

HOUSE BILL No. 5600

April 26, 2016, Introduced by Rep. Bumstead and referred to the Committee on Agriculture.

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending the title and sections 2, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 19a, 20, 22, 23, 27, 30, and 31 (MCL 431.302, 431.307, 431.308, 431.309, 431.310, 431.312, 431.313, 431.314, 431.315, 431.316, 431.317, 431.318, 431.319, 431.319a, 431.320, 431.322, 431.323, 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, sections 14, 17, and 18 as amended and section 19a as added by 1998 PA 408, section 16 as amended by 2005 PA 7, and section 20 as amended by 2006 PA 185, and by adding section 19b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to license and regulate ~~the conducting of~~ horse race

1 meetings in this state, ~~with pari-mutuel wagering on the results of~~
 2 horse races and persons involved in horse racing and pari-mutuel
 3 gaming activities; ~~at such race meetings; to create the office of~~
 4 ~~racing commissioner; to prescribe~~ **PROVIDE FOR** the powers and duties
 5 of ~~the racing commissioner; to prescribe certain powers and duties~~
 6 ~~of the department of agriculture and the director of the department~~
 7 ~~of agriculture;~~ **CERTAIN STATE GOVERNMENTAL OFFICERS AND ENTITIES;**
 8 to provide for the promulgation of rules; to ~~provide for the~~
 9 ~~imposition of~~ **IMPOSE** taxes and fees and the ~~disposition~~ **DISPOSE** of
 10 revenues; ~~to impose certain taxes;~~ to create funds; to legalize and
 11 permit the pari-mutuel method of wagering on the results of live
 12 and simulcast races at licensed race meetings in this state; to
 13 appropriate the ~~funds~~ **MONEY** derived from pari-mutuel wagering on
 14 the results of horse races at licensed race meetings in this state;
 15 to ~~prescribe~~ **PROVIDE** remedies and **PRESCRIBE** penalties; and to
 16 repeal acts and parts of acts.

17 Sec. 2. As used in this act:

18 (a) "Affiliate" means a person who, directly or indirectly,
 19 controls, is controlled by, or is under common control with; is in
 20 a partnership or joint venture relationship with; or is a co-
 21 shareholder of a corporation, co-member of a limited liability
 22 company, or co-partner in a limited liability partnership with a
 23 person who holds or applies for a race meeting or track license
 24 under this act. For purposes of this subdivision, a controlling
 25 interest is a pecuniary interest of more than 15%.

26 (B) **"BOARD" MEANS THE MICHIGAN GAMING CONTROL BOARD CREATED BY**
 27 **SECTION 4 OF THE MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL**

1 1, MCL 432.204, TO WHICH CERTAIN POWERS AND DUTIES UNDER THIS ACT
2 WERE TRANSFERRED BY EXECUTIVE REORGANIZATION ORDER NO. 2009-31, MCL
3 324.99919.

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

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

10 ~~—— (i) The organization's capacity to supply horses.~~

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

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

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

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

22 (D) "COMMISSIONER" OR "RACING COMMISSIONER" MEANS THE
23 EXECUTIVE DIRECTOR.

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

26 (f) "Day of operation" means a period of 24 hours beginning at
27 12 noon and ending at 11:59 a.m. the following day.

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

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

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

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

10 (H) "ELIGIBLE TO RACE" MEANS A RACEHORSE THAT HAS A VALID
11 CURRENT CHARTED LINE OR WORK.

12 (I) "ENTERED" MEANS HAS BEEN DRAWN INTO A SPECIFIC RACE.

13 (J) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE
14 MICHIGAN GAMING CONTROL BOARD APPOINTED UNDER SECTION 4 OF THE
15 MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.204, TO
16 WHOM DUTIES OF THE RACING COMMISSIONER WERE TRANSFERRED UNDER
17 EXECUTIVE REORGANIZATION ORDER NO. 2009-31, MCL 324.99919.

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

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

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

1 simulcasted from 1 or more racetracks located outside of this
2 state.

3 (N) "INTENDED TO BE ENTERED" MEANS HAS HAD ITS NAME PUT INTO
4 THE DRAW FOR A SPECIFIC RACE.

5 (O) "LICENSED HORSEMEN'S ORGANIZATION" MEANS A HORSEMEN'S
6 ORGANIZATION LICENSED BY THE EXECUTIVE DIRECTOR IN A MANNER AND
7 FORM REQUIRED BY THIS ACT, THE RULES PROMULGATED UNDER THIS ACT,
8 AND THE EXECUTIVE DIRECTOR.

9 (P) ~~(K)~~—"Member of the immediate family" means the spouse,
10 child, parent, or sibling.

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

16 (R) "OFFICE OF THE RACING COMMISSIONER" MEANS THE BOARD.

17 (S) "PARI-MUTUEL" AND "PARI-MUTUEL WAGERING" MEAN A SYSTEM BY
18 WHICH WAGERS ARE PLACED WITH, OR IN, A WAGERING POOL CONDUCTED BY
19 AN OPERATOR LICENSED UNDER THE LAW OF THIS STATE AND IN WHICH THE
20 PARTICIPANTS DO NOT WAGER AGAINST THE OPERATOR. PARI-MUTUEL AND
21 PARI-MUTUEL WAGERING MAY INCLUDE RACES RUN IN THE PAST OR THE
22 FUTURE. PARI-MUTUEL AND PARI-MUTUEL WAGERING DO NOT INCLUDE
23 WAGERING ON A BANKED GAME IN WHICH THE RACE MEETING LICENSEE IS A
24 PARTICIPANT OR OTHERWISE HOLDS A STAKE IN THE OUTCOME OF THE GAME,
25 OR IN WHICH THE RACE MEETING LICENSEE ESTABLISHES A BANK AGAINST
26 WHICH THE PARTICIPANTS PLAY. HOWEVER, PARI-MUTUEL AND PARI-MUTUEL
27 WAGERING INCLUDE A SYSTEM IN WHICH A RACE MEETING LICENSEE MAY MAKE

1 A NONREFUNDABLE CONTRIBUTION TO THE POOL TO SERVE AS A SEED OR
 2 GUARANTEE. PARI-MUTUEL AND PARI-MUTUEL WAGERING DO NOT INCLUDE A
 3 VIDEO LOTTERY THAT MUST BE AUTHORIZED UNDER THE MCCAULEY-TRAXLER-
 4 LAW-BOWMAN-MCNEELY LOTTERY ACT, 1972 PA 239, MCL 432.1 TO 432.47,
 5 OR ANY OTHER LAW OF THIS STATE.

