEAL TO THE CIRCUIT COURT.

15 (6) A HORSEMAN'S PURSE POOL MAY BE AUDITED BY THE RACING
16 COMMISSIONER, THE CERTIFIED HORSEMAN'S ORGANIZATION THAT
17 ESTABLISHES AND MAINTAINS THE PURSE POOL, AND THE RACE MEETING
18 LICENSEE THAT PROVIDES MONEY FOR THE PURSE POOL. THE RACING
19 COMMISSIONER MAY ORDER AN ACCOUNTING, RESTITUTION, AND
20 REDISTRIBUTION OF MONEY HANDLED IN A MANNER INCONSISTENT WITH THIS
21 ACT. THE CERTIFIED HORSEMAN'S ORGANIZATION AND THE RACE MEETING
22 LICENSEE MAY SEEK ANY REMEDY AVAILABLE IF PURSE POOL MONEY IS
23 HANDLED IN A MANNER INCONSISTENT WITH THIS ACT.

24 Sec. 14. (1) ~~Except as provided in subsection (8), before~~
25 BEFORE November 1 of the year preceding the year for which
26 applications are made, the racing commissioner shall grant or deny
27 each application for a race meeting license ~~—AND~~ allocate or deny

~~the dates, for which application has been made, on which pari-~~
~~mutuel wagering on live races may be conducted at each licensed~~
~~race meeting in this state, and shall also determine whether the~~
~~applicant may simulcast under section 18~~ **ANY LIVE HORSE RACING**
DATES REQUESTED IN THE APPLICATION FOR THE LICENSE. IN GRANTING THE
RACE MEETING LICENSE, THE RACING COMMISSIONER SHALL ALSO AUTHORIZE
THE CONDUCT OF ANY OTHER PARI-MUTUEL WAGERING AND PARI-MUTUEL
GAMING ACTIVITIES, INCLUDING SIMULCASTING AND COMMON, LINKED, OR
PROGRESSIVE POOL WAGERING, AS REQUESTED BY THE APPLICANT during the
 calendar year for which the license is issued. The racing
 commissioner may grant a race meeting license for any time period
 up to 1 year. ~~during which the licensee may conduct live and~~
~~simulcast horse races with pari mutuel wagering on the results of~~
~~such races.~~

~~—— (2) Subject to section 12(7), all simulcasting authorized by~~
~~the racing commissioner shall be conditioned upon the holder of the~~
~~license conducting at least 9 live horse races on each live racing~~
~~date allocated in the holder's race meeting license, unless this~~
~~requirement is waived in writing by both the racing commissioner~~
~~and the certified horsemen's organization with which the licensee~~
~~has contracted.~~

(2) (3) The racing commissioner shall not issue a race meeting
 license to ~~an organization~~ **A PERSON** organized for a charitable
 purpose or organized for the purpose of distributing its profits or
 income to charitable organizations.

(3) (4) Except as provided in section 12(7), ~~(8), and (9)~~ **12**,
 if after the issuance of a race meeting license ~~, the racing~~

1 commissioner determines upon further investigation that the holder
 2 of a race meeting license has not met, or will be unable to meet,
 3 the requirements of the license ~~the~~ the racing commissioner may
 4 impose a fine or suspend or revoke the race meeting license, or
 5 both, for all or part of the remainder of the time period for which
 6 the license was granted. Before making the required determination
 7 to impose a fine or suspend or revoke a race meeting license under
 8 this subsection, the racing commissioner shall consider whether the
 9 race meeting licensee's inability or failure to meet the
 10 requirements of its license is due to a cause beyond the control of
 11 the race meeting licensee.

12 (4) ~~(5)~~ Any action taken by the racing commissioner under
 13 subsection ~~(4)~~ shall become effective **(3) TAKES EFFECT** 10 days
 14 after the holder of the race meeting license ~~has received~~ **RECEIVES**
 15 written notice unless the commissioner finds that the public
 16 health, safety, or welfare requires emergency action and immediate
 17 effect of the commissioner's order.

18 (5) ~~(6)~~ A denial of a race meeting license under subsection
 19 ~~(3)~~ **(2)** may be appealed **DIRECTLY** to the circuit court for judicial
 20 review pursuant to section 631 of the revised judicature act of
 21 1961, 1961 PA 236, MCL 600.631. A suspension or revocation of a
 22 race meeting license may be appealed pursuant to the administrative
 23 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

24 (6) ~~(7)~~ Each applicant issued a race meeting license **LICENSEE**
 25 shall maintain an interest bearing account used exclusively for
 26 deposit of all ~~funds~~ **MONEY** due horsemen's purse pools under this
 27 act. All ~~funds~~ **MONEY** due to this account shall be deposited within

1 a reasonable time after receipt by the race meeting licensee. The
2 name of the depository and the identification number of the account
3 shall be designated in each race meeting license application and
4 all interest earned by the account shall be credited to the purse
5 pool and deposited in the account.

6 ~~— (8) The November 1 deadline provided in subsection (1) does~~
7 ~~not apply to 1999 thoroughbred race meeting dates. The racing~~
8 ~~commissioner may issue 1999 thoroughbred race meeting dates at any~~
9 ~~time.~~

10 Sec. 15. (1) Before March 31 of each year, each holder of a
11 race meeting or track license shall file with the racing
12 commissioner a certified statement of receipts from all sources
13 during the previous calendar year and of all expenses and
14 disbursements, itemized in a manner and on a standardized form as
15 directed by the state treasurer, showing the net revenue from all
16 sources derived by the holder of the license. These certified
17 financial statements ~~shall be considered~~ **ARE** public records and
18 **SHALL BE** made available for public inspection during regular
19 business hours. The certified financial statements submitted shall
20 be prepared by a certified public accountant in accordance with
21 generally accepted accounting and auditing standards as promulgated
22 by the American institute of certified public accountants. The
23 working papers and other records pertaining to preparation of the
24 financial statements may be reviewed by the state treasurer and the
25 racing commissioner and shall be promptly provided to them by the
26 holders of the race meeting license upon their request.

27 (2) On the first day other than Sunday after each day of

operation, each holder of a race meeting license shall remit the money due to the state or other entities under this act at the close of the day of operation with a detailed statement of that money as required by this act and the rules promulgated under this act.

~~(3) A person shall not hold or conduct, or assist, aid, or abet in holding or conducting a race meeting within the state where live or simulcast horse races with pari mutuel wagering on the results of horse racing for a stake, purse, prize, share, or reward is conducted, unless the person and the racetrack at which the gaming activity is conducted are licensed by the racing commissioner.~~

Sec. 16. (1) Each person participating in or having to do with ~~pari mutuel horse racing~~, **SIMULCASTING OF RACES OR EVENTS**, or pari-mutuel wagering ~~on the results of horse races~~ **AND PARI-MUTUEL GAMING ACTIVITIES** at a licensed race meeting **UNDER THIS ACT**, including, but not limited to, all racing officials, veterinarians, pari-mutuel clerks or tellers, totalisator company employees, security guards, timers, horse owners, jockeys, drivers, apprentices, exercise riders, authorized agents, trainers, grooms, valets, owners of stables operating under an assumed name, jockey agents, pony riders, hot walkers, blacksmiths, starting gate employees, owners and operators of off-track training centers, farms or stables where racehorses are kept, ~~and vendors operating within the barn area of a licensed racetrack or off-track training center, farm, or stable where racehorses are kept~~, **OR VENDORS OPERATING WHERE PARI-MUTUEL WAGERING AND PARI-MUTUEL GAMING**

1 **ACTIVITIES ARE ALLOWED** may be licensed by the racing commissioner
 2 pursuant to rules promulgated by the racing commissioner under this
 3 act. The racing commissioner shall not issue an occupational
 4 license to a person who, within the 6 years immediately preceding
 5 the date of the person's application for the occupational license,
 6 was convicted of a felony involving theft, dishonesty,
 7 misrepresentation, fraud, corruption, drug possession, delivery, or
 8 use, or other criminal misconduct that is related to the person's
 9 ability to and the likelihood that the person will perform the
 10 functions and duties of the ~~racing-related~~ occupation for which the
 11 person seeks to be licensed and participate in ~~pari-mutuel horse~~
 12 ~~racing in~~ that licensed occupation in a fair, honest, open, and
 13 lawful manner. The racing commissioner shall not issue a ~~pari-~~
 14 ~~mutuel~~ **AN** occupational license to a person who, within 2 years
 15 immediately preceding the date of the person's application for the
 16 occupational license, was convicted of a misdemeanor involving
 17 theft, dishonesty, misrepresentation, fraud, corruption, drug
 18 possession, delivery, or use, or other criminal misconduct that is
 19 related to the person's ability to and the likelihood that the
 20 person will perform the functions and duties of the ~~racing-related~~
 21 occupation for which the person seeks to be licensed and
 22 participate in ~~pari-mutuel horse racing in~~ that licensed occupation
 23 in a fair, honest, open, and lawful manner.

24 (2) A veterinarian is not required to be licensed under this
 25 act to provide necessary and appropriate emergency veterinary care
 26 or treatment to ~~any~~ **A** horse that is intended to be entered, is
 27 entered, or participates in a race with wagering by pari-mutuel

1 methods or a nonbetting race or workout conducted at a licensed
 2 race meeting in this state. ~~For purposes of this section,~~
 3 ~~"emergency veterinary care or treatment" means care or treatment~~
 4 ~~necessary and appropriate to save the life of a horse or prevent~~
 5 ~~permanent physical injury or damage to a horse in a situation~~
 6 ~~requiring immediate veterinary action. Only veterinarians A~~
 7 **VETERINARIAN** licensed under this act may provide nonemergency
 8 veterinary care or treatment to a horse in this state that is
 9 intended to be entered, is entered, or participates in races at
 10 licensed race meetings in this state. Only ~~persons~~ **AN INDIVIDUAL**
 11 licensed under this act or otherwise authorized by the racing
 12 commissioner may enter the restricted grounds of a licensed race
 13 meeting where horses ~~are kept~~ that are eligible to race at the race
 14 meeting **ARE KEPT**. For the purposes of this section and sections 30
 15 and 31, a horse ~~that is intended to be entered is a horse that has~~
 16 ~~its~~ **IN A RACE IF THE HORSE'S** name **IS** put into the draw for a ~~that~~
 17 specific race ~~, and a horse that is entered in a race is a~~ **IF THE**
 18 horse ~~that~~ has been drawn into a ~~that~~ specific race. **AS USED IN**
 19 **THIS SUBSECTION, "EMERGENCY VETERINARY CARE OR TREATMENT" MEANS**
 20 **CARE OR TREATMENT NECESSARY AND APPROPRIATE TO SAVE THE LIFE OF THE**
 21 **HORSE OR PREVENT PERMANENT PHYSICAL INJURY OR DAMAGE TO THE HORSE**
 22 **IN A SITUATION REQUIRING IMMEDIATE VETERINARY ACTION.**

23 (3) As conditions precedent to being issued and holding a
 24 valid ~~pari-mutuel~~ occupational license **UNDER THIS ACT**, a license
 25 applicant shall disclose, in writing, any ownership interest that
 26 the applicant has in a racehorse and provide any other information
 27 the racing commissioner considers necessary and proper and proof of

1 compliance with the worker's disability compensation act of 1969,
2 1969 PA 317, MCL 418.101 to 418.941, except that the proof of
3 compliance requirement does not apply to horse owners and trainers
4 not covered under section 115 of the worker's disability
5 compensation act of 1969, 1969 PA 317, MCL 418.115.

