

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 504

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending sections 2, 8, 9, 10, 12, 14, 17, 18, 19, 19a, 20, 22,
30, and 31 (MCL 431.302, 431.308, 431.309, 431.310, 431.312,
431.314, 431.317, 431.318, 431.319, 431.319a, 431.320, 431.322,
431.330, and 431.331), section 2 as amended by 2006 PA 445,
sections 9, 10, and 12 as amended by 2000 PA 164, sections 14, 17,
and 18 as amended and section 19a as added by 1998 PA 408, and
section 20 as amended by 2006 PA 185, and by adding sections 6a and
19b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Affiliate" means a person who, directly or indirectly,
3 controls, is controlled by, or is under common control with; is in

1 a partnership or joint venture relationship with; or is a co-
2 shareholder of a corporation, co-member of a limited liability
3 company, or co-partner in a limited liability partnership with a
4 person who holds or applies for a race meeting or track license
5 under this act. For purposes of this subdivision, a controlling
6 interest is a pecuniary interest of more than 15%.

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

9 (c) "Certified horsemen's organization" means an organization
10 **THAT IS** registered with the office of racing commissioner in a
11 manner and form required by the racing commissioner ~~7—AND~~ that can
12 demonstrate all of the following:

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

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

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

19 (iv) The organization's ability to protect the financial
20 interests of the individuals participating at licensed race
21 meetings.

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

25 (D) "COMMISSIONER" OR "RACING COMMISSIONER" MEANS THE
26 EXECUTIVE DIRECTOR OF THE MICHIGAN GAMING CONTROL BOARD APPOINTED
27 UNDER SECTION 4 OF THE MICHIGAN GAMING CONTROL AND REVENUE ACT,

1 1996 IL 1, MCL 432.204, WHO IS ORDERED UNDER EXECUTIVE
2 REORGANIZATION ORDER NO. 2009-31, MCL 324.99919, TO PERFORM ALL THE
3 FUNCTIONS AND EXERCISE THE POWERS PERFORMED AND EXERCISED BY THE
4 RACING COMMISSIONER BEFORE THAT POSITION WAS ABOLISHED.

5 (e) "Controlled substance" means that term as defined in
6 section 7104 of the public health code, 1978 PA 368, MCL 333.7104.

7 (f) "Day of operation" means a period of 24 hours beginning at
8 12 noon and ending at 11:59 a.m. the following day.

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

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

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

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

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

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

24 (j) "Full card simulcast" means an entire simulcast racing
25 program of 1 or more race meeting licensees located in this state,
26 or an entire simulcast racing program of 1 or more races
27 simulcasted from 1 or more racetracks located outside of this

1 state.

2 (K) "HORSEMEN'S SIMULCAST PURSE ACCOUNT" MEANS AN ACCOUNT
3 MAINTAINED WITH A FINANCIAL INSTITUTION AND MANAGED BY A DESIGNATED
4 AGENT AS DESCRIBED IN SECTION 19 TO RECEIVE AND DISTRIBUTE MONEY AS
5 PROVIDED IN THIS ACT.

6 (I) ~~(K)~~—"Member of the immediate family" means the spouse,
7 child, parent, or sibling.

8 (M) "NET COMMISSION" MEANS THE AMOUNT DETERMINED UNDER SECTION
9 17(3), AFTER FIRST DEDUCTING FROM THE LICENSEE'S STATUTORY
10 COMMISSION THE APPLICABLE STATE TAX ON WAGERING DUE AND PAYABLE
11 UNDER SECTION 22 AND THE ACTUAL VERIFIED FEE PAID BY THE LICENSEE
12 TO THE SENDING HOST TRACK TO RECEIVE THE SIMULCAST SIGNAL.

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

24 (O) "PARI-MUTUEL" AND "PARI-MUTUEL WAGERING" MEAN THE FORM OR
25 SYSTEM OF GAMBLING IN WHICH THE WINNER OR WINNERS DIVIDE THE TOTAL
26 AMOUNT OF MONEY BET, AFTER DEDUCTING THE NET COMMISSION.

27 (P) ~~(I)~~—"Person" means an individual, firm, partnership,

1 corporation, association, or other legal entity.

2 (Q) ~~(m)~~ "Purse pool" means an amount of money allocated or
3 apportioned to pay prizes for horse races and from which payments
4 may be made to certified horsemen's organizations ~~pursuant to AS~~
5 PROVIDED IN this act.

6 (R) "STANDARD BRED" MEANS A HORSE REGISTERED WITH THE UNITED
7 STATES TROTting ASSOCIATION THAT RACES ON DESIGNATED GAITS OF PACE
8 OR TROT.

9 (S) "THOROUGHBRED" MEANS A THOROUGHBRED, QUARTER, PAINT,
10 ARABIAN, OR OTHER BREED HORSE. THOROUGHBRED DOES NOT INCLUDE A
11 STANDARD BRED.

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

16 SEC. 6A. (1) THE HORSE RACING ADVISORY COMMISSION IS CREATED
17 WITHIN THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT.

18 (2) THE ADVISORY COMMISSION CONSISTS OF THE FOLLOWING MEMBERS,
19 APPOINTED BY THE GOVERNOR:

20 (A) AN INDIVIDUAL WHO HAS KNOWLEDGE ABOUT AND EXPERTISE IN
21 HORSE RACING IN THIS STATE, WHO SHALL SERVE AS CHAIRPERSON OF THE
22 ADVISORY COMMISSION.

23 (B) THE DIRECTOR OF THE DEPARTMENT OF AGRICULTURE AND RURAL
24 DEVELOPMENT OR HIS OR HER DESIGNEE.

25 (C) A VETERINARIAN.

26 (D) TWO INDIVIDUALS FROM 2 DIFFERENT STATEWIDE HORSE RACING
27 ASSOCIATIONS.

1 (E) TWO INDIVIDUALS WHO ARE OWNERS OR OPERATORS, OR DESIGNEES
2 OF OWNERS OR OPERATORS, OF 2 DIFFERENT HORSE RACETRACKS IN THIS
3 STATE.

4 (3) THE GOVERNOR SHALL APPOINT THE MEMBERS FIRST APPOINTED TO
5 THE ADVISORY COMMISSION WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF
6 THIS SECTION.

7 (4) MEMBERS OF THE ADVISORY COMMISSION UNDER SUBSECTION
8 (2) (C), (D), AND (E) SHALL SERVE FOR TERMS OF 4 YEARS OR UNTIL A
9 SUCCESSOR IS APPOINTED, WHICHEVER IS LATER.

10 (5) IF A VACANCY OCCURS ON THE ADVISORY COMMISSION, THE
11 GOVERNOR SHALL MAKE AN APPOINTMENT FOR THE UNEXPIRED TERM IN THE
12 SAME MANNER AS THE ORIGINAL APPOINTMENT.

13 (6) THE GOVERNOR MAY REMOVE A MEMBER OF THE ADVISORY
14 COMMISSION FOR INCOMPETENCE, DERELICTION OF DUTY, MALFEASANCE,
15 MISFEASANCE, OR NONFEASANCE IN OFFICE, OR ANY OTHER GOOD CAUSE.

16 (7) THE CHAIRPERSON OF THE ADVISORY COMMISSION APPOINTED UNDER
17 SUBSECTION (2) (A) SHALL CALL THE FIRST MEETING OF THE ADVISORY
18 COMMISSION. AT THE FIRST MEETING, THE ADVISORY COMMISSION SHALL
19 ELECT FROM AMONG ITS MEMBERS OTHER OFFICERS AS IT CONSIDERS
20 NECESSARY OR APPROPRIATE. AFTER THE FIRST MEETING, THE ADVISORY
21 COMMISSION SHALL MEET AT THE CALL OF THE CHAIRPERSON OR IF
22 REQUESTED BY 3 OR MORE MEMBERS.

23 (8) A MAJORITY OF THE MEMBERS OF THE ADVISORY COMMISSION
24 CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS AT A MEETING OF
25 THE ADVISORY COMMISSION. A MAJORITY OF THE MEMBERS PRESENT AND
26 SERVING ARE REQUIRED FOR OFFICIAL ACTION OF THE ADVISORY
27 COMMISSION.

1 (9) THE ADVISORY COMMISSION SHALL CONDUCT ITS BUSINESS AT
2 PUBLIC MEETINGS HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT, 1976
3 PA 267, MCL 15.261 TO 15.275.