6 (T) ~~(l)~~—"Person" means an individual, firm, partnership,
 7 corporation, association, or other legal entity.

8 (U) ~~(m)~~—"Purse pool" means an amount of money allocated or
 9 apportioned to pay prizes for horse races and from which payments
 10 may be made to ~~certified~~ LICENSED horsemen's organizations pursuant
 11 ~~to~~ UNDER this act.

12 (V) "SIMULCAST PURSE ACCOUNT" MEANS AN ACCOUNT MAINTAINED WITH
 13 A FINANCIAL INSTITUTION AND MANAGED BY THE DESIGNATED ESCROW AGENT,
 14 AS DESCRIBED IN SECTION 19, TO RECEIVE AND DISTRIBUTE MONEY AS
 15 PROVIDED IN THIS ACT. THE SIMULCAST PURSE ACCOUNT CONTAINS, AS
 16 SUBACCOUNTS, THE SITE-SPECIFIC HORSEMEN'S SIMULCAST PURSE ACCOUNTS
 17 DESCRIBED IN SECTION 19.

18 (W) ~~(n)~~—"Veterinarian" means ~~a person~~ AN INDIVIDUAL licensed
 19 OR OTHERWISE AUTHORIZED to ENGAGE IN THE practice OF veterinary
 20 medicine under part 188 of the public health code, 1978 PA 368, MCL
 21 ~~333.16101-333.18801~~ 333.18801 to 333.18838, or under a state or federal law
 22 applicable to that ~~person~~ INDIVIDUAL.

23 Sec. 7. (1) The ~~racing commissioner~~ EXECUTIVE DIRECTOR may
 24 promulgate rules pursuant to the administrative procedures act of
 25 1969, 1969 PA 306, MCL 24.201 to 24.328, for conducting horse
 26 racing, pari-mutuel wagering on horse racing results, and
 27 simulcasting. The rules promulgated under this section shall ~~shall~~ MUST

1 be designed to accomplish all of the following:

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

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

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

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

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

1 appealed to the ~~racing commissioner~~. **EXECUTIVE DIRECTOR**. The appeal
2 shall **MUST** be heard pursuant to the contested case provisions of
3 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201
4 to 24.328.

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

13 (5) The ~~racing commissioner~~ **EXECUTIVE DIRECTOR** may compel the
14 production of books, records, memoranda, electronically retrievable
15 data, or documents that relate to horse racing, simulcasting, and
16 pari-mutuel wagering conducted at a licensed race meeting.

17 (6) The ~~racing commissioner~~ **EXECUTIVE DIRECTOR** at any time may
18 require for cause the removal of any employee or official involved
19 in or having to do with horse racing, simulcasting, or pari-mutuel
20 wagering conducted at a licensed race meeting.

21 (7) The ~~racing commissioner~~ **EXECUTIVE DIRECTOR** may visit,
22 investigate, and place auditors and other persons as the ~~racing~~
23 ~~commissioner~~ **EXECUTIVE DIRECTOR** considers necessary in the offices,
24 racetracks, or places of business of a licensee under this act to
25 ensure compliance with this act and the rules promulgated under
26 this act.

27 (8) The ~~racing commissioner~~ **EXECUTIVE DIRECTOR** may summon

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

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

19 (a) Occupational licenses issued to individuals participating
 20 in, involved in, or otherwise having to do with horse racing, pari-
 21 mutuel wagering, or simulcasting at a licensed race meeting in this
 22 state.

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

1 act.

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

5 **(D) HORSEMEN'S ORGANIZATION LICENSES ISSUED ANNUALLY FOR THE**
6 **SUCCEEDING YEAR TO HORSEMEN'S ORGANIZATIONS.**

7 (2) The ~~racetrack commissioner~~ **EXECUTIVE DIRECTOR** shall not issue
8 a race meeting license to a person if the person is licensed to
9 conduct a licensed race meeting at another licensed racetrack
10 within ~~a city area~~ **THIS STATE** and the person has a controlling
11 interest in or co-ownership of the other licensed racetrack. ~~within~~
12 ~~the city area.~~

13 Sec. 9. (1) The ~~racetrack commissioner~~ **EXECUTIVE DIRECTOR** shall
14 issue, without further application, a track license to any person
15 holding a valid track license under ~~former 1980 PA 327,~~ **THIS ACT,**
16 and maintaining or operating a licensed horse racetrack ~~as of~~ **THAT**
17 **HOSTED LIVE HORSE RACING WITH PARI-MUTUEL WAGERING IN THE YEAR**
18 **BEFORE** the effective date of ~~this act at which wagering by pari-~~
19 ~~mutuel methods on the results of horse racing has been conducted by~~
20 ~~a race meeting licensee.~~ **THE 2016 AMENDATORY ACT THAT AMENDED THIS**
21 **SECTION.**

22 (2) A track license, once issued, is valid only as long as the
23 annual license fee is paid, or until the track license is
24 voluntarily surrendered or is revoked as provided in this act or
25 the rules promulgated under this act.

26 (3) An applicant for a track license shall submit an
27 application that is in writing, that demonstrates to the ~~racetrack~~

1 ~~commissioner~~ **EXECUTIVE DIRECTOR** that the applicant has satisfactory
2 financial responsibility, that shows the location of the racetrack
3 or of the proposed racetrack, and that is accompanied by
4 substantially detailed plans and specifications for the racecourse,
5 paddock, grandstand, stable barns, racetrack buildings, fences,
6 electrical service and lighting, plumbing, parking, and other
7 facilities and improvements. The application ~~shall~~ **MUST** include the
8 name and address of the applicant, ~~and,~~ if **THE APPLICANT IS** a
9 corporation, the place of its incorporation, and any other
10 information required by the rules promulgated under this act. ~~by~~
11 ~~the racing commissioner.~~ ~~Upon~~ **ON** the applicant's filing of the
12 application and ~~the~~ payment of the license fee, the ~~racing~~
13 ~~commissioner~~ **EXECUTIVE DIRECTOR** shall investigate the applicant and
14 the racetrack or proposed racetrack as the ~~racing commissioner~~
15 **EXECUTIVE DIRECTOR** considers necessary. If the ~~racing commissioner~~
16 **EXECUTIVE DIRECTOR** determines that the applicant and the racetrack
17 satisfy the requirements of this act and the rules promulgated
18 under this act, the ~~racing commissioner~~ **EXECUTIVE DIRECTOR** shall
19 grant a license for the racetrack, designating in the license the
20 county or other municipality in which the licensed racetrack ~~shall~~
21 **WILL** be or is located. If the ~~racing commissioner~~ **EXECUTIVE**
22 **DIRECTOR** determines that the applicant or the racetrack, or both,
23 do not comply with this act and the rules promulgated under this
24 act, the ~~racing commissioner~~ **EXECUTIVE DIRECTOR** shall deny the
25 license. The action of the ~~racing commissioner~~ **EXECUTIVE DIRECTOR**
26 in denying a track license may be reviewed by the circuit court
27 ~~pursuant to~~ **UNDER** section 631 of the revised judicature act of

1 1961, 1961 PA 236, MCL 600.631.