6 (4) In addition to the requirements of subsection (3), an
7 applicant for ~~a pari-mutuel~~ **AN** occupational license **UNDER THIS ACT**
8 shall consent, upon application and for the duration of the
9 occupational license, if issued, to all of the following:

10 (a) Personal inspections, inspections of the applicant's
11 personal property, and inspections of premises and property related
12 to ~~his or her~~ **THE APPLICANT'S** participation in a race meeting by
13 persons authorized by the racing commissioner.

14 (b) If the applicant is applying for a racing official,
15 jockey, driver, trainer, or groom license, or for any other license
16 for an occupation that involves contact with or access to the
17 racehorses or the barn areas or stables where racehorses are kept,
18 a breathalyzer test, urine test, or other noninvasive fluid test to
19 detect the presence of alcohol or a controlled substance, if
20 directed to do so by the racing commissioner or his or her
21 representative. If the results of a test show that an occupational
22 licensee has more than .05% of alcohol in his or her blood, or has
23 present in his or her body a controlled substance, the person shall
24 not be permitted to continue in his or her duties or participate in
25 horse racing until he or she can produce, at his or her own
26 expense, a negative test result. The **RACING COMMISSIONER MAY**
27 **PENALIZE A** licensee ~~may be penalized by the racing commissioner for~~

1 his or her positive test results, ~~which may include~~ **INCLUDING** any
2 disciplinary action authorized by this act or rules promulgated
3 under this act. This subsection does not apply to a controlled
4 substance obtained directly from, or pursuant to a valid
5 prescription from, a licensed health care provider, except that the
6 racing commissioner may consider the person's medical need for
7 prescribed controlled substances in determining the person's
8 fitness to be licensed to participate in ~~pari-mutuel~~ horse racing.
9 The racing commissioner shall suspend for not less than 1 year the
10 license of a person who for the third time in a period of not more
11 than 6 consecutive years is relieved of his or her duties because
12 of this subsection.

13 (5) When applying for an occupational license, an applicant
14 shall provide the racing commissioner with 1 or more sets of his or
15 her fingerprints and the appropriate fees as requested by the
16 racing commissioner. The racing commissioner shall send the
17 applicant's fingerprints and the appropriate fees to either the
18 department of state police or the federal bureau of investigation
19 in a manner acceptable to the federal bureau of investigation. If
20 the fingerprints and fees are sent to the department of state
21 police, the department of state police shall forward the
22 fingerprints and the fees to the federal bureau of investigation
23 for a criminal history check. Information obtained under this
24 subsection shall only be used to determine the character and
25 fitness of the applicant for licensing. ~~purposes.~~

26 (6) A person who is issued a ~~pari-mutuel~~ **AN** occupational
27 license as a trainer is responsible for and absolute insurer of the

1 condition, fitness, eligibility, and qualification of the horses
2 entered to race for the person by whom the trainer is employed,
3 except as prescribed by the rules promulgated ~~by the racing~~
4 ~~commissioner~~ under this act. This subsection shall not be construed
5 or interpreted to determine civil tort liability of any racehorse
6 owner or trainer but shall **ONLY** be ~~for purposes of~~ **USED IN THE**
7 enforcement of this act. ~~only.~~ A trainer shall not start a horse
8 that has in its body a drug or foreign substance unless permitted
9 ~~pursuant to~~ **UNDER** section 30 and the rules promulgated under that
10 section. A trainer is strictly liable and subject to disciplinary
11 action if a horse under the trainer's actual or apparent care and
12 control as trainer has a drug or foreign substance in its body, in
13 violation of section 30 and the rules promulgated under that
14 section.

15 (7) Upon the filing of a written complaint, under oath, in the
16 office of the racing commissioner, or upon the written motion of
17 the racing commissioner regarding the actions or omissions of a
18 person issued a ~~pari-mutuel~~ **AN** occupational license, the racing
19 commissioner may summarily suspend the occupational license of the
20 person for ~~a period of~~ not more than 90 days pending a hearing and
21 final determination by the racing commissioner regarding the acts
22 or omissions complained of in the written complaint or motion, if
23 the commissioner determines from the complaint or motion that the
24 public health, safety, or welfare requires emergency action. The
25 racing commissioner shall schedule the complaint or motion to be
26 heard within 14 business days after the occupational license is
27 summarily suspended and notify the holder of the occupational

1 license of the date, time, and place of the hearing not less than 5
 2 days before the date of the hearing. The hearing shall be conducted
 3 ~~in accordance with the~~ **AS A** contested case ~~provisions of~~ **UNDER** the
 4 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
 5 24.328. The ~~action of the racing commissioner in revoking or~~
 6 ~~suspending a pari-mutuel~~ **REVOCATION OR SUSPENSION OF AN**
 7 occupational license **BY THE RACING COMMISSIONER** may be appealed to
 8 the circuit court pursuant to the administrative procedures act of
 9 1969, 1969 PA 306, MCL 24.201 to 24.328. If the racing
 10 commissioner's order is predicated upon a series of acts, the
 11 review by the circuit court may be in the county in which any of
 12 the alleged acts or failures to act took place.

13 (8) A decision by the racing commissioner, ~~or a deputy~~
 14 commissioner, or **A** state steward of racing to deny an application
 15 for an occupational license may be appealed to the circuit court
 16 and reviewed pursuant to section 631 of the revised judicature act
 17 of 1961, 1961 PA 236, MCL 600.631. ~~A suspension or revocation of an~~
 18 ~~occupational license may be appealed and reviewed pursuant to the~~
 19 ~~administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to~~
 20 ~~24.328.~~

21 (9) ~~Each pari-mutuel~~ **AN** occupational licensee shall pay a
 22 license fee of not less than \$10.00 or more than \$100.00 as
 23 determined by the racing commissioner.

24 Sec. 17. (1) The pari-mutuel system of wagering ~~upon the~~
 25 ~~results of horse races as permitted by this act~~ shall not be held
 26 or construed to be unlawful. All forms of pari-mutuel wagering **AND**
 27 **PARI-MUTUEL GAMING ACTIVITIES** conducted at a licensed race meeting

1 shall be preapproved by the racing commissioner pursuant to rule or
2 written order of the commissioner, **OR IN A LICENSE ISSUED BY THE**
3 **COMMISSIONER, INCLUDING THE USE OF COMMON, LINKED, OR PROGRESSIVE**
4 **POOLS.**

5 (2) A holder of a race meeting license may provide a place in
6 the race meeting grounds, ~~or enclosure,~~ **OR FACILITY AT A LICENSED**
7 **RACETRACK** at which he or she may conduct and supervise the pari-
8 mutuel system of wagering ~~on the results of horse races as~~
9 permitted by this act. If the pari-mutuel system of wagering is
10 used at a race meeting **WITH LIVE OR SIMULCAST HORSE RACING,** a
11 totalisator or other device that is equal in accuracy and clearness
12 to a totalisator and approved by the racing commissioner shall be
13 used **FOR THE LIVE OR SIMULCAST HORSE RACING.** The odds display of
14 the totalisator or other device shall be placed in full view of the
15 patrons.

16 (3) ~~Subject to section 18(3), each~~ **A** holder of a race meeting
17 license shall retain as ~~his or her commission on all forms of~~
18 ~~straight wagering 17% of all money wagered involving straight~~
19 ~~wagers on the results of live and simuleast horse races conducted~~
20 ~~at the licensee's race meetings. Subject to section 18(3), each~~
21 ~~holder of a race meeting license shall retain as his or her~~
22 ~~commission on all forms of multiple wagering, without the written~~
23 ~~permission of the racing commissioner not more than 28% and with~~
24 ~~the written permission of the racing commissioner not more than 35%~~
25 ~~of all money wagered involving any form of multiple wager on the~~
26 ~~results of live and simuleast horse races conducted at the~~
27 ~~licensee's race meeting. Except as otherwise provided by contract,~~

1 ~~50% of all commissions~~ NOT MORE THAN 35% OF ALL MONEY WAGERED ON OR
2 FEES PAID TO PARTICIPATE IN ANY PARI-MUTUEL WAGERING AND PARI-
3 MUTUEL GAMING ACTIVITY UNDER THIS ACT.

4 (4) UNLESS A DIFFERENT PERCENTAGE IS STATED IN A WRITTEN
5 CONTRACT BETWEEN THE RACE MEETING LICENSEE AND A CERTIFIED
6 HORSEMEN'S ORGANIZATION, 50% OF NET COMMISSION from wagering on the
7 results of live HORSE racing at the racetrack where the live HORSE
8 racing was conducted shall be paid to the horsemen's purse pool at
9 the racetrack where the live HORSE racing was conducted. ~~As used in~~
10 ~~this subsection.~~

11 ~~—— (a) "Straight wagering" means a wager made on the finishing~~
12 ~~position of a single specified horse in a single specified race.~~

13 ~~—— (b) "Multiple wagering" means a wager made on the finishing~~
14 ~~positions of more than 1 horse in a specified race or the finishing~~
15 ~~positions of 1 or more horses in more than 1 specified race.~~

16 (5) THE RACING COMMISSIONER MAY REQUEST AND THE RACE MEETING
17 LICENSEE AND THE CERTIFIED HORSEMEN'S ORGANIZATION SHALL PROVIDE
18 INFORMATION CONCERNING ANY COMMISSION RETAINED OR WITHHELD BY THE
19 RACE MEETING LICENSEE AND ANY NET COMMISSION PAID INTO A HORSEMEN'S
20 PURSE POOL.

21 (6) ~~(4)~~ All breaks ON WAGERS PLACED ON LIVE OR SIMULCAST RACES
22 AND EVENTS shall be retained by the race meeting licensee and paid
23 directly to the city or township in which the racetrack is located
24 as a fee for services provided ~~pursuant to~~ UNDER section 21.

25 (7) ~~(5)~~ Payoff prices of tickets FOR WAGERS ON LIVE OR
26 SIMULCAST RACES AND EVENTS of a higher denomination shall be
27 calculated as even multiples of the payoff price for a \$1.00 wager.

Each holder of a race meeting license shall distribute to the persons holding winning tickets, as a minimum, a sum not less than \$1.10 calculated on the basis of each \$1.00 deposited in a pool, except that each race meeting licensee may distribute a sum of not less than \$1.05 to persons holding winning tickets for each \$1.00 deposited in a minus pool. As used in this subsection, "minus pool" means any win, place, or show pool in which the payout would exceed the total value of the pool.