4 (10) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF, OR
5 RETAINED BY THE ADVISORY COMMISSION IN THE PERFORMANCE OF AN
6 OFFICIAL FUNCTION IS SUBJECT TO THE FREEDOM OF INFORMATION ACT,
7 1976 PA 442, MCL 15.231 TO 15.246.

8 (11) MEMBERS OF THE ADVISORY COMMISSION SHALL SERVE WITHOUT
9 COMPENSATION. HOWEVER, MEMBERS OF THE ADVISORY COMMISSION MAY BE
10 REIMBURSED FOR THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE
11 PERFORMANCE OF THEIR OFFICIAL DUTIES AS MEMBERS OF THE ADVISORY
12 COMMISSION.

13 (12) THE ADVISORY COMMISSION SHALL DO ALL OF THE FOLLOWING:

14 (A) ESTABLISH FOR THE COMMISSIONER PROCEDURES GOVERNING THE
15 OPERATION AND PROMOTION OF HORSE RACING IN THIS STATE.

16 (B) MAKE RECOMMENDATIONS TO THE LEGISLATURE ON AMENDMENTS TO
17 THIS ACT THAT WOULD IMPROVE THE REGULATORY STRUCTURE OF HORSE
18 RACING IN THIS STATE WITH A GOAL OF MAINTAINING THE LONG-TERM
19 VIABILITY OF HORSE RACING IN THIS STATE.

20 (C) ANNUALLY SUBMIT A REPORT TO THE LEGISLATURE DETAILING ITS
21 RECOMMENDATIONS UNDER SUBDIVISIONS (A) AND (B).

22 (13) THE RACING COMMISSIONER SHALL TAKE UNDER CONSIDERATION
23 THE PROCEDURES ESTABLISHED BY THE ADVISORY COMMISSION UNDER
24 SUBSECTION (12) (A) IN PERFORMING HIS OR HER DUTIES UNDER THIS ACT.

25 Sec. 8. (1) The racing commissioner may issue the following
26 general classes of licenses:

27 (a) Occupational licenses issued to individuals participating

1 in, involved in, or otherwise having to do with horse racing, pari-
2 mutuel wagering, or simulcasting at a licensed race meeting in this
3 state.

4 (b) Race meeting licenses issued annually for the succeeding
5 year to ~~a person~~ **PERSONS** to conduct live horse racing,
6 simulcasting, and pari-mutuel wagering on the results of live and
7 simulcast horse races at a licensed race meeting in this state
8 ~~pursuant to and in accordance with the provisions of~~ **UNDER** this
9 act.

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

13 (2) The racing commissioner shall not issue a race meeting
14 license to a person if the person is licensed to conduct a licensed
15 race meeting at another licensed racetrack ~~within a city area~~ **IN**
16 **THIS STATE** and the person has a controlling interest in or co-
17 ownership of the other licensed racetrack. ~~within the city area.~~

18 Sec. 9. (1) The racing commissioner shall issue, without
19 further application, a track license to any person holding a valid
20 track license under former 1980 PA 327, and maintaining or
21 operating a licensed horse racetrack as of ~~the effective date of~~
22 ~~this act~~ **JANUARY 9, 1996** at which wagering by pari-mutuel methods
23 on the results of horse racing has been conducted by a race meeting
24 licensee.

25 (2) A track license, once issued, is valid only as long as the
26 annual license fee is paid, or until the track license is
27 voluntarily surrendered or is revoked as provided in this act or

1 the rules promulgated under this act.

2 (3) An applicant for a track license shall submit an
3 application that is in writing, that demonstrates to the racing
4 commissioner that the applicant has satisfactory financial
5 responsibility, that shows the location of the racetrack or of the
6 proposed racetrack, and that is accompanied by substantially
7 detailed plans and specifications for the racecourse, paddock,
8 grandstand, stable barns, racetrack buildings, fences, electrical
9 service and lighting, plumbing, parking, and other facilities and
10 improvements. The application ~~shall~~ **MUST** include the name and
11 address of the applicant, ~~and, if~~ **THE APPLICANT IS** a corporation,
12 the place of its incorporation, and any other information required
13 by the rules promulgated under this act. ~~by the racing~~
14 ~~commissioner. Upon~~ **ON** the applicant's filing of the application and
15 ~~the~~ payment of the license fee, the racing commissioner shall
16 investigate the applicant and the racetrack or proposed racetrack
17 as the racing commissioner considers necessary. If the racing
18 commissioner determines that the applicant and the racetrack
19 satisfy the requirements of this act and the rules promulgated
20 under this act, the racing commissioner shall grant a license for
21 the racetrack, designating in the license the county or other
22 municipality in which the licensed racetrack ~~shall~~ **WILL** be or is
23 located. If the racing commissioner determines that the applicant
24 or the racetrack, or both, do not comply with this act and the
25 rules promulgated under this act, the racing commissioner shall
26 deny the license. The action of the racing commissioner in denying
27 a track license may be reviewed by the circuit court ~~pursuant to~~

1 **UNDER** section 631 of the revised judicature act of 1961, 1961 PA
2 236, MCL 600.631.

3 (4) A track license may be transferred to a new owner of a
4 racetrack with the consent of the racing commissioner.

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

(6) ~~(8) A~~ **THE RACING COMMISSIONER SHALL NOT ISSUE A** track
license ~~shall not be issued~~ under this section if the new license
would result in harmful competition among existing racetracks.

Sec. 10. (1) A person ~~desiring~~ **THAT DESIRES** to conduct a
thoroughbred ~~, OR~~ 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~~ **UNDER** this act 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~~ **MUST** 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 **RACING COMMISSIONER**
SHALL MAKE AN application, after being ~~IT IS~~ filed, ~~shall be made~~
available for public inspection during regular business hours. The
application ~~shall~~ **MUST** be in writing and ~~shall~~ give the name and
address of the applicant, and, if the applicant is a corporation or
partnership, ~~shall~~ state the place of the applicant's incorporation
or partnership and the names and addresses of all corporate
directors, officers, shareholders, and partners. The application
~~shall~~ **MUST** also do all of the following:

(a) Specify the licensed racetrack at which the proposed race
meeting will be held.

1 (b) Specify whether the applicant requests or will request to
2 conduct simulcasting at the proposed race meeting and, if so,
3 demonstrate the applicant's ability to conduct simulcasting in
4 accordance with this act.

5 (c) Specify the horse breed for which the applicant desires to
6 conduct live racing at the proposed race meeting, and the days on
7 which the applicant proposes to conduct live horse racing at the
8 race meeting.

9 (d) Specify the time period during which the applicant
10 requests to be licensed during the calendar year immediately
11 following the date of application.

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

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

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

21 (iii) Do not pose a threat to the public interest of ~~the~~**THIS**
22 state or to the security and integrity of horse racing or pari-
23 mutuel wagering on the results of horse races in ~~the~~**THIS** state.

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

26 (2) Upon the filing of the application for a race meeting
27 license, the racing commissioner shall conduct an investigation of

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

26 Sec. 12. (1) ~~Each~~**AN** applicant for **A LICENSE TO CONDUCT** a
 27 thoroughbred ~~, quarter horse, Appaloosa, American paint horse, or~~

1 ~~Arabian license in a county located outside of a city area~~ **RACE**
 2 **MEETING** shall apply to conduct ~~at least 45~~ **NOT FEWER THAN 30** days
 3 of live thoroughbred, ~~quarter horse, Appaloosa, American paint~~
 4 ~~horse, or Arabian horse~~ racing during its **PROPOSED** race meeting.
 5 Except during the opening and closing week of a race meeting, the
 6 applicant shall apply to conduct live racing ~~at least 3~~ **NOT FEWER**
 7 **THAN 2** days per week, ~~including Saturdays and Sundays,~~ with not
 8 ~~less~~ **FEWER** than ~~9~~ **8** live horse races programmed, and shall conduct
 9 live racing programs on ~~such~~ **THE** days allocated by the racing
 10 commissioner. **THE COMMISSIONER SHALL ALLOCATE NOT FEWER THAN 10**
 11 **DAYS OF LIVE HORSE RACING TO A RACE MEETING LICENSEE WITH NOT FEWER**
 12 **THAN 6 PROGRAMMED LIVE RACES PER ALLOCATED DAY.**

13 ~~—— (2) Each applicant for a thoroughbred, quarter horse,~~
 14 ~~Appaloosa, American paint horse, or Arabian race meeting license in~~
 15 ~~a city area shall apply to conduct at least 160 days of live~~
 16 ~~thoroughbred, quarter horse, Appaloosa, American paint horse, or~~
 17 ~~Arabian horse racing during its proposed 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 5 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) ~~(3) Each~~ **AN** applicant for **A LICENSE TO CONDUCT** a
 24 standardbred race meeting license ~~in a county having a population~~
 25 ~~of less than 250,000 and that is not part of a city area shall~~
 26 apply to conduct ~~at least 75~~ **NOT FEWER THAN 30** days of live
 27 standardbred harness horse racing during its proposed race meeting.