2 (4) A track license may be transferred to a new owner of a
3 racetrack with the consent of the ~~racetrack commissioner~~. **EXECUTIVE**
4 **DIRECTOR**.

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

27 ~~(6) In a city area, not more than 3 racetracks shall be~~

1 licensed, except that in a city with a population of 900,000 or
2 more the racing commissioner may issue 1 additional license.

3 (6) ~~(7) A~~ **THE EXECUTIVE DIRECTOR SHALL NOT ISSUE A** person
4 shall not be issued more than 1 track license. Controlling
5 ownership and interlocking directorates among the holders of track
6 licenses are prohibited.

7 (7) ~~(8) A track license~~ **THE EXECUTIVE DIRECTOR** shall not be
8 issued **ISSUE A TRACK LICENSE** under this section if the new license
9 would result in harmful competition among existing racetracks.

10 Sec. 10. (1) A person ~~desiring~~ **THAT DESIRES** to conduct a
11 thoroughbred, standardbred, quarter horse, Appaloosa, American
12 paint horse, or Arabian race meeting, or a combination of these
13 race meetings, with pari-mutuel wagering on the results of live and
14 simulcast horse races ~~pursuant to~~ **UNDER** this act shall apply each
15 year to the racing commissioner for a race meeting license in the
16 manner and form required by the ~~racing commissioner.~~ **EXECUTIVE**
17 **DIRECTOR**. The application shall **MUST** be filed with the ~~racing~~
18 ~~commissioner~~ **EXECUTIVE DIRECTOR** before September 1 of the preceding
19 year. ~~except that applications for 1999 racing dates may be filed~~
20 ~~at any time.~~ The **EXECUTIVE DIRECTOR SHALL MAKE AN** application,
21 after being **IT IS** filed, shall be made available for public
22 inspection during regular business hours. The application shall
23 **MUST** be in writing and shall give the name and address of the
24 applicant, and, if the applicant is a corporation or partnership,
25 shall state the place of the applicant's incorporation or
26 partnership and the names and addresses of all corporate directors,
27 officers, shareholders, and partners. The application shall **MUST**

1 also do all of the following:

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

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

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

12 (d) Specify the time period during which the applicant
13 requests to be licensed during the calendar year immediately
14 following the date of application.

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

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

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

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

27 (f) Provide any other information required by the rules

1 promulgated under this act or by the ~~rac~~ing commissioner. **EXECUTIVE**
2 **DIRECTOR.**

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

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

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

26 — (c) ~~The licensee to conduct live horse racing programs after~~
27 ~~6:45 p.m., if the licensee is not in a city area and is 75 miles or~~

1 ~~more from the nearest race meeting licensee authorized to conduct~~
2 ~~live horse racing.~~

3 Sec. 12. (1) ~~Each~~**AN** applicant for **A LICENSE TO CONDUCT** a
4 ~~thoroughbred, quarter horse, Appaloosa, American paint horse, or~~
5 ~~Arabian license in a county located outside of a city area~~**RACE**
6 **MEETING** shall apply to conduct **LIVE HORSE RACING WITH PARI-MUTUEL**
7 **WAGERING FOR A NUMBER OF LIVE RACE DAYS AS AGREED TO BY THE**
8 **APPLICANT AND THE LICENSED HORSEMEN'S ORGANIZATION WITH WHICH THE**
9 **APPLICANT HAS A CONTRACT. THE APPLICANT SHALL APPLY TO CONDUCT** at
10 ~~least 45~~**15** days of live ~~thoroughbred, quarter horse, Appaloosa,~~
11 ~~American paint horse, or Arabian horse racing during its~~ **PROPOSED**
12 ~~race meeting. Except during the opening and closing week of a race~~
13 ~~meeting, the applicant shall apply to conduct live racing at least~~
14 ~~3 days per week, including Saturdays and Sundays, with not less~~
15 ~~than 9 live horse races programmed, and~~ **A RACE MEETING LICENSEE**
16 shall conduct live racing programs on ~~such~~**THE** days allocated by
17 ~~the racing commissioner.~~**EXECUTIVE DIRECTOR. THE EXECUTIVE DIRECTOR**
18 **SHALL ALLOCATE NOT FEWER THAN 10 DAYS OF LIVE HORSE RACING TO A**
19 **RACE MEETING LICENSEE WITH NOT FEWER THAN 6 PROGRAMMED LIVE RACES**
20 **PER ALLOCATED DAY.**

21 ~~— (2) Each applicant for a thoroughbred, quarter horse,~~
22 ~~Appaloosa, American paint horse, or Arabian race meeting license in~~
23 ~~a city area shall apply to conduct at least 160 days of live~~
24 ~~thoroughbred, quarter horse, Appaloosa, American paint horse, or~~
25 ~~Arabian horse racing during its proposed race meeting. Except~~
26 ~~during the opening and closing week of a race meeting, the~~
27 ~~applicant shall apply to conduct live racing at least 5 days per~~

1 ~~week, including Saturdays and Sundays, with not less than 9 live~~
2 ~~horse races programmed, and shall conduct live racing programs on~~
3 ~~such days allocated by the racing commissioner.~~

4 ~~—— (3) Each applicant for a standardbred race meeting license in~~
5 ~~a county having a population of less than 250,000 and that is not~~
6 ~~part of a city area shall apply to conduct at least 75 days of live~~
7 ~~standardbred harness horse racing during its proposed race meeting.~~
8 ~~Except during the opening and closing week of a race meeting, the~~
9 ~~applicant shall apply to conduct live horse racing at least 4 days~~
10 ~~per week, including Saturdays, with not less than 9 live horse~~
11 ~~races programmed, and shall conduct live racing programs on such~~
12 ~~days awarded.~~

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

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

25 ~~—— (a) The race meeting applicant with the highest pari mutuel~~
26 ~~handle in the previous calendar year shall apply for no less than~~
27 ~~140 days of live racing and the applicant shall apply to conduct~~

1 ~~live racing at least 5 days per week, including Saturdays, with not~~
 2 ~~less than 9 live horse races programmed and shall conduct live~~
 3 ~~racing programs on the days awarded.~~

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

10 (2) TO BE ELIGIBLE FOR LICENSURE, AN APPLICANT FOR A RACE
 11 MEETING LICENSE MUST SUBMIT WITH THE APPLICATION A COPY OF ITS
 12 WRITTEN AND FULLY EXECUTED CONTRACT WITH A LICENSED HORSEMEN'S
 13 ORGANIZATION THAT REPRESENTS THE APPLIED-FOR BREEDS. THE TERM OF
 14 THE CONTRACT MUST INCLUDE THE TERM OF THE APPLIED-FOR LICENSE. IF
 15 THE APPLICANT HAS APPLIED FOR RACING OF MULTIPLE BREEDS, THE
 16 CONTRACT OR CONTRACTS SUBMITTED MUST COVER ALL APPLIED-FOR BREEDS.

