

**SUBSTITUTE FOR
SENATE BILL NO. 504**

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending sections 2, 7, 8, 9, 10, 12, 14, 17, 18, 19, 19a, 22,
27, 30, and 31 (MCL 431.302, 431.307, 431.308, 431.309, 431.310,
431.312, 431.314, 431.317, 431.318, 431.319, 431.319a, 431.322,
431.327, 431.330, and 431.331), section 2 as amended by 2006 PA
445, sections 7, 9, 10, and 12 as amended by 2000 PA 164, and
sections 14, 17, and 18 as amended and section 19a as added by 1998
PA 408, and by adding section 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
4 a partnership or joint venture relationship with; or is a co-
5 shareholder of a corporation, co-member of a limited liability

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

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

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

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

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

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

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

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

23 (D) **"COMMISSIONER" OR "RACING COMMISSIONER" MEANS THE**
24 **EXECUTIVE DIRECTOR OF THE MICHIGAN GAMING CONTROL BOARD APPOINTED**
25 **UNDER SECTION 4 OF THE MICHIGAN GAMING CONTROL AND REVENUE ACT,**
26 **1996 IL 1, MCL 432.204, WHO IS ORDERED UNDER EXECUTIVE**
27 **REORGANIZATION ORDER NO. 2009-31, MCL 324.99919, TO PERFORM ALL THE**

**FUNCTIONS AND EXERCISE THE POWERS PERFORMED AND EXERCISED BY THE
RACING COMMISSIONER BEFORE THAT POSITION WAS ABOLISHED.**

(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 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 racing
program of 1 or more race meeting licensees located in this state,
or an entire simulcast racing program of 1 or more races
simulcasted from 1 or more racetracks located outside of this
state.

(K) "HORSEMEN'S SIMULCAST PURSE ACCOUNT" MEANS AN ACCOUNT

1 MAINTAINED WITH A FINANCIAL INSTITUTION AND MANAGED BY A DESIGNATED
2 AGENT AS DESCRIBED IN SECTION 19 TO RECEIVE AND DISTRIBUTE MONEY AS
3 PROVIDED IN THIS ACT.

4 (I) ~~(k)~~—"Member of the immediate family" means the spouse,
5 child, parent, or sibling.

6 (M) "NET COMMISSION" MEANS THE AMOUNT DETERMINED UNDER SECTION
7 17(3), AFTER FIRST DEDUCTING FROM THE LICENSEE'S STATUTORY
8 COMMISSION THE APPLICABLE STATE TAX ON WAGERING DUE AND PAYABLE
9 UNDER SECTION 22 AND THE ACTUAL VERIFIED FEE PAID BY THE LICENSEE
10 TO THE SENDING HOST TRACK TO RECEIVE THE SIMULCAST SIGNAL.

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

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

25 (P) ~~(l)~~—"Person" means an individual, firm, partnership,
26 corporation, association, or other legal entity.

27 (Q) ~~(m)~~—"Purse pool" means an amount of money allocated or

1 apportioned to pay prizes for horse races and from which payments
 2 may be made to certified horsemen's organizations ~~pursuant to~~ **AS**
 3 **PROVIDED IN** this act.

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

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

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

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

20 (a) The governing, restricting, approving, or regulating of
 21 horse racing, pari-mutuel wagering on the results of horse races,
 22 and simulcasting conducted at licensed race meetings within this
 23 state.

24 (b) The promoting of the safety, security, growth, and
 25 integrity of all horse racing, pari-mutuel wagering on the results
 26 of horse races, **PARI-MUTUEL WAGERING AND TECHNOLOGY**, and
 27 simulcasting conducted at licensed race meetings within this state.

1 (c) The licensing and regulating of each person participating
2 in, or having to do with, pari-mutuel horse racing and wagering,
3 and simulcasting at licensed race meetings within this state.