1 Except during the opening and closing week of a race meeting, the
2 applicant shall apply to conduct live horse racing ~~at least 4~~ **NOT**
3 **FEWER THAN 2** days per week, ~~including Saturdays,~~ with not less
4 **FEWER** than ~~9~~ **8** live horse races programmed, and shall conduct live
5 racing programs on ~~such~~ **THE** days awarded. **THE COMMISSIONER SHALL**
6 **ALLOCATE NOT FEWER THAN 10 DAYS OF LIVE HORSE RACING TO A RACE**
7 **MEETING LICENSEE WITH NOT FEWER THAN 6 PROGRAMMED LIVE RACES PER**
8 **ALLOCATED DAY.**

9 ~~—— (4) Each applicant for a standardbred race meeting license in~~
10 ~~a county having a population greater than 250,000 but less than~~
11 ~~750,000 and that is not part of a city area shall apply to conduct~~
12 ~~at least 100 days of live standardbred harness horse racing during~~
13 ~~its proposed race meeting. Except during the opening and closing~~
14 ~~week of a race meeting, the applicant shall apply to conduct live~~
15 ~~racing at least 4 days per week, including Saturdays, with not less~~
16 ~~than 9 live horse races programmed, and shall conduct live racing~~
17 ~~programs on such days awarded.~~

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

21 ~~—— (a) The race meeting applicant with the highest pari mutuel~~
22 ~~handle in the previous calendar year shall apply for no less than~~
23 ~~140 days of live racing and the applicant shall apply to conduct~~
24 ~~live racing at least 5 days per week, including Saturdays, with not~~
25 ~~less than 9 live horse races programmed and shall conduct live~~
26 ~~racing programs on the days awarded.~~

27 ~~—— (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.~~

(3) ~~(6)~~—If a race meeting licensee is unable to program and conduct ~~9-8~~ live horse races on ~~any-A~~ racing date ~~that the commissioner allocates~~ **AWARDED** to the licensee because there are ~~less-FEWER~~ than 5 entries in ~~any-A~~ 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.

(4) ~~(7)~~—If a race meeting licensee is unable to conduct racing on ~~any-A~~ live racing ~~dates allocated~~ **DATE AWARDED** to the licensee ~~by the racing commissioner or less-FEWER~~ than ~~9-8~~ live horse races on ~~any allocated-AN~~ **AWARDED** live racing ~~dates-DATE~~ because of a labor dispute, fire, adverse weather conditions, or other causes beyond the race meeting licensee's control, ~~then~~ the race meeting licensee is considered to have conducted those races or **THAT** race ~~days-DATE~~ 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 **THAT** race ~~dates-DATE~~.

(5) ~~(8)~~—Intertrack simulcast races that a race meeting licensee contracts to receive from other racetracks that are canceled for any of the reasons described in subsection ~~(7)~~ ~~shall be considered to be~~ (4) **ARE** offered to the public for purposes of this act.

(6) ~~(9)~~—If an entire race meeting or the balance of a race

1 meeting and racing dates ~~allocated~~ **AWARDED** to a licensee cannot be
2 raced ~~due to~~ **BECAUSE OF** an act of God or significant physical
3 damage to the licensed racetrack at which the race meeting was
4 licensed to be conducted caused by fire or some other catastrophe,
5 the racing commissioner may transfer those dates to another race
6 meeting licensee upon application of the substitute licensee if the
7 substitute licensee satisfies the requirements for licensure under
8 this act and demonstrates that it has or will have a legal or
9 contractual right to the use of a different licensed racetrack
10 facility on the racing dates in question, and all race meeting
11 licensees that will be conducting live racing on ~~such~~ **THOSE** dates
12 within 50 miles of the substitute racetrack consent to the
13 transfer.

14 (7) NOTWITHSTANDING ANYTHING IN THIS ACT TO THE CONTRARY, IF
15 THE RACING COMMISSIONER DETERMINES THAT 1 OR MORE OF THE CONDITIONS
16 LISTED IN SUBSECTION (8) APPLY AND THE CONTRACTED CERTIFIED
17 HORSEMAN'S ORGANIZATION IS IN AGREEMENT, THE RACING COMMISSIONER
18 MAY AMEND AN EXISTING RACE MEETING LICENSE AND SIMULCAST PERMIT TO
19 ALLOW THE LICENSEE TO CONTINUE SIMULCASTING DURING THE REMAINING
20 PERIOD OF THE RACE MEETING LICENSE. AN AMENDED LICENSE UNDER THIS
21 SECTION MAY BE ISSUED BY THE RACING COMMISSIONER AT ANY TIME,
22 INCLUDING AT THE TIME OF THE INITIAL ISSUANCE OF THE RACE MEETING
23 LICENSE FOR THE UPCOMING YEAR DURING WHICH IT IS VALID.

24 (8) THE RACING COMMISSIONER MAY ISSUE AN ORDER AMENDING A RACE
25 MEETING LICENSE UNDER SUBSECTION (7) IF HE OR SHE DETERMINES THAT
26 THE LICENSEE IS CAPABLE OF CONDUCTING SIMULCAST HORSE RACING IN
27 ACCORDANCE WITH THIS ACT AND THAT 1 OR MORE OF THE FOLLOWING

1 CONDITIONS EXIST:

2 (A) THERE IS INADEQUATE HORSE SUPPLY FOR THE LICENSEE TO
3 CONDUCT A LIVE RACE MEETING OF AT LEAST 10 DAYS WITH 6 RACES PER
4 DAY.

5 (B) THERE IS INADEQUATE FUNDING OF LIVE RACING PURSES TO
6 SUPPORT THE LICENSEE'S CONDUCTING OF A LIVE RACE MEETING OF AT
7 LEAST 10 DAYS WITH 6 RACES PER DAY.

8 (C) THERE IS NO CERTIFIED HORSEMEN'S ORGANIZATION OPERATING IN
9 THIS STATE.

10 (9) IN ORDER TO OBTAIN AN AMENDED LICENSE ISSUED UNDER
11 SUBSECTION (7) AND SATISFY THE LIVE RACING REQUIREMENTS OF THIS
12 ACT, THE LICENSEE MUST HAVE A WRITTEN CONTRACT WITH A CERTIFIED
13 HORSEMEN'S ORGANIZATION TO PAY A PERCENTAGE OF ITS NET COMMISSION
14 FROM SIMULCASTING TO THE LIVE RACING PURSE POOL AT ANOTHER
15 RACETRACK LICENSED UNDER THIS ACT DURING THE PERIOD WHEN THE
16 AMENDED LICENSE ISSUED UNDER SUBSECTION (7) IS IN EFFECT. UNLESS
17 OTHERWISE PROVIDED IN THE WRITTEN CONTRACT BETWEEN THE LICENSEE AND
18 THE CERTIFIED HORSEMEN'S ORGANIZATION, THE PAYMENT MUST BE NOT LESS
19 THAN 25% OF NET COMMISSION FROM SIMULCASTING IF ONLY 1 CERTIFIED
20 HORSEMEN'S ORGANIZATION HAS A CONTRACT FOR LIVE RACE DAYS IN THIS
21 STATE FOR THE CALENDAR YEAR. IF BOTH CERTIFIED HORSEMEN'S
22 ORGANIZATIONS HAVE A CONTRACT FOR LIVE RACE DATES IN THIS STATE FOR
23 THE CALENDAR YEAR, THE PAYMENT MUST BE NOT MORE THAN 40% OF THE NET
24 COMMISSION FROM SIMULCASTING.

25 (10) SUBSECTIONS (7) TO (9) APPLY ONLY TO AMENDMENTS TO A RACE
26 MEETING LICENSE FOR THE PURPOSE OF ALLOWING SIMULCAST-ONLY
27 OPERATIONS AND ARE NOT LIMITATIONS ON OR REQUIREMENTS FOR OTHER

1 RACE MEETING LICENSE AMENDMENTS THE RACING COMMISSIONER MAY APPROVE
2 OR DENY.

3 (11) NOTWITHSTANDING ANYTHING IN THIS ACT TO THE CONTRARY, IF
4 A RACE MEETING LICENSEE AND THE CERTIFIED HORSEMEN'S ORGANIZATION
5 WITH WHICH THE LICENSEE HAS A CONTRACT JOINTLY REQUEST THAT THE
6 LICENSEE BE ALLOWED TO CONDUCT A LIVE RACE MEETING WITH FEWER THAN
7 8 RACES PER DAY, THE RACING COMMISSIONER SHALL APPROVE THE REQUEST
8 AND ISSUE AN ORDER AMENDING THE LICENSE ACCORDINGLY.