(8) ~~(6) A holder of a race meeting license~~ **LICENSEE** shall not knowingly permit a person less than 18 years of age to be a patron of the pari-mutuel wagering **AND PARI-MUTUEL GAMING ACTIVITIES** conducted or supervised by the ~~holder~~ **LICENSEE**.

(9) ~~(7) Any act or transaction relative to pari-mutuel wagering on the results of live or simulcast horse races shall only occur or be permitted to occur within the enclosure of a licensed race meeting. A person shall not participate or be a party to any act or transaction relative to placing a wager or carrying a wager for placement outside of a race meeting ground. A person shall not provide messenger service for the placing of a bet for another person who is not a patron. However, this subsection~~ **THIS ACT** does not prevent **ACCOUNT WAGERING, ADVANCED DEPOSIT WAGERING,** simulcasting, or intertrack or interstate common pool wagering inside or outside this state as permitted by this act, ~~or the rules promulgated under this act,~~ **OR ORDER OF THE COMMISSIONER.**

Sec. 18. (1) Simulcasting by race meeting licensees may be authorized by the racing commissioner subject to the limitations of this section. ~~As used in this section, "simulcast" means the live~~

~~transmission of video and audio signals conveying a horse race held either inside or outside this state to a licensed race meeting in this state. A simulcast from 1 racetrack in this state to another racetrack in this state shall be called an "intertrack simulcast". A simulcast from a racetrack outside this state to a racetrack inside this state shall be called an "interstate simulcast".~~

(2) The holder of a race meeting license may apply to the racing commissioner, in the manner and form required by the commissioner, for a ~~permit~~ **LICENSE** to televise simulcasts of horse races **AND EVENTS** to viewing areas within the enclosure of the licensed racetrack at which the applicant is licensed to conduct its race meeting. The commissioner may issue a ~~permit~~ **LICENSE** for individual ~~race~~ and full card simulcasts televised during, between, before, or after programmed live horse races on any day that live racing is conducted by the applicant, and also on other days during the term of the applicant's license when the applicant does not conduct live horse racing, subject to the following conditions:

~~—— (a) The applicant shall have a current contract with a certified horsemen's organization.~~

~~—— (b) The applicant shall have applied for and been allocated the minimum number of live racing dates required by section 12(1) to (5), subject to the availability of adequate horse supply as determined by the racing commissioner.~~

~~—— (c) The applicant shall make a continuing good faith effort throughout the duration of its race meeting to program and conduct not less than 9 live horse races on each live racing date allocated to the applicant.~~

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~~1 — (d) The certified horsemen's organization with which the~~
~~2 applicant has contracted shall have consented to the requested~~
~~3 simulcasts on any live racing day when the applicant is unable to~~
~~4 program and conduct not less than 9 live horse races, if required~~
~~5 by section 12(6).~~

6 (A) ~~(e)~~ If the requested simulcasts are interstate **SIMULCAST**
 7 **HORSE RACES**, the applicant ~~shall waive~~ **HAS WAIVED** in writing any
 8 right that the applicant may have under the interstate horse racing
 9 act of 1978, ~~Public Law 95-515, 15 U.S.C. USC~~ 3001 to 3007, to
 10 restrict **THOSE** interstate simulcasts by other race meeting
 11 licensees in this state.

12 (B) ~~(f)~~ If the applicant ~~conducts its race meeting in a city~~
 13 ~~area, the applicant shall make~~ **IF THE APPLICANT TRANSMITS A**
 14 **SIMULCAST SIGNAL OF ITS LIVE HORSE RACES, THE APPLICANT MAKES** the
 15 video and audio signals of its live horse races available for
 16 intertrack simulcasting to all licensed race meetings in this state
 17 located more than 12 miles from the applicant's race meeting. The
 18 applicant ~~shall charge~~

19 [~~each race meeting licensee the same~~
 20 ~~fee to receive its live signals for intertrack simulcasting. The~~
 21 ~~fee shall not exceed 3% of the total amount wagered on the~~
 22 ~~intertrack simulcast at each race meeting that receives the~~
 23 ~~simulcast.~~

24 (C)] THE APPLICANT DOES NOT [CHARGE OR] PAY A FEE [FOR THE]
 25 SIGNAL OF A SIMULCAST HORSE RACE THAT EXCEEDS [5%] OF THE TOTAL
 26 AMOUNT WAGERED ON THE SIMULCAST HORSE RACE UNLESS IT IS A HORSE
 27 RACE WITH A PURSE THAT EXCEEDS \$200,000.00 OR THE HIGHER FEE IS
 [DETERMINED BY THE RACING COMMISSIONER NOT TO BE EXCESSIVE IN COMPARISON
 TO THE AMOUNT OF MONEY EXPECTED TO BE WAGERED ON THE RACE AND IS]

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AUTHORIZED BY AN ORDER OF THE RACING COMMISSIONER.

[(D)] ~~(g) Except as otherwise agreed by the race meeting licensees in a city area and the respective certified horsemen's organizations with which they contract, a licensee in a city area shall receive~~ **THE APPLICANT RECEIVES** all available intertrack simulcasts from licensed race meetings ~~in the city area located~~ more than 12 miles from the licensee's race meeting.

~~—— (h) A licensed race meeting outside a city area shall not conduct interstate simulcasts unless it also receives all intertrack simulcasts from licensed race meetings in a city area that are available.~~

~~—— (i) All applicants conducting licensed race meetings in a city area shall authorize all other race meeting licensees in the state to conduct simulcasts of the breed for which the applicant is licensed to conduct live horse racing. An applicant may not conduct interstate simulcasts unless authorization to do so is given by the applicant, in accordance with subdivision (j), permitting all other race meeting licensees to receive interstate simulcasts of a different breed than they are licensed to race live.~~

~~—— (j) A race meeting licensee shall not conduct an interstate simulcast of a different breed than it is licensed to race live at its race meeting, unless the licensee has the written permission of all race meeting licensees in a city area that are licensed to race that breed live at their race meetings.~~

[(E)] ~~(k) All authorized simulcasts shall be~~ **ARE** conducted in compliance with the ~~written permit~~ **LICENSE** and related orders issued by the racing commissioner and all other requirements and

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1 conditions of this act and the rules of the racing commissioner
2 promulgated under this act.

3 [(F)] ~~(1)~~ All authorized interstate **HORSE RACE** simulcasts shall
4 also comply with the interstate horse racing act of 1978, Public
5 Law 95-15, 15 U.S.C. USC 3001 to 3007.

6 ~~—— (3) All forms of wagering by pari-mutuel methods provided for~~
7 ~~under this act for live racing shall be allowed on simulcast horse~~
8 ~~races authorized under this section. All money wagered on simulcast~~
9 ~~horse races at a licensed race meeting shall be included in~~
10 ~~computing the total amount of all money wagered at the licensed~~
11 ~~race meeting for purposes of section 17. When the simulcast is an~~
12 ~~interstate simulcast, the money wagered on that simulcast shall~~
13 ~~form a separate pari-mutuel pool at the receiving track unless 2 or~~
14 ~~more licensees receive the same interstate simulcast signals or the~~
15 ~~racing commissioner permits the receiving track to combine its~~
16 ~~interstate simulcast pool with the pool created at the out-of-state~~
17 ~~sending track on the same race. If 2 or more licensees receive the~~
18 ~~same interstate simulcast signals, the money wagered on the~~
19 ~~simulcasts shall be combined in a common pool and the licensees~~
20 ~~shall jointly agree and designate at which race meeting the common~~
21 ~~pool will be located. However, if the law of the jurisdiction in~~
22 ~~which the sending racetrack is located permits interstate common~~
23 ~~pools at the sending racetrack, the racing commissioner may permit~~
24 ~~pari-mutuel pools on interstate simulcast races in this state to be~~
25 ~~combined with pari-mutuel pools on the same races created at the~~
26 ~~out-of-state sending racetrack. If the pari-mutuel pools on the~~
27 ~~interstate simulcast races in this state are combined in a common~~

~~pool at the out of state sending track, then the commissions described in section 17 on the pool created in this state shall be adjusted to equal the commissions in effect at the sending track under the laws of its jurisdiction. If the simulcast is an intertrack simulcast, the money wagered on that simulcast at the receiving racetrack shall be added to the pari mutuel pool at the sending racetrack.~~

~~—— (4) Each race meeting licensee that receives an interstate simulcast shall pay to the horsemen's simulcast purse pool established under section 19 a sum equal to 40% of the licensee's net commission from all money wagered on the interstate simulcast, as determined by section 17(3) after first deducting from the licensee's statutory commission the applicable state tax on wagering due and payable under section 22 and the actual verified fee paid by the licensee to the sending host track to receive the interstate simulcast signal. The licensee shall retain the remaining balance of its net commission and shall be responsible for paying all other capital and operational expenses related to receiving interstate simulcasts at its race meeting. Any subsequent rebate of a fee paid by a licensee to receive interstate simulcast signals shall be shared equally by the licensee and the horsemen's simulcast purse pool established under section 19.~~

~~(3) (5) A race meeting licensee licensed to conduct pari-~~
~~mutuel~~ **THAT CONDUCTS LIVE** horse racing in a city area ~~AND TRANSMITS~~
A SIMULCAST SIGNAL OF ITS LIVE HORSE RACES shall provide the
 necessary equipment to send intertrack simulcasts of the live horse
 races conducted at its race meeting to all other race meeting

licensees in this state, and shall send its intertrack simulcast signals to those licensees upon request for an agreed fee **AS A COMMISSION**, which shall not exceed 3% of the total amount wagered on the race at the receiving track. ~~Race meeting licensees that send or receive intertrack simulcasts shall make the following payments to the horsemen's purse pools:~~

~~—— (a) Each race meeting licensee that sends an intertrack simulcast shall pay 50% of the simulcast fee that it receives for sending the simulcast signal to the horsemen's purse pool at the sending track.~~

~~—— (b) Each race meeting licensee that receives an intertrack simulcast shall pay to the horsemen's simulcast purse pool established pursuant to section 19 a sum equal to 40% of the receiving track's net commission from wagering on the intertrack simulcast under section 17(3) after first deducting from the licensee's statutory commission the applicable state tax on wagering due and owing under section 22 and the actual verified fee paid by the receiving track to the sending host track to receive the intertrack simulcast signal.~~ **A RACE MEETING LICENSEE THAT DISTRIBUTES SIMULCAST SIGNALS FOR ANOTHER LICENSEE MAY CHARGE A SEPARATE FEE FOR THAT SERVICE.**

(4) ~~(6)~~ The racing commissioner may authorize a race meeting licensee to transmit simulcasts of live horse races conducted at its racetrack to locations outside of this state in accordance with the interstate horse racing act of 1978, ~~Public Law 95-515, 15 U.S.C.~~ **USC** 3001 to 3007, or any other applicable laws, and may permit pari-mutuel pools on ~~such~~ **THE** simulcast races created under

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1 the laws of the jurisdiction in which the receiving track is
2 located to be combined in a common pool with pari-mutuel pools on
3 the same races created in this state. A race meeting licensee that
4 transmits simulcasts of its races to locations outside this state
5 shall pay 50% of the fee that it receives for sending the simulcast
6 signal to the horsemen's purse pool at the sending track after
7 first deducting the actual ~~verified~~ cost of sending the signal out
8 of state.