4 (2) Each race meeting licensee shall provide security at all
5 times so as to reasonably ensure the safety of all persons and
6 horses on the grounds, and to protect and preserve the integrity of
7 horse racing, pari-mutuel wagering, and simulcasting at licensed
8 race meetings. If the racing commissioner determines that
9 additional security is necessary to ensure the safety and integrity
10 of racing, the racing commissioner shall provide supplemental
11 security at each race meeting in areas where occupational licenses
12 are required for admittance.

13 (3) The racing commissioner may issue sanctions including, but
14 not limited to, revocation or suspension of a license, exclusion
15 from racetrack grounds, or a fine of not more than \$25,000.00 for
16 each violation of this act or a rule promulgated under this act
17 committed by a licensee or other person under this act. A sanction
18 issued under this section may be appealed to the racing
19 commissioner. The appeal shall be heard ~~pursuant to~~ **UNDER** the
20 contested case provisions of the administrative procedures act of
21 1969, 1969 PA 306, MCL 24.201 to 24.328.

22 (4) All proposed extensions, additions, modifications, or
23 improvements to the racecourse, roadways, parking lots, buildings,
24 stables, lighting and electrical service, plumbing, public
25 utilities, drainage, totalisator system and equipment, hardware and
26 software for all approved methods of conducting pari-mutuel
27 wagering, and security on the grounds of a licensed racetrack owned

1 or leased by a person licensed under this act are subject to the
2 approval of the racing commissioner.

3 (5) The racing commissioner may compel the production of
4 books, records, memoranda, electronically retrievable data, or
5 documents that relate to horse racing, simulcasting, and pari-
6 mutuel wagering conducted at a licensed race meeting.

7 (6) The racing commissioner at any time may require for cause
8 the removal of any employee or official involved in or having to do
9 with horse racing, simulcasting, or pari-mutuel wagering conducted
10 at a licensed race meeting.

11 (7) The racing commissioner may visit, investigate, and place
12 auditors and other persons as the racing commissioner considers
13 necessary in the offices, racetracks, or places of business of a
14 licensee under this act to ensure compliance with this act and the
15 rules promulgated under this act.

16 (8) The racing commissioner may summon witnesses and
17 administer oaths or affirmations to exercise and discharge his or
18 her powers and duties under this act. A person ~~failing~~ **WHO FAILS** to
19 appear before the racing commissioner at the time and place
20 specified in a summons from the racing commissioner or ~~refusing~~ **WHO**
21 **REFUSES** to testify, without just cause, in answer to a summons from
22 the racing commissioner is guilty of a misdemeanor punishable by a
23 fine of not more than \$1,000.00, or imprisonment for not more than
24 6 months, or both, and may also be sanctioned by the racing
25 commissioner. A person ~~testifying~~ **WHO TESTIFIES** falsely to the
26 racing commissioner or his or her authorized representative while
27 under oath is guilty of a felony punishable by a fine of not more

1 than \$10,000.00 or imprisonment for not more than 4 years, or both,
2 and may also be sanctioned by the racing commissioner.

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

5 (a) Occupational licenses issued to individuals participating
6 in, involved in, or otherwise having to do with horse racing, pari-
7 mutuel wagering, or simulcasting at a licensed race meeting in this
8 state.

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

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

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

23 Sec. 9. (1) The racing commissioner shall issue, without
24 further application, a track license to any person holding a valid
25 track license under former 1980 PA 327, and maintaining or
26 operating a licensed horse racetrack as of ~~the effective date of~~
27 ~~this act~~ **JANUARY 9, 1996** at which wagering by pari-mutuel methods

1 on the results of horse racing has been conducted by a race meeting
2 licensee.

3 (2) A track license, once issued, is valid only as long as the
4 annual license fee is paid, or until the track license is
5 voluntarily surrendered or is revoked as provided in this act or
6 the rules promulgated under this act.