17 (3) ~~(6)~~—If a race meeting licensee is unable to program and
 18 conduct ~~9~~8 live horse races on ~~any~~ A racing date ~~that the~~
 19 ~~commissioner allocates~~ AWARDED to the licensee because there are
 20 ~~less than 5 entries in any race,~~ FOR ANY REASON, the licensee shall
 21 not conduct any simulcasting on that day without the written
 22 consent of the ~~certified~~ LICENSED horsemen's organization with
 23 which ~~it~~ THE LICENSEE has a contract REPRESENTING THE HORSE BREED
 24 SCHEDULED TO BE RACED ON THAT DAY. IF THE RACE MEETING LICENSEE AND
 25 THE LICENSED HORSEMEN'S ORGANIZATION CANNOT AGREE, THE LICENSEE
 26 SHALL NOT CONDUCT ANY SIMULCASTING WITHOUT THE WRITTEN CONSENT OF
 27 THE EXECUTIVE DIRECTOR.

1 (4) ~~(7)~~—If a race meeting licensee is unable to conduct racing
2 on ~~any~~ **A** live racing ~~dates allocated~~ **DATE AWARDED** to the licensee
3 ~~by the racing commissioner or less~~ **FEWER** than ~~9~~ **8** live horse races
4 on ~~any allocated~~ **AN AWARDED** live racing ~~dates~~ **DATE** because of a
5 labor dispute, fire, adverse weather conditions, or other causes
6 beyond the race meeting licensee's control, ~~then~~ the race meeting
7 licensee is considered to have conducted those races or **THAT** race
8 ~~days~~ **DATE** for purposes of this act and is not precluded from
9 conducting any simulcasts because of the licensee's inability to
10 conduct those live races or **THAT** race ~~dates~~ **DATE**.

11 (5) ~~(8)~~—Intertrack simulcast races that a race meeting
12 licensee contracts to receive from other racetracks that are
13 canceled for any of the reasons described in subsection ~~(7)~~ **shall**
14 ~~be~~ **(4) ARE** considered to be offered to the public for purposes of
15 this act.

16 (6) ~~(9)~~—If an entire race meeting or the balance of a race
17 meeting and racing dates ~~allocated~~ **AWARDED** to a licensee cannot be
18 raced ~~due to~~ **BECAUSE OF** an act of God or significant physical
19 damage to the licensed racetrack at which the race meeting was
20 licensed to be conducted caused by fire or some other catastrophe,
21 the ~~racing commissioner~~ **EXECUTIVE DIRECTOR** may transfer those dates
22 to another race meeting licensee upon application of the substitute
23 licensee if the substitute licensee satisfies the requirements for
24 licensure under this act and demonstrates that it has or will have
25 a legal or contractual right to the use of a different licensed
26 racetrack facility on the racing dates in question, and all race
27 meeting licensees that will be conducting live racing on ~~such~~ **THOSE**

1 dates within 50 miles of the substitute racetrack consent to the
2 transfer.

3 Sec. 13. (1) A **LICENSED HORSEMEN'S ORGANIZATION AND A** race
4 meeting licensee shall ~~have a current~~ **MUST ENTER INTO A** written
5 contract ~~with a certified horsemen's organization before it~~ **THE**
6 **RACE MEETING LICENSEE** may conduct live or simulcast horse races
7 with pari-mutuel wagering on the results of the races pursuant to
8 ~~its~~ **UNDER THE RACE MEETING** license.

9 ~~—— (2) The racing commissioner shall register and certify all~~
10 ~~certified horsemen's organizations that had contracts with race~~
11 ~~meeting licensees in this state in 1995 or 1994 for the conduct of~~
12 ~~pari mutuel racing at race meetings in this state during 1994 or~~
13 ~~1995, and their successors or assigns as certified horsemen's~~
14 ~~organizations for purposes of this act. The racing commissioner~~
15 ~~shall also accept any current contracts that these certified~~
16 ~~horsemen's organizations have with race meeting licensees as~~
17 ~~complying with the requirements of subsection (1) for the term of~~
18 ~~the contract.~~

19 (2) **AN APPLICANT FOR A HORSEMEN'S ORGANIZATION LICENSE SHALL**
20 **SUBMIT A WRITTEN APPLICATION TO THE EXECUTIVE DIRECTOR ON A FORM**
21 **AND IN THE MANNER PRESCRIBED BY THE EXECUTIVE DIRECTOR. AN**
22 **APPLICANT FOR A HORSEMEN'S ORGANIZATION LICENSE SHALL PAY A**
23 **NONREFUNDABLE ANNUAL LICENSE FEE OF \$100.00. AN APPLICATION MUST BE**
24 **FILED WITH THE EXECUTIVE DIRECTOR BEFORE SEPTEMBER 1 OF THE YEAR**
25 **BEFORE THE YEAR FOR WHICH THE LICENSE WILL BE ISSUED. A HORSEMEN'S**
26 **ORGANIZATION LICENSE MAY BE ISSUED FOR NOT MORE THAN 1 YEAR AND**
27 **MUST EXPIRE NOT LATER THAN THE LAST DAY OF THE CALENDAR YEAR.**

1 (3) THE EXECUTIVE DIRECTOR SHALL CONSIDER THE FOLLOWING WHEN
2 DECIDING WHETHER TO GRANT AN APPLICATION FOR A HORSEMEN'S
3 ORGANIZATION LICENSE:

4 (A) THE FINANCIAL RESPONSIBILITY OF THE APPLICANT.