9 ~~—— (7) Simulcasting of events other than horse races for purposes~~
10 ~~of pari-mutuel wagering is prohibited.~~

11 (5) EACH RACE MEETING LICENSEE THAT RECEIVES AN INTERSTATE
12 SIMULCAST OR INTERTRACK SIMULCAST SHALL PAY TO THE HORSEMEN'S
13 SIMULCAST PURSE POOL ESTABLISHED UNDER SECTION 19 AN AMOUNT EQUAL
14 TO 40% OF THE LICENSEE'S NET COMMISSION FROM ALL MONEY WAGERED ON
15 THE INTERSTATE SIMULCAST OR INTERTRACK SIMULCAST.

16 (6) A RACE MEETING LICENSEE SHALL PAY TO THE HORSEMEN'S PURSE
17 POOL AT ITS TRACK 15% OF THE NET COMMISSION RETAINED FROM ALL PARI-
18 MUTUEL WAGERING AND PARI-MUTUEL GAMING ACTIVITIES OTHER THAN LIVE
19 HORSE RACING OR SIMULCAST HORSE RACES. THE MONEY PAID TO A
20 HORSEMEN'S PURSE POOL UNDER THIS [SUBSECTION] SHALL BE DISTRIBUTED AND
21 USED AS FOLLOWS:

22 (A) THE CERTIFIED HORSEMEN'S ORGANIZATION SHALL EXPEND 1/15 OF
23 THE MONEY FOR MARKETING AND PROMOTION OF LIVE RACING AT THE TRACK
24 FOR THE RACE MEETING LICENSEE THAT GENERATED THE MONEY.

25 (B) THE CERTIFIED HORSEMEN'S ORGANIZATION SHALL EXPEND 1/15 OF
26 THE MONEY FOR CAPITAL IMPROVEMENTS AT THE TRACK FOR THE RACE
27 MEETING LICENSEE THAT GENERATED THE MONEY BY PAYING FOR THE

1 IMPROVEMENTS DIRECTLY OR BY REIMBURSING THE RACE MEETING LICENSEE
2 FOR THE IMPROVEMENTS. THE RACE MEETING LICENSEE MUST AGREE TO THE
3 CAPITAL IMPROVEMENTS BEING MADE OR PAID FOR AT THE TRACK BY THE
4 CERTIFIED HORSEMEN'S ORGANIZATION.

5 (C) THE CERTIFIED HORSEMEN'S ORGANIZATION SHALL USE 2/15 OF
6 THE MONEY FOR PURSES OR PURSE SUPPLEMENTS FOR MICHIGAN-BRED 2- AND
7 3-YEAR-OLD HORSES THAT RACE AT FAIRS OR PARI-MUTUEL RACETRACKS IN
8 THIS STATE.

9 (D) THE CERTIFIED HORSEMEN'S ORGANIZATION SHALL USE 1/15 OF
10 THE MONEY FOR AWARDS TO BREEDERS OF MICHIGAN-BRED HORSES THAT RACE
11 AT FAIRS OR PARI-MUTUEL RACETRACKS IN THIS STATE.

12 (E) THE REMAINDER OF THE MONEY SHALL BE DISTRIBUTED AND USED
13 AS PROVIDED IN SECTION 13(2).

14 (7) ALL PURSE POOLS AND OTHER ACCOUNTS ESTABLISHED UNDER THIS
15 SECTION MAY BE AUDITED BY THE RACING COMMISSIONER, THE CERTIFIED
16 HORSEMEN'S ORGANIZATION NAMED ON THE ACCOUNT, AND THE RACE MEETING
17 LICENSEE THAT PROVIDES MONEY FOR THE ACCOUNT. THE RACING
18 COMMISSIONER MAY ORDER AN ACCOUNTING, RESTITUTION, AND
19 REDISTRIBUTION OF MONEY HANDLED IN A MANNER INCONSISTENT WITH THIS
20 ACT. THE CERTIFIED HORSEMEN'S ORGANIZATION AND THE RACE MEETING
21 LICENSEE MAY SEEK ANY REMEDY AVAILABLE IF PURSE POOL MONEY IS
22 HANDLED IN A MANNER INCONSISTENT WITH THIS ACT.

23 Sec. 19. (1) All money designated by this act to be paid into
24 the horsemen's simulcast purse pool, shall be deposited in a
25 depository designated by all participating certified horsemen's
26 organizations and distributed by their designated escrow agent as
27 follows:

1 (a) 50% of the ~~funds~~**MONEY** generated from thoroughbred
 2 simulcasts for horsemen's purses and 35% of the ~~funds~~**MONEY**
 3 generated from standardbred simulcasts for horsemen's purses shall
 4 be divided between all thoroughbred purse pools. The division shall
 5 be on a pro rata basis between all thoroughbred race meeting
 6 licensees based upon the percentage of total thoroughbred handle,
 7 from all sources, for the previous calendar year.

8 (b) 50% of the ~~funds~~**MONEY** generated from thoroughbred
 9 simulcasts for horsemen's purses and 65% of the ~~funds~~**MONEY**
 10 generated from standardbred simulcasts for horsemen's purses shall
 11 be divided between all standardbred purse pools. The division shall
 12 be on a pro rata basis between all standardbred race meeting
 13 licensees based upon the percentage of total standardbred handle,
 14 from all sources, for the previous calendar year.

15 (2) The certified horsemen's organizations, ~~and~~ race meeting
 16 licensees, ~~shall have~~**AND RACING COMMISSIONER MAY** audit ~~rights of~~
 17 ~~the funds set forth in~~**MONEY DEPOSITED AND DISTRIBUTED UNDER** this
 18 section. **THE RACING COMMISSIONER MAY ORDER AN ACCOUNTING,**
 19 **RESTITUTION, AND REDISTRIBUTION OF MONEY HANDLED IN A MANNER**
 20 **INCONSISTENT WITH THIS ACT AND TAKE ALL ACTIONS NECESSARY TO**
 21 **REQUIRE THE ESTABLISHMENT OF THE ACCOUNTS NECESSARY FOR THE**
 22 **SIMULCAST PURSE POOL. THE CERTIFIED HORSEMEN'S ORGANIZATIONS AND**
 23 **THE RACE MEETING LICENSEES MAY SEEK ANY REMEDY AVAILABLE AT LAW OR**
 24 **EQUITY IF SIMULCAST PURSE POOL MONEY IS HANDLED IN A MANNER**
 25 **INCONSISTENT WITH THIS ACT.**

26 (3) A PARTICIPATING CERTIFIED HORSEMEN'S ORGANIZATION IS ONLY
 27 ENTITLED TO SIMULCAST PURSE POOL MONEY GENERATED FROM SIMULCAST

1 HORSE RACING DURING A TIME IN WHICH IT HAS A CONTRACT WITH A RACE
2 MEETING LICENSEE THAT OFFERS SIMULCAST HORSE RACING AND IS MAKING
3 THE PAYMENTS REQUIRED BY THIS ACT INTO THE SIMULCAST PURSE POOL.
4 HOWEVER, A CERTIFIED HORSEMEN'S ORGANIZATION IS ENTITLED TO ITS
5 ALLOCATION OF MONEY FROM THE SIMULCAST PURSE POOL FOR
6 ADMINISTRATIVE EXPENSES FOR 1 YEAR AFTER THE EXPIRATION OF A
7 CONTRACT DESCRIBED IN SUBSECTION (4) AND DURING THAT YEAR THE
8 SIMULCAST PURSE POOL MONEY FOR LIVE HORSE RACING PURSES SHALL BE
9 PLACED IN ESCROW AND DISBURSED TO THE CERTIFIED HORSEMEN'S
10 ORGANIZATION IF IT OBTAINS A NEW CONTRACT DESCRIBED IN SUBSECTION
11 (4) .

12 (4) AS USED IN THIS SECTION, "PARTICIPATING CERTIFIED
13 HORSEMEN'S ORGANIZATION" MEANS AN ORGANIZATION CERTIFIED UNDER
14 SECTION 13 THAT HAS A CONTRACT WITH EITHER OF THE FOLLOWING:

15 (A) A RACE MEETING LICENSEE THAT CONDUCTS ITS RACE MEETINGS AT
16 A TRACK LOCATED IN A COUNTY WITH A POPULATION OF LESS THAN 500,000
17 AND THAT OFFERS SIMULCAST HORSE RACING ON AT LEAST 240 DAYS IN A
18 YEAR, OR ON LESS THAN 240 DAYS IF THE CERTIFIED HORSEMEN'S
19 ORGANIZATION AND RACE MEETING LICENSEE AGREE IN WRITING TO DECREASE
20 THE NUMBER OF DAYS AND THE DECREASED NUMBER OF DAYS IS ALSO
21 AUTHORIZED BY THE RACING COMMISSIONER BY ORDER OR IN THE RACE
22 MEETING LICENSE.

23 (B) A RACE MEETING LICENSEE THAT CONDUCTS ITS RACE MEETINGS AT
24 A TRACK LOCATED IN A COUNTY WITH A POPULATION OF MORE THAN 500,000
25 AND THAT OFFERS SIMULCAST HORSE RACING ON AT LEAST 350 DAYS IN A
26 YEAR, OR ON LESS THAN 350 DAYS IF THE CERTIFIED HORSEMEN'S
27 ORGANIZATION AND RACE MEETING LICENSEE AGREE IN WRITING TO DECREASE

1 THE NUMBER OF DAYS AND THE DECREASED NUMBER OF DAYS IS ALSO
2 AUTHORIZED BY THE RACING COMMISSIONER BY ORDER OR IN THE RACE
3 MEETING LICENSE.

4 ~~Sec. 19a. If a thoroughbred track license is surrendered,~~
5 ~~revoked, or escrowed, or after January 1, 1998, a licensed~~
6 ~~thoroughbred track is closed, the racing commissioner shall order~~
7 ~~the deposit of horsemen's purse pool money deposited and~~
8 ~~distributed pursuant to section 19 to a depository designated by a~~
9 ~~race meeting licensee upon written direction of the affected~~
10 ~~certified horsemen's organization regardless of whether there was~~
11 ~~racing at the race meeting licensee's location during the previous~~
12 ~~year.~~

13 (1) IF A TRACK LICENSE OR RACE MEETING LICENSE IS SURRENDERED,
14 REVOKED, OR ESCROWED, THE RACING COMMISSIONER SHALL ISSUE AN ORDER
15 TO PAY, DISTRIBUTE, REALLOCATE, OR REFUND MONEY DUE OR OWING
16 BETWEEN THE AFFECTED LICENSEE AND ITS CERTIFIED HORSEMEN'S
17 ORGANIZATION. THE RACING COMMISSIONER'S ORDER SHALL NOT REALLOCATE
18 OR REFUND MONEY APPROVED FOR THE REASONABLE ANNUAL EXPENSES OF THE
19 AFFECTED LICENSEE'S CERTIFIED HORSEMEN'S ORGANIZATION, MONEY PAID
20 TO THIS STATE FOR REGULATORY COSTS AT THE AFFECTED LICENSEE'S
21 TRACK, OR MONEY ALREADY DISBURSED OR PAYABLE AS PURSES FOR LIVE
22 HORSE RACES ALREADY CONDUCTED AT THE AFFECTED LICENSEE'S RACE
23 MEETING.