7 (3) An applicant for a track license shall submit an
8 application that is in writing, that demonstrates to the racing
9 commissioner that the applicant has satisfactory financial
10 responsibility, that shows the location of the racetrack or of the
11 proposed racetrack, and that is accompanied by substantially
12 detailed plans and specifications for the racecourse, paddock,
13 grandstand, stable barns, racetrack buildings, fences, electrical
14 service and lighting, plumbing, parking, and other facilities and
15 improvements. The application ~~shall~~**MUST** include the name and
16 address of the applicant, ~~and, if~~ **THE APPLICANT IS** a corporation,
17 the place of its incorporation, and any other information required
18 by the rules promulgated under this act. ~~by the racing~~
19 ~~commissioner. Upon~~**ON** the applicant's filing of the application and
20 ~~the payment of the license fee, the racing commissioner shall~~
21 investigate the applicant and the racetrack or proposed racetrack
22 as the racing commissioner considers necessary. If the racing
23 commissioner determines that the applicant and the racetrack
24 satisfy the requirements of this act and the rules promulgated
25 under this act, the racing commissioner shall grant a license for
26 the racetrack, designating in the license the county or other
27 municipality in which the licensed racetrack ~~shall~~**WILL** be or is

1 located. If the racing commissioner determines that the applicant
2 or the racetrack, or both, do not comply with this act and the
3 rules promulgated under this act, the racing commissioner shall
4 deny the license. The action of the racing commissioner in denying
5 a track license may be reviewed by the circuit court ~~pursuant to~~
6 **UNDER** section 631 of the revised judicature act of 1961, 1961 PA
7 236, MCL 600.631.

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

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

RACING COMMISSIONER shall comply with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. ~~and shall be~~ **THE ACTION OF THE RACING COMMISSIONER IS** subject to appeal.

~~(6) In a city area, not more than 3 racetracks shall be licensed, except that in a city with a population of 900,000 or more the racing commissioner may issue 1 additional license.~~

(6) ~~(7) A person~~ **THE RACING COMMISSIONER** shall not be issued **ISSUE A PERSON** more than 1 track license. Controlling ownership and interlocking directorates among the holders of track licenses are prohibited.

(7) ~~(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

1 partnership, ~~shall~~ state the place of the applicant's incorporation
2 or partnership and the names and addresses of all corporate
3 directors, officers, shareholders, and partners. The application
4 ~~shall~~ **MUST** also do all of the following:

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

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

11 (c) Specify the horse breed for which the applicant desires to
12 conduct live racing at the proposed race meeting, and the days on
13 which the applicant proposes to conduct live horse racing at the
14 race meeting.

15 (d) Specify the time period during which the applicant
16 requests to be licensed during the calendar year immediately
17 following the date of application.

18 (e) Demonstrate to the racing commissioner that the applicant
19 and all persons associated with the applicant who hold any
20 beneficial or ownership interest in the business activities of the
21 applicant or who have power or ability to influence or control the
22 business decisions or actions of the applicant satisfy all of the
23 following requirements:

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

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

27 (iii) Do not pose a threat to the public interest of ~~the~~ **THIS**

1 state or to the security and integrity of horse racing or pari-
2 mutuel wagering on the results of horse races in ~~the~~ **THIS** state.

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

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

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

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

~~1 (c) The licensee to conduct live horse racing programs after
2 6:45 p.m., if the licensee is not in a city area and is 75 miles or
3 more from the nearest race meeting licensee authorized to conduct
4 live horse racing.~~

5 Sec. 12. (1) ~~Each~~ **AN** applicant for **A LICENSE TO CONDUCT** a
6 thoroughbred, ~~quarter horse, Appaloosa, American paint horse, or~~
7 ~~Arabian license in a county located outside of a city area~~ **RACE**
8 **MEETING** shall apply to conduct at least ~~45~~ **30** days of live
9 thoroughbred, ~~quarter horse, Appaloosa, American paint horse, or~~
10 ~~Arabian horse racing during its~~ **PROPOSED** race meeting. Except
11 during the opening and closing week of a race meeting, the
12 applicant shall apply to conduct live racing at least ~~3~~ **2** days per
13 week, including Saturdays and Sundays, with ~~not less than 9~~ **AT**
14 **LEAST 8** live horse races programmed, and shall conduct live racing
15 programs on ~~such~~ **THE** days allocated by the racing commissioner.