9 Sec. 14. (1) ~~Except as provided in subsection (8), before~~
10 BEFORE November 1 of the year preceding the year for which
11 applications are made, the racing commissioner shall grant or deny
12 each application for a race meeting license, allocate or deny the
13 dates, for which application has been made, on which pari-mutuel
14 wagering on live races may be conducted at each licensed race
15 meeting in this state, and shall also determine whether the
16 applicant may simulcast under section 18 during the calendar year
17 for which the license is issued. The racing commissioner may grant
18 a race meeting license for any time period up to 1 year during
19 which the licensee may conduct live and simulcast horse races with
20 pari-mutuel wagering on the results of ~~such~~ **THE** races.

21 (2) Subject to section ~~12(7)~~, **12(4)**, all simulcasting
22 authorized by the racing commissioner ~~shall~~ **MUST** be conditioned
23 ~~upon~~ **ON** the holder of the license conducting ~~at least 9~~ **NOT FEWER**
24 **THAN 8** live horse races on each live racing date allocated in the
25 holder's race meeting license, unless this requirement is waived in
26 writing by both the racing commissioner and the certified
27 horsemen's organization with which the licensee has contracted.

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

5 (4) Except as provided in section ~~12(7), (8), and (9),~~ **12(4),**
6 **(5), AND (6),** if after the issuance of a race meeting license ~~the~~
7 racing commissioner determines ~~upon~~ **ON** further investigation that
8 the holder of a race meeting license has not met, or will be unable
9 to meet, the requirements of the license, the racing commissioner
10 may impose a fine or suspend or revoke the race meeting license, or
11 both, for all or part of the remainder of the time period for which
12 the license was granted. Before making the required determination
13 to impose a fine or suspend or revoke a race meeting license under
14 this subsection, the racing commissioner shall consider whether the
15 race meeting licensee's inability or failure to meet the
16 requirements of its license is due to a cause beyond the control of
17 the race meeting licensee.

18 (5) Any action taken by the racing commissioner under
19 subsection (4) ~~shall become~~ **BECOMES** effective 10 days after the
20 holder of the race meeting license ~~has received~~ **RECEIVES** written
21 notice unless the commissioner finds that the public health,
22 safety, or welfare requires emergency action and immediate effect
23 of the commissioner's order.

24 (6) A denial of a race meeting license under subsection (3)
25 may be appealed to the circuit court for judicial review ~~pursuant~~
26 ~~to~~ **UNDER** section 631 of the revised judicature act of 1961, 1961 PA
27 236, MCL 600.631. A suspension or revocation of a race meeting

1 license may be appealed ~~pursuant to~~ **UNDER** the administrative
 2 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

3 (7) Each applicant issued a race meeting license shall
 4 maintain an interest bearing account used exclusively ~~for~~ **TO**
 5 deposit ~~of all funds~~ **MONEY** due **TO** horsemen's purse pools under this
 6 act. All ~~funds~~ **MONEY** due to this account ~~shall~~ **MUST** be deposited
 7 within a reasonable time after receipt by the race meeting
 8 licensee. The name of the depository and the identification number
 9 of the account ~~shall~~ **MUST** be designated in each race meeting
 10 license application and all interest earned by the account ~~shall~~
 11 **MUST** be credited to the purse pool and deposited in the account.

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

16 Sec. 17. (1) The pari-mutuel system of wagering upon the
 17 results of horse races as permitted by this act shall not be held
 18 or construed to be unlawful. All forms of pari-mutuel wagering
 19 conducted at a licensed race meeting shall be preapproved by the
 20 racing commissioner ~~pursuant to~~ **UNDER** rule or written order of the
 21 commissioner.

22 (2) A holder of a race meeting license may provide a place in
 23 the race meeting grounds or enclosure at which he or she may
 24 conduct and supervise ~~the pari-mutuel system of~~ wagering on the
 25 results of horse races as permitted by this act. If ~~the pari-mutuel~~
 26 ~~system of~~ wagering is used at a race meeting, a totalisator or
 27 other device that is equal in accuracy and clearness to a

1 totalisator and approved by the racing commissioner ~~shall~~**MUST** be
2 used. The odds display of the totalisator or other device ~~shall~~
3 **MUST** be placed in full view of the patrons.

4 (3) Subject to section 18(3), each holder of a race meeting
5 license shall retain as his or her commission on all forms of
6 straight wagering 17% of all money wagered involving straight
7 wagers on the results of live and simulcast horse races conducted
8 at the licensee's race meetings. Subject to section 18(3), each
9 holder of a race meeting license shall retain as his or her
10 commission on all forms of multiple wagering, without the written
11 permission of the racing commissioner not more than 28% and with
12 the written permission of the racing commissioner not more than 35%
13 of all money wagered involving any form of multiple wager on the
14 results of live and simulcast horse races conducted at the
15 licensee's race meeting. Except as otherwise provided by contract,
16 50% of all commissions from wagering on the results of live racing
17 at the racetrack where the live racing was conducted shall be paid
18 to the horsemen's purse pool at the racetrack where the live racing
19 was conducted. As used in this subsection:

20 (a) "Straight wagering" means a wager made on the finishing
21 position of a single specified horse in a single specified race.

22 (b) "Multiple wagering" means a wager made on the finishing
23 positions of more than 1 horse in a specified race or the finishing
24 positions of 1 or more horses in more than 1 specified race.

25 (4) All breaks shall be retained by the race meeting licensee
26 and paid directly to the city or township in which the racetrack is
27 located as a fee for services provided ~~pursuant to~~**UNDER** section

1 21.

2 (5) Payoff prices of tickets of a higher denomination ~~shall~~
3 **MUST** be calculated as even multiples of the payoff price for a
4 \$1.00 wager. Each holder of a race meeting license shall distribute
5 to the persons holding winning tickets, as a minimum, a sum not
6 less than \$1.10 calculated on the basis of each \$1.00 deposited in
7 a pool, except that each race meeting licensee may distribute a sum
8 of not less than \$1.05 to persons holding winning tickets for each
9 \$1.00 deposited in a minus pool. As used in this subsection, "minus
10 pool" means any win, place, or show pool in which the payout would
11 exceed the total value of the pool.

12 (6) A holder of a race meeting license shall not knowingly
13 permit a person less than 18 years of age to be a patron of the
14 pari-mutuel wagering conducted or supervised by the holder.

15 (7) Any act or transaction relative to pari-mutuel wagering on
16 the results of live or simulcast horse races ~~shall only occur or be~~
17 ~~permitted to occur within the enclosure of a licensed race meeting.~~
18 ~~A person shall not participate or be a party to any act or~~
19 ~~transaction relative to placing a wager or carrying a wager for~~
20 ~~placement outside of a race meeting ground.~~ **MAY BE CONDUCTED BY A**
21 **RACE MEETING LICENSEE UNDER THIS ACT FOR THE RACE MEETING LICENSEE**
22 **TO COMPLY WITH THE AUDITING REQUIREMENTS OF SECTION 23.** A person
23 shall not provide messenger service for the placing of a bet for
24 another person who is not a patron. However, this subsection does
25 not prevent simulcasting or intertrack or interstate common pool
26 wagering inside or outside this state as permitted by this act or
27 the rules promulgated under this act.

1 (8) ANY FORM OF PARI-MUTUEL WAGERING ON THE RESULTS OF LIVE OR
2 SIMULCAST HORSE RACES MUST ONLY OCCUR OR BE PERMITTED TO OCCUR AT A
3 LICENSED RACE MEETING. A PERSON SHALL NOT PARTICIPATE OR BE A PARTY
4 TO ANY ACT OR TRANSACTION RELATIVE TO PLACING A WAGER OR CARRYING A
5 WAGER FOR PLACEMENT OUTSIDE OF A RACE MEETING GROUND. A PERSON
6 SHALL NOT PROVIDE MESSENGER SERVICE FOR THE PLACING OF A BET FOR
7 ANOTHER PERSON WHO IS NOT A PATRON. HOWEVER, THIS SUBSECTION DOES
8 NOT PREVENT SIMULCASTING OR INTRASTATE OR INTERSTATE COMMON POOL
9 WAGERING INSIDE OR OUTSIDE THIS STATE AS PERMITTED BY THIS ACT OR
10 THE RULES PROMULGATED UNDER THIS ACT.