24 (2) THE RACING COMMISSIONER SHALL TAKE ALL ACTIONS AND ISSUE
25 ALL ORDERS NECESSARY TO DEAL WITH THE CLOSING OR SUSPENSION OF
26 OPERATIONS BY THE AFFECTED LICENSEE AND MAY COMPEL THE PRODUCTION
27 AND PRESERVATION OF BOOKS, RECEIPTS, AND OTHER INFORMATION THAT MAY

1 BE NECESSARY TO THIS PROCESS.

2 (3) THE ATTORNEY GENERAL MAY INSTITUTE A CIVIL ACTION OR
3 INTERVENE IN ANY ACTION TO ENFORCE AN ORDER ISSUED BY THE RACING
4 COMMISSIONER UNDER THIS SECTION.

5 (4) AS USED IN THIS SECTION, "AFFECTED LICENSEE" MEANS THE
6 TRACK LICENSEE OR RACE MEETING LICENSEE WHOSE LICENSE HAS BEEN
7 SURRENDERED, REVOKED, OR ESCROWED.

8 Sec. 20. (1) It is the policy of this state to encourage the
9 breeding of horses of all breeds in this state and the ownership of
10 such horses by residents of this state to provide for sufficient
11 numbers of high quality race horses of all breeds to participate in
12 licensed race meetings in this state; to promote the positive
13 growth and development of high quality horse racing and other
14 equine competitions in this state as a business and entertainment
15 activity for residents of this state; and to establish and preserve
16 the substantial agricultural and commercial benefits of the horse
17 racing and **HORSE** breeding industry to ~~the~~ **THIS** state. ~~of Michigan.~~
18 It is the intent of the legislature to further this policy by the
19 provisions of this act and annual appropriations to administer this
20 act and adequately fund the agriculture and equine industry
21 programs established by this section.

22 (2) Money **GENERATED UNDER THIS ACT FROM LICENSING FEES, FINES,**
23 **AND THE SIMULCAST HORSE RACING TAX IMPOSED UNDER SECTION 22(3) THAT**
24 **IS** received by **THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT,**
25 the racing commissioner, **THE OFFICE OF RACING COMMISSIONER,** and the
26 state treasurer ~~under this act~~ **SHALL BE USED FIRST TO PAY THE**
27 **ACTUAL COSTS INCURRED BY THE DEPARTMENT OF AGRICULTURE AND RURAL**

1 DEVELOPMENT, THE RACING COMMISSIONER, AND THE OFFICE OF RACING
 2 COMMISSIONER IN CARRYING OUT THEIR DUTIES UNDER THIS ACT AND THEN
 3 TO FUND THE PROGRAMS AS PROVIDED IN SUBSECTIONS (5) TO (11). AT THE
 4 END OF EACH FISCAL YEAR, MONEY GENERATED UNDER THIS ACT FROM
 5 LICENSING FEES, FINES, AND THE SIMULCAST HORSE RACING TAX IMPOSED
 6 UNDER SECTION 22(3) THAT WAS APPROPRIATED FOR AND THAT EXCEEDS THE
 7 ACTUAL COSTS INCURRED BY THE DEPARTMENT OF AGRICULTURE AND RURAL
 8 DEVELOPMENT, THE RACING COMMISSIONER, AND THE OFFICE OF RACING
 9 COMMISSIONER IN CARRYING OUT THEIR DUTIES UNDER THIS ACT shall be
 10 paid promptly into the state treasury and placed in the Michigan
 11 agriculture equine industry development fund created in subsection
 12 (3).

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

18 (4) Money shall not be expended from the Michigan agriculture
 19 equine industry development fund except as appropriated by the
 20 legislature. Money appropriated by the legislature for the Michigan
 21 agriculture equine industry development fund shall be expended by
 22 the director of the department of agriculture **AND RURAL DEVELOPMENT**
 23 with the advice and assistance of the racing commissioner to
 24 provide funding for ~~the general fund as provided in subsection (17)~~
 25 ~~and~~ agriculture and equine industry development programs as
 26 provided in subsections (5) to (11). **HOWEVER, ANY MONEY**
 27 **APPROPRIATED BY THE LEGISLATURE OUT OF THE MICHIGAN AGRICULTURE**

1 EQUINE INDUSTRY DEVELOPMENT FUND TO THE RACING COMMISSIONER OR
 2 OFFICE OF RACING COMMISSIONER SHALL BE ADMINISTERED ONLY BY THE
 3 RACING COMMISSIONER.

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

6 (a) A sum not to exceed 75% of the purses for standardbred
 7 harness horse races offered by fairs and races at licensed pari-
 8 mutuel racetracks. Purse supplements for overnight races at fairs
 9 paid pursuant to ~~UNDER~~ this subsection shall be \$1,000.00. ~~However,~~
 10 ~~if the average purse offered for maiden overnight races of the same~~
 11 ~~breed at any licensed race meeting in this state during the~~
 12 ~~previous year as calculated by the department of agriculture was~~
 13 ~~less than \$1,000.00, purse supplements for overnight races at fairs~~
 14 ~~paid under this subsection shall not exceed that average purse.~~

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

20 (c) A sum to be allotted for paying special purses at fairs
 21 **AND RACES AT WHICH PARI-MUTUEL WAGERING IS CONDUCTED** on 2-year-old
 22 and 3-year-old standardbred harness horses ~~conceived after January~~
 23 ~~1, 1992, and~~ sired by a standardbred stallion registered with the
 24 Michigan department of agriculture **AND RURAL DEVELOPMENT** that was
 25 leased or owned by a resident or residents of this state and that
 26 did not serve a mare at a location outside of this state from
 27 February 1 through July 31 of the calendar year in which the

1 conception occurred. ~~A foal that is born on or after January 1,~~
 2 ~~2002 of a mare owned by a nonresident of this state and that is~~
 3 ~~conceived outside of this state from transported semen of a~~
 4 ~~stallion registered with the Michigan department of agriculture is~~
 5 ~~eligible for Michigan tax supported races only if, in the year that~~
 6 ~~the foal is conceived, the Michigan department of agriculture's~~
 7 ~~agent for receiving funds as the holding agent for stakes and~~
 8 ~~futurities is paid a transport fee as determined by the Michigan~~
 9 ~~department of agriculture and administered by the Michigan harness~~
 10 ~~horsemen's association.~~

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

15 (e) A sum to pay breeders' awards in an amount not to exceed
 16 ~~10%~~ 15% of the gross purse to breeders of Michigan bred
 17 standardbred harness horses for each time the horse wins a race at
 18 a licensed race meeting or fair in this state. As used in this
 19 subdivision, "Michigan bred standardbred harness horse" means a
 20 horse from a mare owned by a resident or residents of this state at
 21 the time of conception, ~~that was conceived after January 1, 1992,~~
 22 ~~and~~ **AND** sired by a standardbred stallion **THAT WAS** registered with
 23 the ~~Michigan~~ department of agriculture ~~that~~ **AND RURAL DEVELOPMENT,**
 24 was leased or owned by a resident or residents of this state, and
 25 ~~that~~ did not serve a mare at a location outside of this state from
 26 February 1 through July 31 of the calendar year in which the
 27 conception occurred. To be eligible, each mare shall be registered

1 with the ~~Michigan~~ department of agriculture **AND RURAL DEVELOPMENT**.

2 A foal that is born on or after January 1, 2002 of a mare owned by
 3 a nonresident of this state and that is conceived outside of this
 4 state from transported semen of a stallion registered with the
 5 ~~Michigan~~ department of agriculture **AND RURAL DEVELOPMENT** is
 6 eligible for Michigan tax-supported races only if, in the year that
 7 the foal is conceived, the ~~Michigan~~ department of agriculture's
 8 **AGRICULTURE AND RURAL DEVELOPMENT'S** agent for receiving ~~funds~~**MONEY**
 9 as the holding agent for stakes and futurities is paid a transport
 10 fee as determined by the ~~Michigan~~ department of agriculture **AND**
 11 **RURAL DEVELOPMENT** and administered by the Michigan harness
 12 horsemen's association.

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

16 (g) A sum to be allotted to pay the presiding judges and
 17 clerks of the course at fairs. Presiding judges and clerks of the
 18 course shall be hired by the fair's administrative body with the
 19 advice and approval of the ~~racine commissioner~~. **DIRECTOR OF THE**
 20 **DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**. The director of
 21 the department of agriculture **AND RURAL DEVELOPMENT** may allot ~~funds~~
 22 **MONEY** for a photo finish system and a mobile starting gate. The
 23 director of the department of agriculture **AND RURAL DEVELOPMENT**
 24 shall allot ~~funds~~**MONEY** for the conducting of tests, the collection
 25 and laboratory analysis of urine, saliva, blood, and other samples
 26 from horses, and the taking of blood alcohol tests on drivers,
 27 jockeys, and starting gate employees, for those races described in

1 this subdivision. The department **OF AGRICULTURE AND RURAL**
 2 **DEVELOPMENT** may require a driver, jockey, or starting gate employee
 3 to submit to a breathalyzer test, urine test, or other noninvasive
 4 fluid test to detect the presence of alcohol or a controlled
 5 substance. If the results of a test show that a person has more
 6 than .05% of alcohol in his or her blood, or has present in his or
 7 her body a controlled substance, the person shall not be permitted
 8 to continue in his or her duties on that race day and until he or
 9 she can produce, at his or her own expense, a negative test result.

10 (h) A sum to pay purse supplements to licensed pari-mutuel
 11 harness race meetings for special 2-, 3-, **AND** 4-year-old filly and
 12 colt horse races.