16 ~~— (2) Each applicant for a thoroughbred, quarter horse,
17 Appaloosa, American paint horse, or Arabian race meeting license in
18 a city area shall apply to conduct at least 160 days of live
19 thoroughbred, quarter horse, Appaloosa, American paint horse, or
20 Arabian horse racing during its proposed race meeting. Except
21 during the opening and closing week of a race meeting, the
22 applicant shall apply to conduct live racing at least 5 days per
23 week, including Saturdays and Sundays, with not less than 9 live
24 horse races programmed, and shall conduct live racing programs on
25 such days allocated by the racing commissioner.~~

26 (2) ~~(3)~~ ~~Each~~ **AN** applicant for **A LICENSE TO CONDUCT** a
27 standardbred race meeting license in a county having a population

1 ~~of less than 250,000 and that is not part of a city area shall~~
 2 ~~apply to conduct at least 75-30 days of live standardbred harness~~
 3 ~~horse racing during its proposed race meeting. Except during the~~
 4 ~~opening and closing week of a race meeting, the applicant shall~~
 5 ~~apply to conduct live horse racing at least 4-2 days per week,~~
 6 ~~including Saturdays, with not less than 9~~ **AT LEAST 8** ~~live horse~~
 7 ~~races programmed, and shall conduct live racing programs on such~~
 8 **THE** ~~days awarded.~~

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 8 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 8 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~~ **8** live
24 horse races on each live racing date allocated in the holder's race
25 meeting license, unless this requirement is waived in writing by
26 both the racing commissioner and the certified horsemen's
27 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 (8) **THE RACING COMMISSIONER MAY PROMULGATE RULES PURSUANT TO**
17 **THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201**
18 **TO 24.328, TO REGULATE ADVANCE DEPOSIT ACCOUNT WAGERING.**

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

25 (2) A holder of a race meeting license may provide a place in
26 the race meeting grounds or enclosure at which he or she may
27 conduct and supervise ~~the pari-mutuel system of~~ wagering on the

1 results of horse races as permitted by this act. If ~~the pari-mutuel~~
2 ~~system of wagering~~ is used at a race meeting, a totalisator or
3 other device that is equal in accuracy and clearness to a
4 totalisator and approved by the racing commissioner ~~shall~~ **MUST** be
5 used. The odds display of the totalisator or other device ~~shall~~
6 **MUST** be placed in full view of the patrons.

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

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

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

1 (4) All breaks shall be retained by the race meeting licensee
2 and paid directly to the city or township in which the racetrack is
3 located as a fee for services provided ~~pursuant to~~ **UNDER** section
4 21.

5 (5) Payoff prices of tickets of a higher denomination ~~shall~~
6 **MUST** be calculated as even multiples of the payoff price for a
7 \$1.00 wager. Each holder of a race meeting license shall distribute
8 to the persons holding winning tickets, as a minimum, a sum not
9 less than \$1.10 calculated on the basis of each \$1.00 deposited in
10 a pool, except that each race meeting licensee may distribute a sum
11 of not less than \$1.05 to persons holding winning tickets for each
12 \$1.00 deposited in a minus pool. As used in this subsection, "minus
13 pool" means any win, place, or show pool in which the payout would
14 exceed the total value of the pool.

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

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

1 not prevent simulcasting or intertrack or interstate common pool
2 wagering inside or outside this state as permitted by this act or
3 the rules promulgated under this act.