5 (B) DETAILED INFORMATION ABOUT THE HORSE BREED REPRESENTED AND
6 SUPPLY OF HORSES TO RACE MEETING LICENSEES BY THE APPLICANT AND THE
7 APPLICANT'S MEMBERSHIP ROSTER.

8 (C) EACH WRITTEN AND FULLY EXECUTED CONTRACT BETWEEN THE
9 APPLICANT AND A RACE MEETING LICENSEE WITHIN THE PRECEDING 5 YEARS.

10 (D) THE HONESTY AND INTEGRITY OF THE APPLICANT.

11 (E) THE VERACITY AND ACCURACY OF THE INFORMATION SUPPLIED BY
12 THE APPLICANT, OR BY ANY INDIVIDUAL OR OFFICER OR AGENT OF THE
13 APPLICANT ON BEHALF OF THE APPLICANT.

14 (F) ANY PENDING LAWSUITS OR BANKRUPTCY PROCEEDINGS OF THE
15 APPLICANT.

16 (G) ANY OTHER INFORMATION CONSIDERED NECESSARY BY THE
17 EXECUTIVE DIRECTOR.

18 (4) TO BE ELIGIBLE TO BE LICENSED, A HORSEMEN'S ORGANIZATION
19 MUST AGREE TO OBEY THE RULES OF THE BOARD AND THE LAW OF THIS
20 STATE. THE HORSEMEN'S ORGANIZATION MUST AGREE TO BE SUBJECT TO THE
21 SUBPOENA POWERS OF THE BOARD OR TO OBEY A WRITTEN REQUEST ISSUED
22 INSTEAD OF A SUBPOENA AND TO PROVIDE THE BOARD WITH ANY INFORMATION
23 OR DOCUMENTS THE BOARD REQUESTS AS AUTHORIZED UNDER THIS ACT AND
24 THE RULES PROMULGATED UNDER THIS ACT. THE HORSEMEN'S ORGANIZATION
25 MUST AGREE TO FULLY COOPERATE WITH REGULATORY INVESTIGATIONS OF THE
26 BOARD AND LAW ENFORCEMENT INVESTIGATIONS RELATED TO HORSE RACING.

27 (5) THE EXECUTIVE DIRECTOR SHALL GRANT OR DENY AN APPLICATION

1 FOR A HORSEMEN'S ORGANIZATION LICENSE BEFORE NOVEMBER 1 OF THE YEAR
2 BEFORE THE YEAR FOR WHICH THE APPLICATION IS MADE.

3 Sec. 14. (1) ~~Except as provided in subsection (8), before~~
4 **BEFORE** November 1 of the year preceding the year for which
5 applications are made, the ~~racine commissioner~~ **EXECUTIVE DIRECTOR**
6 shall grant or deny each application for a race meeting license,
7 allocate or deny the dates ~~for~~ for which application has been made ~~on~~
8 on which pari-mutuel wagering on live races may be conducted, ~~at~~
9 ~~each licensed race meeting in this state, and shall also determine~~
10 whether the applicant may simulcast under section 18 during the
11 calendar year for which the license is issued. The ~~racine~~
12 ~~commissioner~~ **EXECUTIVE DIRECTOR** may grant a race meeting license
13 for ~~any time period up to~~ **NOT MORE THAN** 1 year during which the
14 licensee may conduct live and simulcast horse races with pari-
15 mutuel wagering on the results of ~~such~~ **THE** races.

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

24 (3) The ~~racine commissioner~~ **EXECUTIVE DIRECTOR** shall not issue
25 a race meeting license to an organization organized for a
26 charitable purpose or organized for the purpose of distributing its
27 profits or income to charitable organizations.

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

15 (5) Any action taken by the ~~racng commissioner~~**EXECUTIVE**
16 **DIRECTOR** under subsection (4) ~~shall become~~**IS** effective 10 days
17 after the holder of the race meeting license has received written
18 notice unless the ~~commissioner finds~~**EXECUTIVE DIRECTOR DETERMINES**
19 that the public health, safety, or welfare requires emergency
20 action and immediate effect of the ~~commissioner's~~ order.

21 (6) A denial of a race meeting license under subsection (3)
22 may be appealed to the circuit court for judicial review pursuant
23 to section 631 of the revised judicature act of 1961, 1961 PA 236,
24 MCL 600.631. A suspension or revocation of a race meeting license
25 may be appealed pursuant to the administrative procedures act of
26 1969, 1969 PA 306, MCL 24.201 to 24.328.

27 (7) Each applicant issued a race meeting license shall

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

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

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

1 financial statements may be reviewed by the state treasurer and the
2 ~~racing commissioner~~ **EXECUTIVE DIRECTOR** and **THE LICENSEES** shall be
3 promptly ~~provided~~ **PROVIDE THE PAPERS AND RECORDS** to them by the
4 ~~holders of the race meeting license upon their~~ **THE STATE TREASURER**
5 **AND THE EXECUTIVE DIRECTOR ON** request.

6 (2) On the first day other than Sunday after each day of
7 operation, each ~~holder of a race meeting license~~ **LICENSEE** shall
8 remit the money due to ~~the~~ **THIS** state or other ~~entities~~ **PERSONS**
9 under this act at the close of the day of operation with a detailed
10 statement of ~~that~~ **THE** money as required by this act and the rules
11 promulgated under this act.

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

19 Sec. 16. (1) ~~Each~~ **A** person participating in or having to do
20 with pari-mutuel horse racing or pari-mutuel wagering on the
21 results of horse races at a licensed race meeting, including, but
22 not limited to, all racing officials, veterinarians, pari-mutuel
23 clerks or tellers, totalisator company employees, security guards,
24 timers, horse owners, jockeys, drivers, apprentices, exercise
25 riders, authorized agents, trainers, grooms, valets, owners of
26 stables operating under an assumed name, jockey agents, pony
27 riders, hot walkers, blacksmiths, starting gate employees, owners

1 and operators of off-track training centers, farms or stables where
2 racehorses are kept, and vendors operating within the barn area of
3 a licensed racetrack or off-track training center, farm, or stable
4 where racehorses are kept may be licensed by the ~~rac~~ing
5 ~~commissioner pursuant to~~ **EXECUTIVE DIRECTOR UNDER** rules promulgated
6 ~~by the racing commissioner under~~ this act. The ~~rac~~ing ~~commissioner~~
7 **EXECUTIVE DIRECTOR** shall not issue an occupational license to a
8 person who, within the 6 years immediately preceding the date of
9 the person's application for the occupational license, was
10 convicted of a felony involving theft, dishonesty,
11 misrepresentation, fraud, corruption, drug possession, delivery, or
12 use, or other criminal misconduct that is related to the person's
13 ability to and the likelihood that the person will perform the
14 functions and duties of the racing related occupation for which the
15 person seeks to be licensed and participate in pari-mutuel horse
16 racing in that licensed occupation in a fair, honest, open, and
17 lawful manner. The ~~rac~~ing ~~commissioner~~ **EXECUTIVE DIRECTOR** shall not
18 issue a pari-mutuel occupational license to a person who, within 2
19 years immediately preceding the date of the person's application
20 for the occupational license, was convicted of a misdemeanor
21 involving theft, dishonesty, misrepresentation, fraud, corruption,
22 drug possession, delivery, or use, or other criminal misconduct
23 that is related to the person's ability to and the likelihood that
24 the person will perform the functions and duties of the racing
25 related occupation for which the person seeks to be licensed and
26 participate in pari-mutuel horse racing in that licensed occupation
27 in a fair, honest, open, and lawful manner.