13 (i) A sum not to exceed 0.25% of all money wagered on live and
 14 simulcast horse races in ~~Michigan~~ **THIS STATE** shall be placed in a
 15 special standardbred sire stakes fund each year, 100% of which
 16 shall be used to provide purses for races run exclusively for 2-
 17 year-old and 3-year-old Michigan sired standardbred horses at
 18 licensed harness race meetings in this state. As used in this
 19 subdivision, "Michigan sired standardbred horses" means
 20 standardbred horses ~~conceived after January 1, 1992 and~~ sired by a
 21 standardbred stallion **THAT WAS** registered with the ~~Michigan~~
 22 department of agriculture ~~that~~ **AND RURAL DEVELOPMENT**, was leased or
 23 owned by a resident or residents of this state, and ~~that~~ did not
 24 serve a mare at a location outside of this state from February 1
 25 through July 31 of the calendar year in which the conception
 26 occurred. A foal that is born on or after January 1, 2002 of a mare
 27 owned by a nonresident of this state and that is conceived outside

1 of this state from transported semen of a stallion registered with
 2 the ~~Michigan~~ department of agriculture **AND RURAL DEVELOPMENT** is
 3 eligible for Michigan tax-supported races only if, in the year that
 4 the foal is conceived, the ~~Michigan~~ department of agriculture's
 5 **AGRICULTURE AND RURAL DEVELOPMENT'S** agent for receiving funds ~~MONEY~~
 6 as the holding agent for stakes and futurities is paid a transport
 7 fee as determined by the ~~Michigan~~ department of agriculture **AND**
 8 **RURAL DEVELOPMENT** and administered by the Michigan harness
 9 horsemen's association.

10 (6) The following amounts shall be paid to thoroughbred
 11 programs:

12 (a) A sum to be allotted thoroughbred race meeting licensees
 13 to supplement the purses for races to be conducted exclusively for
 14 Michigan bred **THOROUGHBRED** horses.

15 (b) A sum to pay awards to owners of Michigan bred
 16 **THOROUGHBRED** horses that finish first, second, or third in races
 17 open to non-Michigan bred **THOROUGHBRED** horses.

18 (c) A sum to pay breeders' awards in an amount not to exceed
 19 ~~10%-15%~~ of the gross purse to the breeders of Michigan bred
 20 thoroughbred horses for each time Michigan bred thoroughbred horses
 21 win at a licensed race meeting in this state.

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

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

1 shall be used to provide purses for races run exclusively for 2-
2 year-old and 3-year-old and older Michigan sired thoroughbred
3 horses at licensed thoroughbred race meetings in this state and
4 awards for owners of Michigan sired horses or stallions. As used in
5 this subdivision, "Michigan sired thoroughbred horses" means
6 thoroughbred horses sired by a stallion registered with the
7 department of agriculture **AND RURAL DEVELOPMENT** that was leased or
8 owned exclusively by a resident or residents of this state and that
9 did not serve a mare at a location outside of this state during the
10 calendar year in which the service occurred.

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

15 (7) The following amounts shall be paid for quarter horse
16 programs:

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

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

21 (c) A sum to pay breeders' awards in an amount not to exceed
22 ~~10%~~ 15% of a gross purse to breeders of Michigan bred quarter
23 horses for each time a Michigan bred quarter horse wins at a county
24 fair or licensed race meeting in this state.

25 (d) A sum to pay for the collection and laboratory analysis of
26 urine, saliva, blood, and other samples from horses and licensed
27 persons and the taking of blood alcohol tests on jockeys for those

1 races described in this subsection and for the conducting of tests
2 described in section 16(4)(b).

3 ~~—— (e) As used in this subsection, "Michigan bred quarter horse"~~
4 ~~means that term as defined in R 285.817.1 of the Michigan~~
5 ~~administrative code. Each mare and stallion shall be registered~~
6 ~~with the director of the department of agriculture.~~

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

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

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

13 (c) A sum to pay breeders' awards in an amount not to exceed
14 ~~10%~~ 15% of the gross purse to the breeders of Michigan bred
15 Appaloosa horses for each time Michigan bred horses win at a fair
16 or licensed race meeting in this state.

17 (d) The department **OF AGRICULTURE AND RURAL DEVELOPMENT** shall
18 also allot sufficient funds from the revenue received from
19 Appaloosa horse racing to pay for the collection and laboratory
20 analysis of urine, saliva, blood, or other samples from horses and
21 licensed persons and the taking of blood alcohol tests on jockeys
22 for those races described in this subsection and for the conducting
23 of tests described in section 16(4)(b).

24 ~~—— (e) As used in this subsection, "Michigan bred Appaloosa~~
25 ~~horse" means that term as defined in R 285.819.1 of the Michigan~~
26 ~~administrative code. Each mare and stallion shall be registered~~
27 ~~with the director of the department of agriculture.~~

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

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

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

6 (c) A sum to pay breeders' awards in an amount not to exceed
7 ~~10%~~ 15% of the gross purse to the breeders of Michigan bred Arabian
8 horses for each time Michigan bred horses win at a fair or licensed
9 racetrack in this state.

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

16 ~~—— (e) As used in this subsection, "Michigan bred Arabian horse"~~
17 ~~means a Michigan bred horse as that term is defined in R~~
18 ~~285.822.1(i) of the Michigan administrative code. Each mare and~~
19 ~~stallion shall be registered with the director of the department of~~
20 ~~agriculture.~~

21 (10) The following sums shall be paid for American paint horse
22 programs:

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

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

27 (c) A sum to pay breeders' awards in an amount not to exceed

1 ~~10%-15%~~ of the gross purse to the breeders of Michigan bred
2 American paint horses for each time a Michigan bred American paint
3 horse wins at a county fair or licensed race meeting in this state.

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

9 ~~— (e) As used in this subsection, "Michigan bred American paint~~
10 ~~horse" means a Michigan bred paint horse as that term is defined in~~
11 ~~R 285.823.1 of the Michigan administrative code.~~

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

14 (a) A sum to fund grants for research projects conducted by
15 persons affiliated with a university or governmental research
16 agency or institution or other private research entity approved by
17 the ~~racing commissioner~~, **DIRECTOR OF THE DEPARTMENT OF AGRICULTURE**
18 **AND RURAL DEVELOPMENT**, which are beneficial to the horse racing and
19 breeding industry in this state.

20 (b) A sum to fund the development, implementation, and
21 administration of new programs that promote the proper growth and
22 development of the horse racing and breeding industry in this state
23 and other valuable equine-related commercial and recreational
24 activities in this state.

25 (12) As used in subsection (11), "equine industry research"
26 means the study, discovery and generation of accurate and reliable
27 information, findings, conclusions, and recommendations that are

1 useful or beneficial to the horse racing and breeding industry in
2 this state through improvement of the health of horses; prevention
3 of equine illness and disease, and performance-related accidents
4 and injuries; improvement of breeding technique and racing
5 performance; and compilation and study of valuable and reliable
6 statistical data regarding the size, organization, and economics of
7 the industry in this state; and strategic planning for the
8 effective promotion, growth, and development of the industry in
9 this state.

10 (13) ~~Subject to subsection (17), money~~ **MONEY** appropriated and
11 allotted to the Michigan agriculture equine industry development
12 fund shall not revert to the general fund and shall be carried
13 forward from year to year until disbursed to fund grants for
14 research projects beneficial to the industry.

15 (14) A percentage of the Michigan agriculture equine industry
16 development fund that is equal to 1/100 of 1% of the gross wagers
17 made each year in each of the racetracks licensed under this act
18 shall be deposited in the compulsive gaming prevention fund created
19 in section 3 of the compulsive gaming prevention act, 1997 PA 70,
20 MCL 432.253.

21 (15) The director of the department of agriculture **AND RURAL**
22 **DEVELOPMENT** shall promulgate rules pursuant to the administrative
23 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to
24 implement **THE PROVISIONS** this section **THAT RELATE TO THE DEPARTMENT**
25 **OF AGRICULTURE AND RURAL DEVELOPMENT**. The rules promulgated under
26 this subsection shall do all of the following:

27 (a) Prescribe the conditions under which the Michigan

1 agriculture equine industry development fund and related programs
2 described in subsections (1) to (13) shall be funded.

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

5 (c) Develop and maintain informational programs related to
6 this section.

7 (16) ~~Funds~~ **MONEY** under the control of the department of
8 agriculture **AND RURAL DEVELOPMENT** in this section shall be
9 disbursed under the rules promulgated ~~pursuant to~~ **UNDER** subsection
10 (15). All ~~funds~~ **MONEY** under the control of the department of
11 agriculture **AND RURAL DEVELOPMENT** approved for purse supplements
12 and breeders' awards shall be paid by the state treasurer not later
13 than 45 days ~~from~~ **AFTER** the date of the race.

14 ~~—— (17) Two million dollars shall be transferred from the~~
15 ~~Michigan agriculture equine industry development fund to the~~
16 ~~general fund in the fiscal year ending September 30, 2006.~~

17 (17) **THE DIRECTOR OF THE DEPARTMENT OF AGRICULTURE AND RURAL**
18 **DEVELOPMENT HAS ANY ADDITIONAL POWERS NECESSARY AND PROPER TO**
19 **IMPLEMENT AND ENFORCE THIS SECTION.**

20 (18) **AS USED IN THIS SECTION:**

21 (A) **"MICHIGAN BRED AMERICAN PAINT HORSE" MEANS A HORSE TO**
22 **WHICH BOTH OF THE FOLLOWING APPLY:**

23 (i) **THE HORSE IS FROM A MARE THAT IS OWNED BY A RESIDENT OF**
24 **THIS STATE AT THE TIME OF CONCEPTION, WAS REGISTERED WITH THE**
25 **DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT BY FEBRUARY 15 OF**
26 **THE FOALING YEAR, WAS IN THIS STATE ON OR BEFORE FEBRUARY 15 OF THE**
27 **FOALING YEAR, AND REMAINED IN THIS STATE UNTIL FOALING AND FOR NOT**

1 LESS THAN 7 MONTHS OF THE FOALING YEAR.

2 (ii) THE HORSE IS Sired BY A STALLION REGISTERED WITH THE
3 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT ONCE PER OWNERSHIP
4 AT THE TIME THE OWNERSHIP IS TRANSFERRED WITH THE AMERICAN PAINT
5 HORSE ASSOCIATION.

6 (B) "MICHIGAN BRED APPALOOSA HORSE" MEANS AN APPALOOSA HORSE
7 TO WHICH BOTH OF THE FOLLOWING APPLY:

8 (i) THE HORSE IS FROM A MARE OWNED BY A RESIDENT OF THIS STATE
9 AT THE TIME OF CONCEPTION AND REGISTERED WITH THE DEPARTMENT OF
10 AGRICULTURE AND RURAL DEVELOPMENT ONCE PER OWNERSHIP AT THE TIME
11 THE OWNERSHIP IS TRANSFERRED WITH THE APPALOOSA HORSE CLUB.

12 (ii) THE HORSE IS Sired BY A STALLION THAT IS OWNED OR LEASED
13 EXCLUSIVELY BY A RESIDENT OF THIS STATE, DID NOT SERVE A MARE AT A
14 LOCATION OUTSIDE OF THIS STATE DURING THE CALENDAR YEAR IN WHICH
15 THE SERVICE OCCURRED, AND IS REGISTERED WITH THE DEPARTMENT OF
16 AGRICULTURE AND RURAL DEVELOPMENT ONCE PER OWNERSHIP AT THE TIME
17 THE OWNERSHIP IS TRANSFERRED WITH THE APPALOOSA HORSE CLUB.