11 (9) A PERSON THAT DOES NOT HOLD A RACE MEETING LICENSE THAT
12 SOLICITS OR ACCEPTS WAGERS ON THE RESULTS OF LIVE OR SIMULCAST
13 HORSE RACES FROM INDIVIDUALS IN THIS STATE IS GUILTY OF A FELONY
14 PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 5 YEARS OR A FINE OF
15 NOT MORE THAN \$10,000.00, OR BOTH. EACH ACT OF SOLICITATION OR
16 WAGER THAT IS ACCEPTED IN VIOLATION OF THIS SECTION IS A SEPARATE
17 OFFENSE.

18 (10) AS USED IN THIS SECTION, "ACT OR TRANSACTION RELATIVE TO
19 PARI-MUTUEL WAGERING ON THE RESULTS OF LIVE OR SIMULCAST HORSE
20 RACES" MEANS THOSE STEPS TAKEN BY A RACE MEETING LICENSEE TO ACCEPT
21 A WAGER AND PROCESS IT WITHIN THE ORDINARY COURSE OF ITS BUSINESS
22 AND IN ACCORDANCE WITH THIS ACT.

23 Sec. 18. (1) Simulcasting by race meeting licensees may be
24 authorized by the racing commissioner subject to the limitations of
25 this section. ~~As used in this section, "simulcast" means the live~~
26 ~~transmission of video and audio signals conveying a horse race held~~
27 ~~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".~~ **EXCEPT**
AS SPECIFICALLY PROVIDED IN SECTION 12, A RACE MEETING LICENSEE
SHALL NOT CONDUCT SIMULCAST WAGERING UNLESS THE RACE MEETING
LICENSEE CONDUCTS 30 OR MORE LIVE RACING DAYS IN THAT CALENDAR
YEAR.

(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 to televise simulcasts of horse races 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 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~~ **MUST** have a current contract with a
 certified horsemen's organization.

(b) The applicant ~~shall~~ **MUST** have applied for ~~and been~~
~~allocated~~ the minimum number of live racing dates required by
 section 12(1) ~~to (5),~~ **OR (2)**, subject to the availability of
 adequate horse supply as determined by the racing commissioner.

(c) The applicant ~~shall~~ **MUST** make a continuing good faith
 effort throughout the duration of its race meeting to program and

1 conduct not ~~less~~ **FEWER** than ~~9-8~~ live horse races on each live
2 racing date allocated to the applicant.

3 (d) The certified horsemen's organization with which the
4 applicant has contracted ~~shall~~ **MUST** have consented to the requested
5 simulcasts on any live racing day when the applicant is unable to
6 program and conduct not ~~less~~ **FEWER** than ~~9-8~~ live horse races, if
7 required by section ~~12(6)~~ **12(3)**.

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

13 ~~(f) If the applicant conducts its race meeting in a city area,~~
14 ~~the~~ **THE** applicant ~~shall~~ **MUST** make the video and audio signals of
15 its live horse races available for intertrack simulcasting to all
16 licensed race meetings in this state located more than 12 miles
17 from the applicant's race meeting. The applicant ~~shall~~ **MUST** charge
18 each race meeting licensee the same fee to receive its live signals
19 for intertrack simulcasting. ~~The fee shall not exceed 3% of the~~
20 ~~total amount wagered on the intertrack simulcast at each race~~
21 ~~meeting that receives the simulcast.~~

22 (g) Except as otherwise agreed by the **OTHER** race meeting
23 licensees ~~in a city area~~ and the respective certified horsemen's
24 organizations with which they contract, ~~a licensee in a city area~~
25 ~~shall~~ **THE APPLICANT MUST** receive all available intertrack
26 simulcasts from licensed race meetings ~~in the city area~~ located
27 more than 12 miles from the ~~licensee's~~ **APPLICANT'S** race meeting.

(h) ~~A licensed race meeting outside a city area shall~~ **THE APPLICANT MUST** not conduct interstate simulcasts unless it also receives all intertrack simulcasts from **OTHER** 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.~~

(I) ~~(k)~~ All authorized simulcasts shall **MUST** be conducted in compliance with the written permit and related orders issued by the racing commissioner and all other requirements and conditions of this act and the rules of the racing commissioner promulgated under this act.

(J) ~~(l)~~ All authorized interstate simulcasts shall **MUST** also comply with the interstate horse racing act of 1978, ~~Public Law 95-15,~~ 15 U.S.C. **USC** 3001 to 3007.

(3) All forms of wagering by pari-mutuel methods provided for under this act for live racing shall be allowed on simulcast horse

1 races authorized under this section. All money wagered on simulcast
2 horse races at a licensed race meeting ~~shall~~**MUST** be included in
3 computing the total amount of all money wagered at the licensed
4 race meeting for purposes of section 17. ~~When~~**IF** the simulcast is
5 an interstate simulcast, the money wagered on ~~that~~**THE** simulcast
6 ~~shall~~**MUST** form a separate pari-mutuel pool at the receiving track
7 unless 2 or more licensees receive the same interstate simulcast
8 signals or the racing commissioner permits the receiving track to
9 combine its interstate simulcast pool with the pool created at the
10 out-of-state sending track on the same race. If 2 or more licensees
11 receive the same interstate simulcast signals, the money wagered on
12 the simulcasts ~~shall~~**MUST** be combined in a common pool and the
13 licensees shall jointly agree and designate at which race meeting
14 the common pool will be located. However, if the law of the
15 jurisdiction in which the sending racetrack is located permits
16 interstate common pools at the sending racetrack, the racing
17 commissioner may permit pari-mutuel pools on interstate simulcast
18 races in this state to be combined with pari-mutuel pools on the
19 same races created at the out-of-state sending racetrack. If the
20 pari-mutuel pools on the interstate simulcast races in this state
21 are combined in a common pool at the out-of-state sending track,
22 then the commissions described in section 17 on the pool created in
23 this state ~~shall~~**MUST** be adjusted to equal the commissions in
24 effect at the sending track under the laws of its jurisdiction. If
25 the simulcast is an intertrack simulcast, the money wagered on ~~that~~
26 **THE** simulcast at the receiving racetrack ~~shall~~**MUST** be added to the
27 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.~~

(4) ~~(5)~~ A race meeting licensee licensed to conduct pari-mutuel horse racing ~~in a city area~~ 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, 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~~

1 ~~sending the simulcast signal to the horsemen's purse pool at the~~
2 ~~sending track.~~

3 ~~—— (b) Each race meeting licensee that receives an intertrack~~
4 ~~simulcast shall pay to the horsemen's simulcast purse pool~~
5 ~~established pursuant to section 19 a sum equal to 40% of the~~
6 ~~receiving track's net commission from wagering on the intertrack~~
7 ~~simulcast under section 17(3) after first deducting from the~~
8 ~~licensee's statutory commission the applicable state tax on~~
9 ~~wagering due and owing under section 22 and the actual verified fee~~
10 ~~paid by the receiving track to the sending host track to receive~~
11 ~~the intertrack simulcast signal.~~

12 (5) ~~(6)~~—The racing commissioner may authorize a race meeting
13 licensee to transmit simulcasts of live horse races conducted at
14 its racetrack to locations outside of this state in accordance with
15 the interstate horse racing act of 1978, ~~Public Law 95-515,~~ 15
16 ~~U.S.C. USC~~ 3001 to 3007, or any other applicable laws, and may
17 permit pari-mutuel pools on such simulcast races created under the
18 laws of the jurisdiction in which the receiving track is located to
19 be combined in a common pool with pari-mutuel pools on the same
20 races created in this state. A race meeting licensee that transmits
21 simulcasts of its races to locations outside this state shall pay
22 50% of the fee that it receives for sending the simulcast signal to
23 the horsemen's purse pool at the sending track after first
24 deducting the actual verified cost of sending the signal out of
25 state.

26 (6) **UNLESS OTHERWISE APPROVED BY THE RACING COMMISSIONER, A**
27 **RACE MEETING LICENSEE SHALL NOT RECEIVE AND OFFER WAGERS ON AN**

1 INTERSTATE SIMULCAST UNLESS THE INTERSTATE SIMULCAST IS AVAILABLE
 2 TO ALL RACE MEETING LICENSEES IN THIS STATE AT THE SAME RATE.

3 (7) Simulcasting of events other than horse races for purposes
 4 of pari-mutuel wagering is prohibited.