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

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

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

26 Sec. 18. (1) Simulcasting by race meeting licensees may be
27 authorized by the racing commissioner subject to the limitations of

1 this section. ~~As used in this section, "simulcast" means the live~~
 2 ~~transmission of video and audio signals conveying a horse race held~~
 3 ~~either inside or outside this state to a licensed race meeting in~~
 4 ~~this state. A simulcast from 1 racetrack in this state to another~~
 5 ~~racetrack in this state shall be called an "intertrack simulcast".~~
 6 ~~A simulcast from a racetrack outside this state to a racetrack~~
 7 ~~inside this state shall be called an "interstate simulcast".~~ **FOR**
 8 **SIMULCAST WAGERING TO OCCUR AT ANY LICENSED TRACK IN THIS STATE, A**
 9 **MINIMUM OF 30 LIVE RACING DAYS FOR THOROUGHBRED HORSES AND FOR**
 10 **STANDARD BRED HORSES MUST OCCUR IN THAT CALENDAR YEAR UNLESS**
 11 **OTHERWISE APPROVED BY ALL OF THE CERTIFIED HORSEMEN'S ORGANIZATIONS**
 12 **IN THIS STATE.**

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

24 (a) The applicant ~~shall~~ **MUST** have a current contract with a
 25 certified horsemen's organization.

26 (b) The applicant ~~shall~~ **MUST** have applied for ~~and been~~
 27 ~~allocated~~ the minimum number of live racing dates required by

1 section 12(1) to ~~(5)~~, **(3)**, subject to the availability of adequate
2 horse supply as determined by the racing commissioner.

3 (c) The applicant ~~shall~~ **MUST** make a continuing good faith
4 effort throughout the duration of its race meeting to program and
5 conduct ~~not less than 9~~ **AT LEAST 8** live horse races on each live
6 racing date allocated to the applicant.

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

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

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

26 (g) Except as otherwise agreed by the **OTHER** race meeting
27 licensees ~~in a city area~~ and the respective certified horsemen's

1 organizations with which they contract, ~~a licensee in a city area~~
2 ~~shall~~ **THE APPLICANT MUST** receive all available intertrack
3 simulcasts from licensed race meetings ~~in the city area~~ located
4 more than 12 miles from the ~~licensee's~~ **APPLICANT'S** race meeting.

5 (h) ~~A licensed race meeting outside a city area shall~~ **THE**
6 **APPLICANT MUST** not conduct interstate simulcasts unless it also
7 receives all intertrack simulcasts from **OTHER** licensed race
8 meetings ~~in a city area~~ that are available.

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

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

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

1 (l) All authorized interstate simulcasts ~~shall~~**MUST** also
2 comply with the interstate horse racing act of 1978, ~~Public Law 95-~~
3 ~~15, 15 U.S.C. USC~~ 3001 to 3007.

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

1 this state ~~shall~~ **MUST** be adjusted to equal the commissions in
 2 effect at the sending track under the laws of its jurisdiction. If
 3 the simulcast is an intertrack simulcast, the money wagered on ~~that~~
 4 **THE** simulcast at the receiving racetrack ~~shall~~ **MUST** be added to the
 5 pari-mutuel pool at the sending racetrack.

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

21 (4) ~~(5)~~ A race meeting licensee licensed to conduct pari-
 22 mutuel horse racing ~~in a city area~~ shall provide the necessary
 23 equipment to send intertrack simulcasts of the live horse races
 24 conducted at its race meeting to all other race meeting licensees
 25 in this state, and shall send its intertrack simulcast signals to
 26 those licensees upon request for an agreed fee, which shall not
 27 exceed 3% of the total amount wagered on the race at the receiving

1 track. ~~Race meeting licensees that send or receive intertrack~~
2 ~~simulcasts shall make the following payments to the horsemen's~~
3 ~~purse pools.~~

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

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

17 (5) ~~(6)~~ The racing commissioner may authorize a race meeting
18 licensee to transmit simulcasts of live horse races conducted at
19 its racetrack to locations outside of this state in accordance with
20 the interstate horse racing act of 1978, ~~Public Law 95-515,~~ 15
21 ~~U.S.C. USC~~ 3001 to 3007, or any other applicable laws, and may
22 permit pari-mutuel pools on such simulcast races created under the
23 laws of the jurisdiction in which the receiving track is located to
24 be combined in a common pool with pari-mutuel pools on the same
25 races created in this state. A race meeting licensee that transmits
26 simulcasts of its races to locations outside this state shall pay
27 50% of the fee that it receives for sending the simulcast signal to

1 the horsemen's purse pool at the sending track after first
 2 deducting the actual verified cost of sending the signal out of
 3 state.