1 (2) THE EXECUTIVE DIRECTOR MAY ISSUE A TEMPORARY LICENSE TO A
2 PERSON THAT APPLIES FOR AN OCCUPATIONAL LICENSE UNDER THIS SECTION
3 LESS THAN 7 DAYS BEFORE A RACE DAY. A TEMPORARY LICENSE ISSUED
4 UNDER THIS SUBSECTION IS VALID UNTIL A BACKGROUND INVESTIGATION CAN
5 BE COMPLETED, BUT NOT FOR MORE THAN 14 DAYS. IF A TEMPORARY LICENSE
6 IS ISSUED TO AN OWNER, TRAINER, ASSISTANT TRAINER, JOCKEY, OR
7 DRIVER, PURSES FOR A RACE INVOLVING A HORSE UNDER THE CARE AND
8 CONTROL OF THE TEMPORARY LICENSEE MUST BE HELD AND DISTRIBUTED
9 AFTER THE OCCUPATIONAL LICENSE APPLICATION HAS BEEN APPROVED OR
10 DENIED. IF THE APPLICATION IS DENIED, THE PURSE MONEY MUST BE
11 DISTRIBUTED AS IF THE HORSE UNDER THE CARE OR CONTROL OF THE
12 TEMPORARY LICENSEE DID NOT PARTICIPATE IN THE RACE.

13 (3) ~~(2)~~A veterinarian is not required to be licensed under
14 this act to provide necessary and appropriate emergency veterinary
15 care or treatment to ~~any~~A horse that is intended to be entered, is
16 entered, or participates in a race with wagering by pari-mutuel
17 methods or a nonbetting race or workout conducted at a licensed
18 race meeting in this state. ~~For purposes of this section,~~
19 ~~"emergency veterinary care or treatment" means care or treatment~~
20 ~~necessary and appropriate to save the life of a horse or prevent~~
21 ~~permanent physical injury or damage to a horse in a situation~~
22 ~~requiring immediate veterinary action.~~ Only veterinarians licensed
23 under this act may provide nonemergency veterinary care or
24 treatment to a horse in this state that is intended to be entered,
25 is entered, or participates in races at licensed race meetings in
26 this state. Only persons licensed under this act or otherwise
27 authorized by the ~~rac~~ing commissioner **EXECUTIVE DIRECTOR** may enter

1 the restricted grounds of a licensed race meeting where horses are
 2 kept that are eligible to race at the race meeting. ~~For the~~
 3 ~~purposes of this section and sections 30 and 31, a horse that is~~
 4 ~~intended to be entered is a horse that has its name put into the~~
 5 ~~draw for a specific race, and a horse that is entered in a race is~~
 6 ~~a horse that has been drawn into a specific race.~~ **AS USED IN THIS**
 7 **SUBSECTION, "EMERGENCY VETERINARY CARE OR TREATMENT" MEANS CARE OR**
 8 **TREATMENT NECESSARY AND APPROPRIATE TO SAVE THE LIFE OF THE HORSE**
 9 **OR PREVENT PERMANENT PHYSICAL INJURY OR DAMAGE TO THE HORSE IN A**
 10 **SITUATION REQUIRING IMMEDIATE VETERINARY ACTION.**

11 (4) ~~(3)~~ As conditions precedent to being issued and holding a
 12 ~~valid pari-mutuel~~ **AN** occupational license **UNDER THIS SECTION**, a
 13 license applicant shall disclose, in writing, any ownership
 14 interest that the applicant has in a racehorse and provide any
 15 other information the ~~racings commissioner~~ **EXECUTIVE DIRECTOR**
 16 considers necessary and proper and proof of compliance with the
 17 worker's disability compensation act of 1969, 1969 PA 317, MCL
 18 418.101 to 418.941, except that the proof of compliance requirement
 19 does not apply to horse owners and trainers not covered under
 20 section 115 of the worker's disability compensation act of 1969,
 21 1969 PA 317, MCL 418.115.

22 (5) ~~(4)~~ In addition to the requirements of subsection ~~(3)~~,
 23 (4), an applicant for a ~~pari-mutuel~~ **AN** occupational license **UNDER**
 24 **THIS SECTION** shall consent, ~~upon~~ **AT THE TIME OF THE** application and
 25 for the duration of the occupational license, if issued, to all of
 26 the following:

27 (a) Personal inspections, inspections of the applicant's

1 personal property, and inspections of premises and property related
2 to his or her participation in a race meeting by persons authorized
3 by the ~~racing commissioner~~. **EXECUTIVE DIRECTOR**.

4 (b) If the applicant is applying for a racing official,
5 jockey, driver, trainer, or groom license, or for any other license
6 for an occupation that involves contact with or access to the
7 racehorses or the barn areas or stables where racehorses are kept,
8 a breathalyzer test, urine test, or other noninvasive fluid test to
9 detect the presence of alcohol or a controlled substance, if
10 directed to do so by the ~~racing commissioner~~ **EXECUTIVE DIRECTOR** or
11 his or her representative. If the results of a test show that an
12 occupational licensee has more than .05% of alcohol in his or her
13 blood, or has present in his or her body a controlled substance,
14 the ~~person shall~~ **INDIVIDUAL MUST** not be permitted to continue in
15 his or her duties or participate in horse racing until he or she
16 can produce, at his or her own expense, a negative test result. The
17 licensee may be penalized by the ~~racing commissioner~~ **EXECUTIVE DIRECTOR** **BECAUSE OF THE** positive test results, which
18 **PUNISHMENT** may include any disciplinary action authorized by this
19 act or rules promulgated under this act. This subsection does not
20 apply to a controlled substance obtained directly from, or pursuant
21 to a valid prescription from, a licensed health care provider,
22 except that the ~~racing commissioner~~ **EXECUTIVE DIRECTOR** may consider
23 the person's medical need for prescribed controlled substances in
24 determining the person's fitness to be licensed to participate in
25 pari-mutuel horse racing. The ~~racing commissioner~~ **EXECUTIVE**
26 **DIRECTOR** shall suspend for not less than 1 year the license of a

1 ~~person~~**AN INDIVIDUAL** who for the third time in a period of not more
2 than 6 consecutive years is relieved of his or her duties because
3 of this ~~subsection~~**SUBDIVISION**.