18 (C) "MICHIGAN BRED ARABIAN HORSE" MEANS AN ARABIAN HORSE TO
19 WHICH BOTH OF THE FOLLOWING APPLY:

20 (i) THE HORSE IS FROM A MARE THAT IS OWNED BY A RESIDENT OF
21 THIS STATE AT THE TIME OF CONCEPTION AND REGISTERED WITH THE
22 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT ONCE PER OWNERSHIP,
23 AT THE TIME THE OWNERSHIP IS TRANSFERRED WITH THE ARABIAN HORSE
24 ASSOCIATION.

25 (ii) THE HORSE IS Sired BY A STALLION THAT IS OWNED OR LEASED
26 EXCLUSIVELY BY A RESIDENT OF THIS STATE, DID NOT SERVE A MARE AT A
27 LOCATION OUTSIDE OF THIS STATE DURING THE CALENDAR YEAR IN WHICH

1 THE SERVICE OCCURRED, AND IS REGISTERED WITH THE DEPARTMENT OF
2 AGRICULTURE AND RURAL DEVELOPMENT ONCE PER OWNERSHIP AT THE TIME
3 THE OWNERSHIP IS TRANSFERRED WITH THE ARABIAN HORSE ASSOCIATION.

4 (D) "MICHIGAN BRED QUARTER HORSE" MEANS A QUARTER HORSE TO
5 WHICH BOTH OF THE FOLLOWING APPLY:

6 (i) THE HORSE IS FROM A MARE THAT WAS OWNED BY A RESIDENT OF
7 THIS STATE AT THE TIME OF CONCEPTION, WAS REGISTERED WITH THE
8 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT BY FEBRUARY 15 OF
9 THE FOALING YEAR, WAS IN THIS STATE ON OR BEFORE FEBRUARY 15 OF THE
10 FOALING YEAR, AND REMAINED IN THIS STATE UNTIL FOALING AND FOR NOT
11 LESS THAN 7 MONTHS OF THE FOALING YEAR.

12 (ii) THE HORSE WAS SIRED BY A STALLION REGISTERED WITH THE
13 DIRECTOR OF THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT ONCE
14 PER OWNERSHIP AT THE TIME THE OWNERSHIP IS TRANSFERRED WITH THE
15 AMERICAN QUARTER HORSE ASSOCIATION.

16 (E) "MICHIGAN BRED THOROUGHBRED HORSE" MEANS A THOROUGHBRED
17 HORSE TO WHICH BOTH OF THE FOLLOWING APPLY:

18 (i) THE HORSE IS FROM A THOROUGHBRED MARE THAT WAS REGISTERED
19 WITH THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT BY
20 FEBRUARY 15 OF THE FOALING YEAR, WAS IN THIS STATE ON OR BEFORE
21 FEBRUARY 15 OF THE FOALING YEAR, AND REMAINED IN THIS STATE UNTIL
22 FOALING AND FOR NOT LESS THAN 7 MONTHS OF THE FOALING YEAR.

23 (ii) THE HORSE HAS A JOCKEY CLUB, INCORPORATED, CERTIFICATE OF
24 FOAL REGISTRATION THAT STATES "FOALED IN MICHIGAN, U.S.A.".

25 Sec. 21. Local units of government participating in the
26 distribution of ~~funds~~-MONEY under section ~~17(4)~~-17(6) shall provide
27 for adequate police, fire, and traffic protection of persons and

1 property at and near each race ~~meet~~**MEETING**, including areas where
 2 occupational licenses are required. Each local unit of government
 3 participating in the distribution of ~~funds~~**MONEY** under this act
 4 shall ~~show by a~~**SUBMIT A** statement ~~submitted annually~~ on February 1
 5 of each year to the racing commissioner **SHOWING** the ~~amounts of~~
 6 ~~funds~~**AMOUNT OF MONEY** received and shall detail the expenditure of
 7 ~~these amounts~~**THE MONEY** during the previous calendar year. The
 8 racing commissioner shall report annually to the governor and the
 9 legislature regarding ~~these~~**THE** statements **RECEIVED UNDER THIS**
 10 **SECTION.**

11 Sec. 22. (1) Each licensed racetrack ~~located in a city area~~
 12 shall pay a license fee to the racing commissioner of \$1,000.00
 13 annually. ~~, and any other licensed racetrack shall pay a license~~
 14 ~~fee of \$200.00 annually.~~

15 ~~—— (2) During calendar year 1996, each holder of a race meeting~~
 16 ~~license shall pay to the state treasurer, from the holder's~~
 17 ~~commission, a tax in the amount of 2.5% of all money wagered on~~
 18 ~~interstate and intertrack simulcast races conducted at the holder's~~
 19 ~~licensed race meetings in 1996 in a manner and time as the racing~~
 20 ~~commissioner requires. For calendar year 1997 and each year~~
 21 ~~thereafter, the tax rate shall increase to 3.5% of all money~~
 22 ~~wagered on interstate and intertrack simulcast races conducted at~~
 23 ~~the holder's licensed race meetings each calendar year. Not later~~
 24 ~~than 4 years after the effective date of this act, the racing~~
 25 ~~commissioner shall report to the chairpersons of the senate and~~
 26 ~~house committees responsible for legislation concerning horse~~
 27 ~~racing as to the effect on the horse racing industry of the~~

1 ~~reduction in the tax pursuant to subsection (2).~~

2 (2) A TAX IMPOSED BY THIS ACT DOES NOT APPLY TO AND IS NOT
3 IMPOSED ON MONEY WAGERED ON OR COMMISSIONS RETAINED FROM LIVE HORSE
4 RACING.

5 (3) EACH HOLDER OF A RACE MEETING LICENSE SHALL PAY A TAX IN
6 THE AMOUNT OF 3.5% OF ALL MONEY WAGERED IN INTERSTATE SIMULCAST AND
7 INTERTRACK SIMULCAST RACES AT THE LICENSE HOLDER'S RACE MEETINGS TO
8 THE STATE TREASURER TO BE DEPOSITED IN THE MICHIGAN AGRICULTURE
9 EQUINE INDUSTRY DEVELOPMENT FUND AND APPROPRIATED AND EXPENDED AS
10 PROVIDED IN SECTION 20.

11 (4) EACH HOLDER OF A RACE MEETING LICENSE SHALL PAY A TAX IN
12 THE AMOUNT OF 15% OF ITS COMMISSIONS ON PARI-MUTUEL WAGERING AND
13 PARI-MUTUEL GAMING ACTIVITIES OTHER THAN WAGERING AND GAMING
14 ACTIVITIES ON WHICH A TAX IS PAID UNDER SUBSECTION (3). THE TAX
15 COLLECTED UNDER THIS SUBSECTION IS NOT SUBJECT TO SECTION 20, BUT
16 SHALL BE PAID AS FOLLOWS:

17 (A) THREE-QUARTERS SHALL BE PAID BY THE RACE MEETING LICENSEE
18 TO THE STATE TREASURER FOR DEPOSIT IN THE STATE GENERAL FUND AND
19 APPROPRIATION BY THE LEGISLATURE.

20 (B) ONE-EIGHTH SHALL BE PAID BY THE RACE MEETING LICENSEE TO
21 THE CITY, TOWNSHIP, OR VILLAGE IN WHICH THE RACE MEETING LICENSEE
22 CONDUCTS RACE MEETINGS AT A LICENSED TRACK FACILITY.

23 (C) ONE-EIGHTH SHALL BE PAID BY THE RACE MEETING LICENSEE TO
24 THE COUNTY IN WHICH THE RACE MEETING LICENSEE CONDUCTS RACE
25 MEETINGS AT A LICENSED TRACK FACILITY.

26 (5) ~~(3)~~ By eliminating the pari-mutuel wagering tax on live
27 HORSE racing, ~~programs,~~ it is not the intent of the legislature to

1 diminish the funding and appropriations for the Michigan
 2 agriculture equine industry fund and related programs described in
 3 section 20. The pari-mutuel tax reduction effected by this section
 4 is intended to generally allow for the improvement of the pari-
 5 mutuel horse racing and breeding industry in this state by
 6 increasing purses at licensed race meetings and making additional
 7 pari-mutuel revenues available for capital improvements at licensed
 8 racetracks in this state **WHILE ALSO CREATING A NEW SOURCE OF TAX**
 9 **REVENUE FOR THIS STATE.**

10 (6) AS USED IN THIS SECTION, "COMMISSION" MEANS THE MONEY
 11 RETAINED BY THE RACE MEETING LICENSEE FROM PARI-MUTUEL WAGERING
 12 UNDER THIS ACT AFTER WINNING WAGERS ARE DEDUCTED. WINNING WAGERS
 13 INCLUDE WAGERS PAID BY THE RACE MEETING LICENSEE IN THE FORM OF
 14 CASH, PRIZES, AWARDS, OR OTHER THINGS OF VALUE. MONEY RETAINED BY
 15 THE RACE MEETING LICENSEE AS COMMISSION INCLUDES ANY MONEY PAID BY
 16 PARTICIPANTS TO ENGAGE IN PARI-MUTUEL WAGERING, INCLUDING A FEE TO
 17 PARTICIPATE IN A PARI-MUTUEL CARD GAME.

18 Sec. 23. (1) The auditing of pari-mutuel operations at ~~each~~ **A**
 19 race meeting shall be performed by a private auditing firm
 20 appointed by the state treasurer and approved by the racing
 21 commissioner. The expense of pari-mutuel audits shall be paid by
 22 ~~the~~ **THIS** state as a part of the state treasurer's budget. Daily
 23 audit reports on each day of pari-mutuel ~~racing~~ **WAGERING AND PARI-**
 24 **MUTUEL GAMING ACTIVITIES** shall be forwarded to the racing
 25 commissioner and the holder of the race meeting license not later
 26 than 2 business days after the day for which the report is made.
 27 Within 60 days ~~following each~~ **AFTER A** race meeting, at least 3

1 copies of the pari-mutuel audit report for the entire race meeting
2 shall be forwarded to the racing commissioner and additional copies
3 shall be supplied to the state treasurer and the holder of the race
4 meeting license. The scope of the pari-mutuel audits shall be
5 established in specifications prepared by the state treasurer and
6 approved by the racing commissioner.

7 (2) The auditors representing ~~the~~ **THIS** state **UNDER THIS**
8 **SECTION** shall have free and full access to the space or enclosure
9 where the payoff prices are calculated, to the rooms and enclosures
10 where the totalisator equipment is operated, and to the money rooms
11 and cashier terminals, and shall be responsible for verifying the
12 accuracy of the calculations on which are based the payoff prices
13 to the public and amount of ~~racetrack~~ commission, state tax and
14 breakage, and ~~for~~ the amounts withheld by the holder of the race
15 meeting license for payment of uncashed tickets. The auditors at
16 all times shall have full and free access to all pari-mutuel
17 records and all aspects, areas, and functions of the totalisator
18 system, including but not limited to, all hardware, software, input
19 and output data, documents, and files. The auditors may audit
20 internally and externally any or all parts and elements of the
21 totalisator system whether on or off the site of the race meeting
22 grounds. If the records are maintained in a machine-readable form,
23 such as computer tapes or disks, copies shall be made available to
24 the auditors on request. The auditors, in addition to their regular
25 reports, shall make prompt report to the racing commissioner, the
26 state treasurer, and the holder of the race meeting license of any
27 irregularities or discrepancies ~~which they may encounter~~ during

1 their auditing.