4 (6) A PERSON THAT OFFERS THE SIGNAL OF AN INTERSTATE SIMULCAST
 5 TO A RACE MEETING LICENSEE IN THIS STATE SHALL TRANSMIT THE SIGNAL
 6 TO ALL RACE MEETING LICENSEES IN THIS STATE AT AN EQUAL RATE.

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

9 (8) AS USED IN THIS SECTION:

10 (A) "INTERSTATE SIMULCAST" MEANS A SIMULCAST FROM A RACETRACK
 11 OUTSIDE OF THIS STATE TO A RACETRACK INSIDE THIS STATE.

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

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

17 Sec. 19. ~~(1)~~ All money designated by this act to be paid into
 18 the **SITE-SPECIFIC** horsemen's simulcast purse pool, shall ~~ACCOUNT~~
 19 **MUST** be deposited in a depository designated by ~~all~~ **THE**
 20 participating certified horsemen's organizations and distributed by
 21 their designated ~~escrow~~ agent as 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~~

1 ~~sources, for the previous calendar year.~~

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

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

12 (A) A RACE MEETING LICENSEE SHALL PAY TO THE SITE-SPECIFIC
13 HORSEMEN'S SIMULCAST PURSE ACCOUNT AN AMOUNT NOT LESS THAN 25% AND
14 NOT MORE THAN 40% OF NET COMMISSION GENERATED AT THE LICENSEE'S
15 RACE MEETING FOR PURSES FOR LIVE HORSE RACES.

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

24 Sec. 19a. If a ~~thoroughbred~~ track license is surrendered,
25 revoked, or escrowed, or ~~after January 1, 1998,~~ a licensed
26 ~~thoroughbred~~ track is closed, the racing commissioner shall order
27 the ~~deposit of horsemen's purse pool money deposited and~~

1 ~~distributed pursuant to section 19~~ FROM THE TRACK BE TRANSFERRED to
2 a depository designated by a race meeting licensee ~~upon~~ ON written
3 direction of the affected certified horsemen's organization
4 regardless of whether there was racing at the race meeting
5 licensee's location during the previous year. THE MONEY SHALL BE
6 TRANSFERRED TO THE HORSEMEN'S PURSE POOL AT ANY LICENSED RACETRACK
7 IN THIS STATE WHERE THE AFFECTED CERTIFIED HORSEMEN'S ORGANIZATION
8 SUBSEQUENTLY OBTAINS A WRITTEN CONTRACT FOR LIVE HORSE RACING WITH
9 PARI-MUTUEL WAGERING. IF THE AFFECTED CERTIFIED HORSEMEN'S
10 ORGANIZATION DOES NOT ENTER INTO A WRITTEN CONTRACT FOR LIVE HORSE
11 RACING WITH PARI-MUTUEL WAGERING AT A TRACK IN THIS STATE WITHIN 9
12 MONTHS AFTER THE DATE WHEN THE HORSEMEN'S PURSE POOL MONEY CAN BE
13 TRANSFERRED UNDER THIS SECTION, THE MONEY MUST BE EQUALLY DIVIDED
14 BETWEEN THE HORSEMEN'S PURSE POOLS AT THE LICENSED TRACKS IN THIS
15 STATE CONDUCTING PARI-MUTUEL WAGERING ON THE RESULTS OF HORSE
16 RACES. THE RACING COMMISSIONER MAY RESCIND OR MODIFY ANY EXISTING
17 ESCROW ORDERS TO CARRY OUT THIS SECTION.