5 (8) AS USED IN THIS SECTION:

6 (A) "INTERSTATE SIMULCAST" MEANS A LIVE SIMULCAST FROM A
 7 RACETRACK OUTSIDE OF THIS STATE TO A RACETRACK INSIDE THIS STATE.

8 (B) "INTERTRACK SIMULCAST" MEANS A LIVE SIMULCAST FROM 1
 9 RACETRACK IN THIS STATE TO ANOTHER RACETRACK IN THIS STATE.

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

13 Sec. 19. ~~(1) All money designated by this act to be paid into~~
 14 ~~the~~ A RACE MEETING LICENSEE SHALL PAY AN AMOUNT EQUAL TO NOT LESS
 15 THAN 25% AND NOT MORE THAN 40% OF THE NET COMMISSION GENERATED AT
 16 THE LICENSEE'S RACE MEETING TO A SITE-SPECIFIC horsemen's simulcast
 17 purse pool, ~~shall~~ ACCOUNT. MONEY PAID INTO A HORSEMEN'S SIMULCAST
 18 PURSE ACCOUNT UNDER THIS ACT MUST be deposited in a depository
 19 designated by ~~all~~ THE participating certified horsemen's
 20 organizations and distributed by their designated ~~eserew~~ agent as
 21 follows:

22 ~~— (a) 50% of the funds generated from thoroughbred simulcasts~~
 23 ~~for horsemen's purses and 35% of the funds generated from~~
 24 ~~standardbred simulcasts for horsemen's purses shall be divided~~
 25 ~~between all thoroughbred purse pools. The division shall be on a~~
 26 ~~pro rata basis between all thoroughbred race meeting licensees~~
 27 ~~based upon the percentage of total thoroughbred handle, from all~~

sources, for the previous calendar year.

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

~~—— (2) The certified horsemen's organizations and race meeting licensees shall have audit rights of the funds set forth in this section.~~

(A) FOR PURSES FOR LIVE HORSE RACES AT A LICENSED RACE MEETING IN THIS STATE.

(B) EACH YEAR, ALL CERTIFIED HORSEMEN'S ORGANIZATIONS THAT PARTICIPATE IN A LIVE RACE MEETING MAY RECEIVE AN AMOUNT APPROVED BY ORDER OF THE RACING COMMISSIONER TO USE FOR GENERAL EXPENSES. BEGINNING ON JANUARY 1 AND ENDING ON DECEMBER 31 OF EACH YEAR, THE CERTIFIED HORSEMEN'S ORGANIZATION IS ENTITLED TO NOT LESS THAN 5% OF THE SITE-SPECIFIC HORSEMEN'S SIMULCAST PURSE ACCOUNT AS ORDERED BY THE RACING COMMISSIONER.

Sec. 19a. If a ~~thoroughbred~~ track license is surrendered, revoked, or escrowed, or ~~after January 1, 1998,~~ a licensed ~~thoroughbred~~ track is closed, the racing commissioner shall order the ~~deposit of horsemen's purse pool money deposited and distributed pursuant to section 19~~ **FROM THE TRACK BE TRANSFERRED** to a depository designated by a race meeting licensee ~~upon~~ **ON** written direction of the affected certified horsemen's organization

1 regardless of whether there was racing at the race meeting
2 licensee's location during the previous year. THE MONEY SHALL BE
3 TRANSFERRED TO THE HORSEMEN'S SIMULCAST PURSE ACCOUNT AT ANY
4 LICENSED RACETRACK IN THIS STATE WHERE THE AFFECTED CERTIFIED
5 HORSEMEN'S ORGANIZATION SUBSEQUENTLY OBTAINS A WRITTEN CONTRACT FOR
6 LIVE HORSE RACING WITH PARI-MUTUEL WAGERING. IF THE AFFECTED
7 CERTIFIED HORSEMEN'S ORGANIZATION DOES NOT ENTER INTO A WRITTEN
8 CONTRACT FOR LIVE HORSE RACING WITH PARI-MUTUEL WAGERING AT A TRACK
9 IN THIS STATE WITHIN 12 MONTHS AFTER THE DATE WHEN THE HORSEMEN'S
10 SIMULCAST PURSE ACCOUNT MONEY CAN BE TRANSFERRED UNDER THIS
11 SECTION, THE MONEY MUST BE EQUALLY DIVIDED BETWEEN THE HORSEMEN'S
12 SIMULCAST PURSE ACCOUNTS AT THE LICENSED TRACKS IN THIS STATE
13 CONDUCTING PARI-MUTUEL WAGERING ON THE RESULTS OF HORSE RACES. THE
14 RACING COMMISSIONER MAY RESCIND OR MODIFY ANY EXISTING ESCROW
15 ORDERS TO CARRY OUT THIS SECTION.

16 SEC. 19B. MONEY THAT WAS TO BE DISTRIBUTED TO A CERTIFIED
17 HORSEMEN'S ORGANIZATION BUT THAT WAS PLACED AND REMAINS IN ESCROW
18 UNDER AN ESCROW ORDER OF THE RACING COMMISSIONER BEFORE THE
19 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION MUST
20 BE USED BY SEPTEMBER 1, 2017 FOR A RACE MEETING CONDUCTED BY THE
21 CERTIFIED HORSEMEN'S ORGANIZATION AND THE RACE MEETING LICENSEE
22 THAT WERE THE SUBJECTS OF THE ORDER IN ACCORDANCE WITH A
23 CONTRACTUAL AGREEMENT BETWEEN A RACE MEETING LICENSEE AND THE
24 CERTIFIED HORSEMEN'S ORGANIZATION. IF A CONTRACTUAL AGREEMENT IS
25 NOT REACHED BY SEPTEMBER 1, 2017, THE RACING COMMISSIONER SHALL
26 ORDER DISTRIBUTION OF THE ESCROWED MONEY AS FOLLOWS:

27 (A) FIFTEEN PERCENT TO THE RACE MEETING LICENSEE THAT WAS THE

1 SUBJECT OF THE ORDER TO BE USED FOR TRACK OPERATIONS AND
2 ENHANCEMENTS.

3 (B) EIGHTY-FIVE PERCENT TO THE CERTIFIED HORSEMEN'S
4 ORGANIZATION THAT WAS THE SUBJECT OF THE ORDER TO BE USED FOR
5 PURSES AT ANY RACE MEETING IN THIS STATE FOR WHICH THE CERTIFIED
6 HORSEMEN'S ORGANIZATION HAS A CONTRACT.

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

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

25 (3) The Michigan agriculture equine industry development fund
26 is created in the department of treasury. The Michigan agriculture
27 equine industry development fund shall be administered by the

1 director of the department of agriculture **AND RURAL DEVELOPMENT**
2 with the assistance and advice of the racing commissioner.

3 (4) Money shall not be expended from the Michigan agriculture
4 equine industry development fund except as appropriated by the
5 legislature. Money appropriated by the legislature for the Michigan
6 agriculture equine industry development fund shall be expended by
7 the director of the department of agriculture **AND RURAL DEVELOPMENT**
8 with the advice and assistance of the racing commissioner to
9 provide funding for ~~the general fund as provided in subsection (17)~~
10 ~~and~~ agriculture and equine industry development programs as
11 provided in subsections (5) to (11).

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

14 (a) A sum not to exceed 75% of the purses for standardbred
15 harness horse races offered by fairs and races at licensed pari-
16 mutuel racetracks. Purse supplements **PAID UNDER THIS SUBDIVISION**
17 ~~for overnight races at fairs paid pursuant to this subsection shall~~
18 **FOR WHICH MICHIGAN SIRE, MICHIGAN BRED, OR MICHIGAN OWNED HARNESS**
19 **HORSES ARE ELIGIBLE MUST** be \$1,000.00. However, if the average
20 purse offered for maiden overnight races of the same breed at any
21 licensed race meeting in this state during the previous year as
22 calculated by the department of agriculture **AND RURAL DEVELOPMENT**
23 was less than \$1,000.00, purse supplements for overnight races at
24 fairs paid under this ~~subsection~~ **SUBDIVISION** shall not exceed that
25 average purse.

26 (b) A sum to be allotted on a matching basis, but not to
27 exceed \$15,000.00 each year to a single fair, for the purpose of

1 equipment rental during fairs; ground improvement; constructing,
2 maintaining, and repairing buildings; and making the racetrack more
3 suitable and safe for racing at fairs.