2 (3) In addition to auditing the pari-mutuel operations, the
3 auditors shall include in their final reports the daily attendance
4 figures as supplied by the holder of the race meeting license.

5 Sec. 24. A person licensed under this act shall not knowingly
6 permit the dissemination of racing **OR OTHER** information that might
7 be of benefit to the operator of an illegal handbook or other
8 illegal gambling enterprise, including the changes in odds ~~which~~
9 **THAT** may take place during the period of wagering in advance of
10 each race. This section does not prevent the accredited
11 representatives of newspapers, turf publications, newspaper press
12 services, radio and television networks and stations, and other
13 news and sports reporting media from promptly reporting from the
14 racetrack the results of races, payoff prices on winning tickets,
15 entries, claims, and other information concerning the actual
16 running of races and training activities.

17 Sec. 25. **(1)** To the extent information is disclosed by ~~any-A~~
18 race meeting licensee under this act regarding the name, address,
19 or ~~any~~ other personal information, including financial information,
20 of ~~any-A~~ patron of the licensee, ~~neither~~ the office of the racing
21 commissioner ~~nor~~ **AND** any other governmental authority to whom
22 disclosure has been made shall **NOT** disclose ~~that~~ **THE** information.
23 All information provided to the office of racing commissioner or
24 any other governmental authority by a race meeting licensee that in
25 any manner discloses the name, address, or ~~any~~ other personal
26 information, including financial information, of ~~any-A~~ patron of
27 the licensee is considered confidential, and is not subject to

1 disclosure under the freedom of information act, ~~Act No. 442 of the~~
2 ~~Public Acts of 1976, being sections 1976 PA 442, MCL 15.231 to~~
3 ~~15.246. of the Michigan Compiled Laws.~~

4 (2) A PERSON REGULATED UNDER THIS ACT MAY DESIGNATE A RECORD,
5 LICENSE APPLICATION, OTHER INFORMATION, OR A PORTION OF A RECORD,
6 LICENSE APPLICATION, OR OTHER INFORMATION FURNISHED TO OR OBTAINED
7 BY THE RACING COMMISSIONER OR THE RACING COMMISSIONER'S AGENTS OR
8 EMPLOYEES AS BEING ONLY FOR THE CONFIDENTIAL USE OF THE RACING
9 COMMISSIONER. THE RACING COMMISSIONER SHALL NOTIFY THE REGULATED
10 PERSON OF A REQUEST FOR PUBLIC RECORDS UNDER THE FREEDOM OF
11 INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246, IF THE SCOPE OF
12 THE REQUEST INCLUDES INFORMATION DESIGNATED AS CONFIDENTIAL. THE
13 PERSON REGULATED UNDER THIS ACT HAS 30 DAYS AFTER THE RECEIPT OF
14 THE NOTICE TO DEMONSTRATE TO THE RACING COMMISSIONER THAT THE
15 INFORMATION DESIGNATED AS CONFIDENTIAL SHOULD NOT BE DISCLOSED
16 BECAUSE THE INFORMATION IS A TRADE SECRET OR SECRET PROCESS; IS
17 OPERATIONAL, COMMERCIAL, OR FINANCIAL INFORMATION THE DISCLOSURE OF
18 WHICH WOULD JEOPARDIZE THE COMPETITIVE POSITION OF THE PERSON FROM
19 WHOM THE INFORMATION WAS OBTAINED AND MAKE AVAILABLE INFORMATION
20 NOT OTHERWISE PUBLICLY AVAILABLE; RELATES TO SECURITY OR THE
21 INTERNAL CONTROLS OF A RACETRACK; OR IS OF A PERSONAL NATURE, THE
22 RELEASE OF WHICH WOULD CONSTITUTE A CLEARLY UNWARRANTED INVASION OF
23 A PERSON'S PRIVACY OR OTHERWISE CAUSE HARM. THE RACING COMMISSIONER
24 SHALL GRANT THE REQUEST FOR THE INFORMATION UNLESS THE PERSON
25 REGULATED UNDER THIS ACT MAKES A SATISFACTORY DEMONSTRATION TO THE
26 RACING COMMISSIONER THAT THE INFORMATION SHOULD NOT BE DISCLOSED.
27 IF THE RACING COMMISSIONER MAKES A DECISION TO GRANT A REQUEST FOR

1 INFORMATION, THE INFORMATION REQUESTED SHALL NOT BE RELEASED UNTIL
2 3 BUSINESS DAYS HAVE ELAPSED AFTER THE DECISION IS MADE.

3 (3) THIS SECTION DOES NOT PROTECT INFORMATION FROM DISCLOSURE
4 IF THE INFORMATION IS OTHERWISE EXPRESSLY REQUIRED TO BE MADE
5 PUBLIC UNDER THIS ACT.

6 Sec. 26. (1) Except as provided ~~for~~ in section 20, this act
7 applies to **A** county or state ~~fairs~~ **FAIR** or to **AN** agricultural or
8 livestock ~~exhibitions~~ **EXHIBITION** only if the pari-mutuel system of
9 wagering ~~upon~~ **ON** the result of horse racing is conducted **AT THE**
10 **FAIR OR EXHIBITION.**

11 (2) This act does not permit the pari-mutuel system of
12 wagering ~~upon~~ **AT** a racetrack unless the racetrack is licensed ~~as~~
13 ~~provided by~~ **UNDER** this act. A person shall not permit, conduct, or
14 supervise ~~upon~~ **ON** racetrack grounds, the pari-mutuel system of
15 wagering **OR OTHER PARI-MUTUEL WAGERING AND PARI-MUTUEL GAMING**
16 **ACTIVITIES**, except in accordance with this act.

17 Sec. 27. (1) A person shall not participate in **LIVE HORSE**
18 **racing, SIMULCAST RACES AND EVENTS, OR OTHER GAMING ACTIVITIES**
19 involving wagering of any kind except as permitted under this act
20 **OR OTHERWISE PERMITTED BY LAW.**

21 (2) **LIVE HORSE RACING, SIMULCAST RACES AND EVENTS, AND GAMING**
22 **AND ACTIVITIES WITH PARI-MUTUEL WAGERING, INCLUDING, BUT NOT**
23 **LIMITED TO, THE PLACING OF PARI-MUTUEL WAGERS AND COLLECTION OF**
24 **WINNING PARI-MUTUEL WAGERS, ARE AUTHORIZED TO THE EXTENT THAT THEY**
25 **ARE CONDUCTED IN ACCORDANCE WITH THIS ACT AND NOT PROHIBITED BY**
26 **FEDERAL LAW.**

27 (3) THIS ACT DOES NOT APPLY TO ANY OF THE FOLLOWING:

1 (A) CASINO GAMING AUTHORIZED UNDER THE MICHIGAN GAMING CONTROL
2 AND REVENUE ACT, 1996 IL 1, MCL 432.201 TO 432.226.

3 (B) LOTTERY GAMES AUTHORIZED UNDER THE MCCAULEY-TRAXLER-LAW-
4 BOWMAN-MCNEELY LOTTERY ACT, 1972 PA 239, MCL 432.1 TO 432.47.

5 (C) BINGO OR MILLIONAIRE PARTIES OR ANY OTHER ACTIVITIES
6 AUTHORIZED UNDER THE TRAXLER-MCCAULEY-LAW-BOWMAN BINGO ACT, 1972 PA
7 382, MCL 432.101 TO 432.120.

8 (D) GAMBLING ON NATIVE AMERICAN LAND AND LAND HELD IN TRUST BY
9 THE UNITED STATES FOR A FEDERALLY RECOGNIZED INDIAN TRIBE ON WHICH
10 GAMING MAY BE CONDUCTED UNDER THE INDIAN GAMING REGULATORY ACT,
11 PUBLIC LAW 100-497, 102 STAT. 2467.

12 (E) RECREATIONAL CARD PLAYING, BOWLING, REDEMPTION GAMES, AND
13 OCCASIONAL PROMOTIONAL ACTIVITIES ALLOWED UNDER SECTIONS 303A,
14 310A, 310B, 372, AND 375 OF THE MICHIGAN PENAL CODE, 1931 PA 328,
15 MCL 750.303A, 750.310A, 750.310B, 750.372, AND 750.375.

16 Sec. 28. Except as provided in section 21, a political
17 subdivision of this state shall not assess or collect an excise or
18 license tax or fee from a person licensed under this act based ~~upon~~
19 **ON** an activity performed under **OR AUTHORIZED BY** this act.

20 Sec. 29. A person who willfully aids, assists, or abets the
21 violation of this act or the rules promulgated under this act is
22 guilty of a misdemeanor punishable by a fine of not more than
23 \$10,000.00 or by imprisonment for not more than 1 year, or both.
24 For the purpose of this section, each day of ~~raci~~~~ng~~~~-in~~-violation of
25 this act constitutes a separate offense.

26 Sec. 32. A person influencing or attempting to influence the
27 result of a race or workout **OR ANY LAWFUL PARI-MUTUEL WAGERING AND**

House Bill No. 5546 (H-1) as amended November 8, 2012

1 **PARI-MUTUEL GAMING ACTIVITY** at a licensed race meeting in this
 2 state, by offer of money, thing of value, future benefit, favor,
 3 preferment; by any form of pressure or threat; ~~or~~ by seeking or
 4 having an agreement, understanding, or conniving with ~~any~~ **AN** owner,
 5 jockey, driver, trainer, groom, valet, agent, or other person
 6 associated with or interested in ~~any~~ **A** stable of horses ~~, or~~ **OR A**
 7 horse ~~, or~~ **A** race or workout in which the horse participates; or in
 8 any other manner, is guilty of a felony punishable by a fine of not
 9 more than \$10,000.00 or by imprisonment for not more than 5 years,
 10 or both.

11 Enacting section 1. Sections 5 and 35 of the horse racing law
 12 of 1995, 1995 PA 279, MCL 431.305 and 431.335, are repealed.

[Enacting section 2. Subdivision (p) of section 2 of the horse racing law of 1995, 1995 PA 279, MCL 431.302, as added by this amendatory act, is curative, shall be applied retroactively, and is intended to correct any misinterpretation concerning the original intent of the legislature to allow all pari-mutuel wagering on the results of horse races to occur under this act subject to the regulatory authority of the racing commissioner without respect to whether the pari-mutuel wagering on the results of horse races or technology for pari-mutuel wagering on the results of horse races occurred or existed on a specific date.]