4 (C) **THE DISCLOSURE OF ANY ARRESTS FOR OR PENDING CRIMINAL**
5 **CHARGES.**

6 (6) ~~(5)~~When applying for an occupational license, an
7 applicant shall provide the ~~racine commissioner~~**EXECUTIVE DIRECTOR**
8 with 1 or more sets of his or her fingerprints and the appropriate
9 fees as requested by the ~~racine commissioner~~**EXECUTIVE DIRECTOR**.
10 The ~~racine commissioner~~**EXECUTIVE DIRECTOR** shall send the
11 applicant's fingerprints and the appropriate fees to either the
12 department of state police or the federal bureau of investigation
13 in a manner acceptable to the federal bureau of investigation. If
14 the fingerprints and fees are sent to the department of state
15 police, the department of state police shall forward the
16 fingerprints and the fees to the federal bureau of investigation
17 for a criminal history check. Information obtained under this
18 subsection shall only be used to determine the character and
19 fitness of the applicant for licensing purposes.

20 (7) ~~(6)~~A person who is issued a ~~pari-mutuel~~**AN** occupational
21 license as a trainer is responsible for and absolute insurer of the
22 condition, fitness, eligibility, and qualification of the horses
23 entered to race for the person by whom the trainer is employed,
24 except as prescribed by the rules promulgated ~~by the racine~~
25 ~~commissioner~~under this act. This subsection shall **MUST** not be
26 construed or interpreted to determine civil tort liability of any
27 racehorse owner or trainer ~~but shall be~~**AND IS** for purposes of

1 enforcement of this act only. A trainer shall not start a horse
2 that has in its body a drug or foreign substance unless permitted
3 pursuant to ~~UNDER~~ section 30 and the rules promulgated under that
4 section. A trainer is strictly liable and subject to disciplinary
5 action if a horse under the trainer's actual or apparent care and
6 control as trainer has a drug or foreign substance in its body, ~~in~~
7 violation of section 30 and the rules promulgated under that
8 section.

9 (8) ~~(7) Upon~~ **ON** the filing of a written complaint, under oath,
10 ~~in the office of the racing commissioner, WITH THE BOARD,~~ or upon
11 **ON** the written motion of the ~~racing commissioner~~ **EXECUTIVE DIRECTOR**
12 regarding the actions or omissions of a person issued a ~~pari-mutuel~~
13 **AN** occupational license **UNDER THIS SECTION**, the ~~racing commissioner~~
14 **EXECUTIVE DIRECTOR** may summarily suspend the occupational license
15 ~~of the person for a period of~~ not more than 90 days pending a
16 hearing and final determination by the ~~racing commissioner~~
17 **EXECUTIVE DIRECTOR** regarding the acts or omissions complained of in
18 the written complaint or motion, if the ~~commissioner~~ **EXECUTIVE**
19 **DIRECTOR** determines from the complaint or motion that the public
20 health, safety, or welfare requires emergency action. The ~~racing~~
21 ~~commissioner~~ **EXECUTIVE DIRECTOR** shall schedule the complaint or
22 motion to be heard within 14 business days after the occupational
23 license is summarily suspended and notify the holder of the
24 occupational license of the date, time, and place of the hearing
25 not less than 5 days before the date of the hearing. The hearing
26 ~~shall~~ **MUST** be conducted in accordance with the contested case
27 provisions of the administrative procedures act of 1969, 1969 PA

1 306, MCL 24.201 to 24.328. The action of the ~~racing commissioner~~
 2 **EXECUTIVE DIRECTOR** in revoking or suspending a ~~pari-mutuel~~ **AN**
 3 occupational license **ISSUED UNDER THIS SECTION** may be appealed to
 4 the circuit court ~~pursuant to~~ **UNDER** the administrative procedures
 5 act of 1969, 1969 PA 306, MCL 24.201 to 24.328. If the ~~racing~~
 6 ~~commissioner's~~ order is predicated ~~upon~~ **ON** a series of acts, the
 7 review by the circuit court may be in the county in which any of
 8 the alleged acts or failures to act took place.

9 (9) ~~(8)~~ A decision by the ~~racing commissioner~~ **EXECUTIVE**
 10 **DIRECTOR** or a deputy commissioner or state steward of racing to
 11 deny an application for an occupational license may be appealed to
 12 the circuit court and reviewed ~~pursuant to~~ **UNDER** section 631 of the
 13 revised judicature act of 1961, 1961 PA 236, MCL 600.631. A
 14 suspension or revocation of an occupational license may be appealed
 15 and reviewed ~~pursuant to~~ **UNDER** the administrative procedures act of
 16 1969, 1969 PA 306, MCL 24.201 to 24.328.

17 (10) ~~(9)~~ Each ~~pari-mutuel~~ **AN** occupational licensee shall pay a
 18 license fee of not less than \$10.00 or more than \$100.00 as
 19 determined by the ~~racing commissioner~~ **EXECUTIVE DIRECTOR**.

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

26 (2) A holder of a race meeting license may provide a place in
 27 the race meeting grounds ~~or enclosure~~ at which he or she may

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

8 ~~(3) Subject to section 18(3), each~~ **THE** holder of a race
 9 meeting license shall retain as his or her commission on all forms
 10 of ~~straight wagering 17%~~ **NOT MORE THAN 30%** of all money wagered
 11 ~~involving straight wagers on the results of live and simulcast~~
 12 horse races conducted at the licensee's race meetings. ~~Subject to~~
 13 ~~section 18(3), each holder of a race meeting license shall retain~~
 14 ~~as his or her commission on all forms of multiple wagering, without~~
 15 ~~the written permission of the racing commissioner not more than 28%~~
 16 ~~and with the written permission of the racing commissioner not more~~
 17 ~~than 35% of all money wagered involving any form of multiple wager~~
 18 ~~on the results of live and simulcast horse races conducted at the~~
 19 ~~licensee's race meeting. Except as otherwise provided by contract,~~
 20 **THE RACE MEETING LICENSEE SHALL PAY** 50% of all commissions from
 21 wagering on the results of live racing at the racetrack where the
 22 live racing was conducted ~~shall be paid to the horsemen's purse~~
 23 ~~pool at the racetrack where the live racing was conducted. As used~~
 24 ~~in this subsection:~~

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

27 ~~—— (b) "Multiple wagering" means a wager made on the finishing~~

1 ~~positions of more than 1 horse in a specified race or the finishing~~
2 ~~positions of 1 or more horses in more than 1 specified race.~~

3 (4) ~~All~~ **A RACE MEETING LICENSEE SHALL RETAIN ALL** breaks shall
4 ~~be retained by the race meeting licensee and paid~~ **PAY THEM** directly
5 to the city or township in which the racetrack is located as a fee
6 for services provided ~~pursuant to~~ **UNDER** section 21.