18 SEC. 19B. MONEY THAT WAS TO BE DISTRIBUTED TO A CERTIFIED
19 HORSEMEN'S ORGANIZATION BUT THAT WAS PLACED AND REMAINS IN ESCROW
20 UNDER AN ESCROW ORDER OF THE RACING COMMISSIONER BEFORE THE
21 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION MUST
22 BE USED BY DECEMBER 31, 2018 FOR A RACE MEETING CONDUCTED BY THE
23 RACE MEETING LICENSEE THAT WAS THE SUBJECT OF THE ORDER IN
24 ACCORDANCE WITH A CONTRACTUAL AGREEMENT BETWEEN THE RACE MEETING
25 LICENSEE AND THE CERTIFIED HORSEMEN'S ORGANIZATION THAT WAS THE
26 SUBJECT OF THE ORDER. IF A CONTRACTUAL AGREEMENT IS NOT REACHED
27 UNDER THIS SECTION BEFORE SEPTEMBER 1, 2017, THE RACING

1 COMMISSIONER SHALL ORDER DISTRIBUTION OF THE ESCROWED MONEY, WITH
2 50% BEING DISTRIBUTED FOR THOROUGHBRED HORSES AND 50% BEING
3 DISTRIBUTED FOR STANDARD BRED HORSES.

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

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

22 (3) By eliminating the pari-mutuel wagering tax on live racing
23 programs **AND ALTERING THE CALCULATION OF THE TAX ON SIMULCAST HORSE**
24 **RACING**, it is not the intent of the legislature to diminish the
25 funding and appropriations for the Michigan agriculture equine
26 industry fund and related programs described in section 20. The
27 pari-mutuel tax ~~reduction~~ **ALTERATION** effected by this section is

1 intended to generally allow for the improvement of the pari-mutuel
 2 horse racing and breeding industry in this state by increasing
 3 purses at licensed race meetings and making additional pari-mutuel
 4 revenues available for capital improvements at licensed racetracks
 5 in this state.

6 Sec. 27. (1) A person shall not participate in racing
 7 involving wagering of any kind except as permitted under this act.

8 (2) A PERSON SHALL NOT HOLD OR CONDUCT, OR ASSIST, AID, OR
 9 ABET IN HOLDING OR CONDUCTING, A RACE MEETING IN THIS STATE AT
 10 WHICH LIVE OR SIMULCAST HORSE RACES WITH PARI-MUTUEL WAGERING ON
 11 THE RESULTS OF THE HORSE RACES FOR A STAKE, PURSE, PRIZE, SHARE, OR
 12 REWARD IS CONDUCTED, UNLESS THE PERSON AND THE RACETRACK AT WHICH
 13 THE PARI-MUTUEL WAGERING IS CONDUCTED ARE LICENSED BY THE RACING
 14 COMMISSIONER.

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

26 (2) A drug or foreign substance ~~, other than a stimulant or~~
 27 ~~depressant,~~ may be administered to a horse ~~or present in a horse~~

1 that is intended to be entered ~~—OR~~ is entered, or **BE PRESENT IN A**
2 **HORSE THAT** participates, in a race with **PARI-MUTUEL** wagering ~~by~~
3 ~~pari-mutuel methods~~ or any nonbetting race or workout that is
4 conducted at a licensed race meeting in this state only if
5 authorized by the racing commissioner by rule or written order for
6 use in the care or treatment of the horse. A veterinarian is not
7 prohibited by this section from administering to a horse any drug
8 or foreign substance that is necessary and appropriate for the
9 emergency veterinary care and treatment of the horse under accepted
10 standards of veterinary practice in this state. The treating
11 veterinarian and the horse's trainer shall report immediately to
12 the racing commissioner, the state veterinarian, or the ~~state~~
13 steward any unauthorized or emergency administration of an
14 unauthorized drug or foreign substance to a horse that is intended
15 to be entered, is entered, or participates in a race or workout at
16 a licensed race meeting in this state, before the running of the
17 race or workout, in the manner and form prescribed by the racing
18 commissioner and the stewards shall scratch the horse from the
19 race.