4 (c) A sum to be allotted for paying special purses at fairs on
5 2-year-old and 3-year-old standardbred harness horses conceived
6 after January 1, 1992, ~~and THAT IS MICHIGAN-BRED, OR THAT IS~~ sired
7 by a standardbred stallion registered with the ~~Michigan~~ department
8 of agriculture **AND RURAL DEVELOPMENT**, that was leased or owned by a
9 resident or residents of this state, and that did not serve a mare
10 at a location outside of this state from February 1 through July 31
11 of the calendar year in which the conception occurred. A foal that
12 is born on or after January 1, 2002 of a mare owned by a
13 nonresident of this state and that is conceived outside of this
14 state from transported semen of a stallion registered with the
15 ~~Michigan~~ department of agriculture **AND RURAL DEVELOPMENT** is
16 eligible for Michigan tax-supported races only if, in the year that
17 the foal is conceived, the ~~Michigan~~ department of agriculture's
18 **AGRICULTURE AND RURAL DEVELOPMENT'S** agent for receiving funds as
19 the holding agent for stakes and futurities is paid a transport fee
20 as determined by the ~~Michigan~~ department of agriculture **AND RURAL**
21 **DEVELOPMENT** and administered by the Michigan harness horsemen's
22 association.

23 (d) A sum to pay not more than 75% of an eligible cash premium
24 paid by a fair or exposition. The commission of agriculture **AND**
25 **RURAL DEVELOPMENT** shall promulgate rules establishing which
26 premiums are eligible for payment and a dollar limit for all
27 eligible payments.

1 (e) A sum to pay breeders' awards in an amount not to exceed
2 10% of the gross purse to breeders of Michigan bred standardbred
3 harness horses for each time the horse wins a race at a licensed
4 race meeting or fair in this state. As used in this subdivision,
5 "Michigan bred standardbred harness horse" means a horse from a
6 mare owned by a resident or residents of this state at the time of
7 conception, that was conceived after January 1, 1992, and sired by
8 a standardbred stallion registered with the ~~Michigan~~ department of
9 agriculture **AND RURAL DEVELOPMENT** that was leased or owned by a
10 resident or residents of this state and that did not serve a mare
11 at a location outside of this state from February 1 through July 31
12 of the calendar year in which the conception occurred. To be
13 eligible, each mare ~~shall~~ **MUST** be registered with the ~~Michigan~~
14 department of agriculture **AND RURAL DEVELOPMENT**. A foal that is
15 born on or after January 1, 2002 of a mare owned by a nonresident
16 of this state and that is conceived outside of this state from
17 transported semen of a stallion registered with the ~~Michigan~~
18 department of agriculture **AND RURAL DEVELOPMENT** is eligible for
19 Michigan tax-supported races only if, in the year that the foal is
20 conceived, the ~~Michigan~~ department of agriculture's **AGRICULTURE AND**
21 **RURAL DEVELOPMENT'S** agent for receiving funds as the holding agent
22 for stakes and futurities is paid a transport fee as determined by
23 the ~~Michigan~~ department of agriculture **AND RURAL DEVELOPMENT** and
24 administered by the Michigan harness horsemen's association.

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

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

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

24 (i) A sum not to exceed 0.25% of all money wagered on live and
25 simulcast horse races in ~~Michigan~~ **THIS STATE** shall be placed in a
26 special standardbred sire stakes fund each year, 100% of which
27 shall be used to provide purses for races run exclusively for 2-

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

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

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

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

1 horses.

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

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

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

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

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

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

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

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

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

14 (D) ~~(e)~~ As used in this subsection, "Michigan bred quarter
15 horse" means that term as defined in R 285.817.1 of the Michigan
16 ~~administrative code.~~ **ADMINISTRATIVE CODE.** Each mare and stallion
17 shall be registered with the director of the department of
18 agriculture **AND RURAL DEVELOPMENT.**

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

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

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

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

1 race meeting in this state.

2 ~~—— (d) The department shall also allot sufficient funds from the~~
3 ~~revenue received from Appaloosa horse racing to pay for the~~
4 ~~collection and laboratory analysis of urine, saliva, blood, or~~
5 ~~other samples from horses and licensed persons and the taking of~~
6 ~~blood alcohol tests on jockeys for those races described in this~~
7 ~~subsection and for the conducting of tests described in section~~
8 ~~16(4)(b).~~

9 (D) ~~(e)~~ As used in this subsection, "Michigan bred Appaloosa
10 horse" means that term as defined in R 285.819.1 of the Michigan
11 ~~administrative code.~~ **ADMINISTRATIVE CODE.** Each mare and stallion
12 shall be registered with the director of the department of
13 agriculture **AND RURAL DEVELOPMENT.**

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

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

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

19 (c) A sum to pay breeders' awards in an amount not to exceed
20 10% of the gross purse to the breeders of Michigan bred Arabian
21 horses for each time Michigan bred horses win at a fair or licensed
22 racetrack in this state.

23 ~~—— (d) A sum allotted from the revenue received from Arabian~~
24 ~~horse racing to pay for the collection and laboratory analysis of~~
25 ~~urine, saliva, blood, and other samples from horses and licensed~~
26 ~~persons and the taking of blood alcohol tests on jockeys for those~~
27 ~~races described in this subsection and for the conducting of tests~~

~~described in section 16(4)(b).~~

(D) ~~(e)~~ As used in this subsection, "Michigan bred Arabian horse" means a Michigan-bred horse as that term is defined in R 285.822.1(i) of the Michigan ~~administrative code.~~ **ADMINISTRATIVE CODE.** Each mare and stallion shall be registered with the director of the department of agriculture **AND RURAL DEVELOPMENT.**

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

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

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

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

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

(D) ~~(e)~~ As used in this subsection, "Michigan bred American paint horse" means a Michigan-bred paint horse as that term is defined in R 285.823.1 of the Michigan ~~administrative code.~~ **ADMINISTRATIVE CODE.**

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

1 (a) A sum to fund grants for research projects conducted by
2 persons affiliated with a university or governmental research
3 agency or institution or other private research entity approved by
4 the racing commissioner, which are beneficial to the horse racing
5 and breeding industry in this state.

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

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

23 (13) AN AMOUNT SHALL BE ALLOTTED ANNUALLY TO THE RACING
24 COMMISSIONER THAT IS SUFFICIENT TO PAY FOR THE COLLECTION AND
25 LABORATORY ANALYSIS OF URINE, SALIVA, BLOOD, AND OTHER SAMPLES FROM
26 HORSES AND LICENSED INDIVIDUALS INVOLVED IN HORSE RACING ON WHICH
27 PARI-MUTUEL WAGERS ARE MADE AND FOR THE CONDUCTING OF TESTS

1 DESCRIBED IN SECTION 16 (4) .

2 (14) ~~(13)~~ Subject to subsection ~~(17)~~, money **MONEY** appropriated
3 and allotted to the Michigan agriculture equine industry
4 development fund shall not revert to the general fund and shall be
5 carried forward from year to year until disbursed to fund grants
6 for research projects beneficial to the industry.

7 (15) ~~(14)~~ A percentage of the Michigan agriculture equine
8 industry development fund that is equal to 1/100 of 1% of the gross
9 wagers made each year in each of the racetracks licensed under this
10 act shall be deposited in the compulsive gaming prevention fund
11 created in section 3 of the compulsive gaming prevention act, 1997
12 PA 70, MCL 432.253.

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

18 (a) Prescribe the conditions under which the Michigan
19 agriculture equine industry development fund and related programs
20 described in subsections (1) to ~~(13)~~ **(14)** shall be funded.

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

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

25 (17) ~~(16)~~ Funds under the control of the department of
26 agriculture **AND RURAL DEVELOPMENT** in this section shall be
27 disbursed under the rules promulgated pursuant to subsection ~~(15)~~.

(16). All funds under the control of the department of agriculture
AND RURAL DEVELOPMENT approved for purse supplements and breeders'
 awards shall be paid by the state treasurer not later than 45 days
 from the date of the race.

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

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

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

(3) By eliminating the pari-mutuel wagering tax on live racing
 programs **AND ALTERING THE CALCULATION OF THE TAX ON SIMULCAST HORSE**

1 **RACING**, it is not the intent of the legislature to diminish the
 2 funding and appropriations for the Michigan agriculture equine
 3 industry fund and related programs described in section 20. The
 4 pari-mutuel tax ~~reduction~~ **ALTERATION** effected by this section is
 5 intended to generally allow for the improvement of the pari-mutuel
 6 horse racing and breeding industry in this state by increasing
 7 purses at licensed race meetings and making additional pari-mutuel
 8 revenues available for capital improvements at licensed racetracks
 9 in this state.

10 Sec. 30. (1) A drug or ~~painkiller that is a stimulant to a~~
 11 ~~horse or depressant to a horse shall~~ **FOREIGN SUBSTANCE MUST** not be
 12 administered to a horse ~~or be present in a horse that~~ is intended
 13 to be entered ~~, OR~~ is entered, or **BE PRESENT IN A HORSE THAT**
 14 participates, in a race with **PARI-MUTUEL** wagering ~~by pari-mutuel~~
 15 ~~methods~~ or any nonbetting race or workout that is conducted at a
 16 licensed race meeting in this state. ~~Any~~ **A BANNED DRUG, A**
 17 **NONTHERAPEUTIC DRUG, OR A FOREIGN SUBSTANCE DESIGNATED BY THE**
 18 **RACING COMMISSIONER AS NOT PERMITTED MUST NOT BE PRESENT IN A HORSE**
 19 **ELIGIBLE TO RACE THAT IS STABLED IN THIS STATE ON THE GROUNDS OF A**
 20 **RACE MEETING LICENSEE, OFF-TRACK TRAINING CENTER, FARM, OR STABLE.**

21 (2) A drug or foreign substance ~~, other than a stimulant or~~
 22 ~~depressant,~~ may be administered to a horse ~~or present in a horse~~
 23 that is intended to be entered ~~, OR~~ is entered, or **BE PRESENT IN A**
 24 **HORSE THAT** participates, in a race with **PARI-MUTUEL** wagering ~~by~~
 25 ~~pari-mutuel methods~~ or any nonbetting race or workout that is
 26 conducted at a licensed race meeting in this state only if
 27 authorized by the racing commissioner by rule or written order for

1 use in the care or treatment of the horse. A veterinarian is not
2 prohibited by this section from administering to a horse any drug
3 or foreign substance that is necessary and appropriate for the
4 emergency veterinary care and treatment of the horse under accepted
5 standards of veterinary practice in this state. The treating
6 veterinarian and the horse's trainer shall report immediately to
7 the racing commissioner, the state veterinarian, or the ~~state~~
8 steward any unauthorized or emergency administration of an
9 unauthorized drug or foreign substance to a horse that is intended
10 to be entered, is entered, or participates in a race or workout at
11 a licensed race meeting in this state, before the running of the
12 race or workout, in the manner and form prescribed by the racing
13 commissioner and the stewards shall scratch the horse from the
14 race.

15 (3) A veterinarian who administers a drug or foreign substance
16 to any horse that is intended to be entered, is entered, or
17 participates in a race or workout that is to be conducted at a
18 licensed race meeting in this state shall keep and maintain a true
19 and complete written record of the veterinarian's examination,
20 examination findings, diagnosis and treatment of the horse, and all
21 drugs or foreign substances administered to the horse by the
22 veterinarian, in the manner and form prescribed by the racing
23 commissioner, and shall provide the record to the commissioner for
24 review ~~upon~~ **ON** request.

25 (4) ~~(2)~~ The racing commissioner or his or her designee shall
26 conduct random testing to detect the presence of a drug or foreign
27 substance in all winning horses and in any other horse in each

1 ~~pari-mutuel~~ horse race and may conduct individual testing for the
2 presence of a drug or foreign substance in any ~~specific~~ horse
3 **ELIGIBLE TO RACE** within the **GROUND OF A** racetrack **OR OFF-TRACK**
4 **TRAINING CENTER, FARM, OR STABLE.**

5 (5) ~~(3)~~ The racing commissioner shall issue written orders or
6 promulgate rules pursuant to the administrative procedures act of
7 1969, ~~Act No. 306 of the Public Acts of 1969, being sections 1969~~
8 **PA 306, MCL 24.201 to 24.328, of the Michigan Compiled Laws,** that
9 specify the condition of the horse that must exist in order to
10 permit authorization of the use and possession of a foreign
11 substance or a permissible drug for the intended care or treatment
12 of a horse and that specify the procedures that must be followed in
13 administering the authorized drugs. Any written order issued by the
14 racing commissioner ~~pursuant to~~ **UNDER** this section ~~shall~~ **MUST** be
15 available for review in the office of racing commissioner at each
16 licensed race meeting in this state.

17 (6) ~~(4)~~ Except as authorized by the racing commissioner or as
18 provided in this section, a person who administers or conspires to
19 administer a drug or foreign substance, that could affect the
20 racing condition or performance of a horse, internally, externally,
21 by hypodermic method, or by any other method, to a horse that is
22 intended to be entered, is entered, or participates in a race or
23 workout at a licensed race meeting in this state, or who knowingly
24 starts a horse in any race or workout at a licensed race meeting in
25 this state knowing that the horse was administered a drug or
26 foreign substance, by any method, after the horse was entered or
27 intended to be entered in the race or workout is guilty of a felony

1 punishable by a fine of not more than \$10,000.00 or by imprisonment
2 for not more than 5 years, or both.

3 (7) ~~(5)~~—A postmortem examination ~~shall~~**MUST** be performed on
4 every horse that dies at a racetrack. ~~A~~**THE** postmortem examination
5 ~~shall~~**MUST** be a complete autopsy unless the racing commissioner, on
6 the advice of the veterinarian, is satisfied as to the cause of
7 death without the complete autopsy being performed. A complete
8 autopsy ~~shall~~**MUST** be ordered and performed if the presence of a
9 drug or foreign substance in the horse is suspected.

10 Sec. 31. (1) Except as provided in subsection (3), a person
11 who does any of the following, or who aids or abets another in
12 doing any of the following, is guilty of a misdemeanor punishable
13 by a fine of not more than \$10,000.00 or by imprisonment for not
14 more than 1 year, or both:

15 (a) Introduces an object or foreign substance into the
16 nostrils or windpipe of a horse that is entered or intended to be
17 entered in a race or workout at a licensed race meeting in this
18 state for the purpose of affecting the racing condition or
19 performance of the horse in a race or workout, without
20 authorization of the racing commissioner.

21 (b) Has in his or her possession within the confines of a
22 racetrack, stable, shed, building, or grounds of a licensed race
23 meeting, or within the confines of an off-track stable, shed,
24 building, or grounds where horses are kept ~~which~~**THAT** are eligible
25 to race over the racetrack of the holder of a race meeting license,
26 any drug not authorized by the racing commissioner for use at those
27 locations, or **A** battery or buzzer, electrical or mechanical, or

1 syringe, hypodermic needle, or other appliance device, other than
2 the ordinary whip, ~~which~~ **THAT** may or can be used for the purpose of
3 affecting a horse's racing condition or performance in a race or
4 workout at a licensed race meeting in this state.

5 (c) Has in his or her possession within the confines of a
6 racetrack, stable, shed, building, or grounds of a licensed race
7 meeting or within the confines of an off-track stable, shed,
8 building, or grounds where horses are kept that are eligible to
9 race over the racetrack of the holder of a race meeting license a
10 controlled substance ~~as defined in section 7104 of the public~~
11 ~~health code, Act No. 368 of the Public Acts of 1978, being section~~
12 ~~333.7104 of the Michigan Compiled Laws,~~ or a hypodermic needle or
13 other instrument that can be used to administer a controlled
14 substance, unless the controlled substance was obtained directly
15 from or pursuant to a prescription from ~~—~~ a licensed physician ~~—~~
16 and the person notifies the racing commissioner or racing
17 commissioner's designee that the person possesses the controlled
18 substance or instrument.

19 (2) In addition to the penalties prescribed in subsection (1),
20 **THE RACING COMMISSIONER SHALL SUSPEND THE LICENSE OF** a person who
21 is a licensee under this act and who does any of the acts described
22 in subsection (1) ~~shall have his or her license suspended by the~~
23 ~~racing commission~~ for a period of not less than 5 years after ~~being~~
24 **THE PERSON IS** convicted.

25 (3) Subsections (1) and (2) do not prohibit the possession and
26 use of drugs, foreign substances, controlled substances, hypodermic
27 needles and syringes, nasogastric tubes, endotracheal tubes,

1 endoscopes, or other instruments or equipment by a veterinarian
2 within the confines of a racetrack, stable, shed, building, or
3 grounds of a licensed race meeting or within the confines of an
4 off-track stable, shed, building, or grounds where horses are kept
5 that are eligible to race over the racetrack of the holder of a
6 race meeting license, if the drugs and equipment are recognized and
7 accepted in veterinary medicine for use in the care and treatment
8 of horses and are possessed and used by the veterinarian in
9 accordance with accepted standards of veterinary practice in this
10 state and applicable state and federal laws and not in violation of
11 other provisions of this act.