20 (3) A veterinarian who administers a drug or foreign substance
21 to any horse that is intended to be entered, is entered, or
22 participates in a race or workout that is to be conducted at a
23 licensed race meeting in this state shall keep and maintain a true
24 and complete written record of the veterinarian's examination,
25 examination findings, diagnosis and treatment of the horse, and all
26 drugs or foreign substances administered to the horse by the
27 veterinarian, in the manner and form prescribed by the racing

1 commissioner, and shall provide the record to the commissioner for
2 review ~~upon~~ **ON** request.

3 (4) ~~(2)~~ The racing commissioner or his or her designee shall
4 conduct random testing to detect the presence of a drug or foreign
5 substance in all winning horses and in any other horse in each
6 ~~pari-mutuel~~ horse race and may conduct individual testing for the
7 presence of a drug or foreign substance in any ~~specific~~ horse
8 **ELIGIBLE TO RACE** within the **GROUND OF A** racetrack **OR OFF-TRACK**
9 **TRAINING CENTER, FARM, OR STABLE.**

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

22 (6) ~~(4)~~ Except as authorized by the racing commissioner or as
23 provided in this section, a person who administers or conspires to
24 administer a drug or foreign substance, that could affect the
25 racing condition or performance of a horse, internally, externally,
26 by hypodermic method, or by any other method, to a horse that is
27 intended to be entered, is entered, or participates in a race or

1 workout at a licensed race meeting in this state, or who knowingly
2 starts a horse in any race or workout at a licensed race meeting in
3 this state knowing that the horse was administered a drug or
4 foreign substance, by any method, after the horse was entered or
5 intended to be entered in the race or workout is guilty of a felony
6 punishable by a fine of not more than \$10,000.00 or by imprisonment
7 for not more than 5 years, or both.

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

15 Sec. 31. (1) Except as provided in subsection ~~(3)~~, **(4)**, a
16 person who does any of the following, or who aids or abets another
17 in doing any of the following, is guilty of a misdemeanor
18 punishable by a fine of not more than \$10,000.00 or by imprisonment
19 for not more than 1 year, or both:

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

26 (b) Has in his or her possession within the confines of a
27 racetrack, stable, shed, building, or grounds of a licensed race

1 meeting, or within the confines of an off-track stable, shed,
2 building, or grounds where horses are kept ~~which~~ **THAT** are eligible
3 to race over the racetrack of the holder of a race meeting license,
4 any drug not authorized by the racing commissioner for use at those
5 locations, or **A** battery or buzzer, electrical or mechanical, or
6 syringe, hypodermic needle, or other appliance device, other than
7 the ordinary whip, ~~which~~ **THAT** may or can be used for the purpose of
8 affecting a horse's racing condition or performance in a race or
9 workout at a licensed race meeting in this state.

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

24 (2) In addition to the penalties prescribed in subsection (1),
25 **THE RACING COMMISSIONER SHALL SUSPEND THE LICENSE OF** a person who
26 is a licensee under this act and who does any of the acts described
27 in subsection (1) ~~shall have his or her license suspended by the~~

1 ~~racetrack commission~~ for a period of not less than 5 years after being
2 **THE PERSON IS** convicted.

3 (3) Subsections (1) and (2) do not prohibit the possession and
4 use of drugs, foreign substances, controlled substances, hypodermic
5 needles and syringes, nasogastric tubes, endotracheal tubes,
6 endoscopes, or other instruments or equipment by a veterinarian
7 within the confines of a racetrack, stable, shed, building, or
8 grounds of a licensed race meeting or within the confines of an
9 off-track stable, shed, building, or grounds where horses are kept
10 that are eligible to race over the racetrack of the holder of a
11 race meeting license, if the drugs and equipment are recognized and
12 accepted in veterinary medicine for use in the care and treatment
13 of horses and are possessed and used by the veterinarian in
14 accordance with accepted standards of veterinary practice in this
15 state and applicable state and federal laws and not in violation of
16 other provisions of this act.

17 Enacting section 1. This amendatory act takes effect 90 days
18 after the date it is enacted into law.