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

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

20 (7) ~~Any~~ **AN** act or transaction relative to pari-mutuel wagering
21 on the results of live or simulcast horse races ~~shall only occur or~~
22 ~~be permitted to occur within the enclosure of a licensed race~~
23 ~~meeting. A person shall not participate or be a party to any act or~~
24 ~~transaction relative to placing a wager or carrying a wager for~~
25 ~~placement outside of a race meeting ground. A person shall not~~
26 ~~provide messenger service for the placing of a bet for another~~
27 ~~person who is not a patron. However, this subsection does not~~

1 ~~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.~~ **MUST BE CONDUCTED ONLY BY A**
4 **RACE MEETING LICENSEE LICENSED UNDER THIS ACT. THE RACE MEETING**
5 **LICENSEE MUST NOT CHARGE OR PAY A FEE THAT EXCEEDS 5% OF THE TOTAL**
6 **AMOUNT WAGERED ON AN INTERSTATE SIMULCAST RACE UNLESS THE EXECUTIVE**
7 **DIRECTOR OR THE EXECUTIVE DIRECTOR'S DESIGNEE APPROVES A LARGER FEE**
8 **ON THE BASIS THAT THE FEE REASONABLY REFLECTS THE VALUE OF THE**
9 **SIMULCAST RACING PROGRAM AND THAT CHARGING OR PAYING THE FEE DOES**
10 **NOT RESULT IN HARMFUL COMPETITION AMONG RACE MEETING LICENSEES. AS**
11 **USED IN THIS SUBSECTION, "ACT OR TRANSACTION RELATIVE TO PARI-**
12 **MUTUEL WAGERING ON THE RESULTS OF LIVE OR SIMULCAST HORSE RACES"**
13 **MEANS THE ACCEPTANCE AND PROCESSING OF A WAGER UNDER THIS ACT.**

14 Sec. 18. (1) Simulcasting by race meeting licensees may be
15 authorized by the ~~racetrack commissioner~~ **EXECUTIVE DIRECTOR** subject to
16 the limitations of this section. ~~As used in this section,~~
17 ~~"simulcast" means the live transmission of video and audio signals~~
18 ~~conveying a horse race held either inside or outside this state to~~
19 ~~a licensed race meeting in this state. A simulcast from 1 racetrack~~
20 ~~in this state to another racetrack in this state shall be called an~~
21 ~~"intertrack simulcast". A simulcast from a racetrack outside this~~
22 ~~state to a racetrack inside this state shall be called an~~
23 ~~"interstate simulcast".~~

24 (2) The holder of a race meeting license may apply to the
25 ~~racetrack commissioner,~~ **EXECUTIVE DIRECTOR**, in the manner and form
26 required by the ~~commissioner,~~ **EXECUTIVE DIRECTOR**, for a permit to
27 televise simulcasts of horse races to viewing areas ~~within the~~

1 ~~enclosure of~~ **AT** the licensed racetrack at which the applicant is
2 licensed to conduct its race meeting. The ~~commissioner~~ **EXECUTIVE**
3 **DIRECTOR** may issue a permit for individual race and full card
4 simulcasts televised during, between, before, or after programmed
5 live horse races on any day that live racing is conducted by the
6 applicant, and also on other days during the term of the
7 applicant's license when the applicant does not conduct live horse
8 racing, subject to the following conditions:

9 (a) The applicant ~~shall~~ **MUST** have a current contract with a
10 ~~certified~~ **LICENSED** horsemen's organization.

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

15 (c) The applicant ~~shall~~ **MUST** make a continuing ~~good faith~~
16 **GOOD-FAITH** effort throughout the duration of its race meeting to
17 program and conduct ~~not less than 9~~ live horse races on each live
18 racing date allocated to the applicant.

19 (d) The ~~certified~~ **LICENSED** horsemen's organization with which
20 the applicant has contracted ~~shall~~ **MUST** have consented to the
21 requested simulcasts on any live racing day. ~~when the applicant is~~
22 ~~unable to program and conduct not less than 9 live horse races, if~~
23 ~~required by section 12(6).~~

24 (e) If the requested simulcasts are interstate, the applicant
25 ~~shall~~ **MUST** waive in writing any right that the applicant may have
26 under the interstate horse racing act of 1978, ~~Public Law 95-515,~~
27 ~~15 U.S.C. USC~~ 3001 to 3007, to restrict interstate simulcasts by

1 other race meeting licensees in this state.

2 ~~(f) If the applicant conducts its race meeting in a city area,~~
3 ~~the~~ **THE** applicant shall ~~shall~~ **MUST** make the video and audio signals of
4 its live horse races available for intertrack simulcasting to all
5 licensed race meetings in this state located more than 12 miles
6 from the applicant's race meeting. The applicant shall ~~shall~~ **MUST** charge
7 each race meeting licensee the same fee to receive its live signals
8 for intertrack simulcasting. The fee shall ~~shall~~ **MUST** not exceed 3% of
9 the total amount wagered on the intertrack simulcast at each race
10 meeting that receives the simulcast.

11 ~~—— (g) Except as otherwise agreed by the race meeting licensees~~
12 ~~in a city area and the respective certified horsemen's~~
13 ~~organizations with which they contract, a licensee in a city area~~
14 ~~shall receive all available intertrack simulcasts from licensed~~
15 ~~race meetings in the city area located more than 12 miles from the~~
16 ~~licensee's race meeting.~~

17 ~~(G) (h) A licensed race meeting outside a city area shall~~ **THE**
18 **APPLICANT MUST** not conduct interstate simulcasts unless it also
19 receives all intertrack simulcasts from licensed race meetings ~~in a~~
20 ~~city area that are available.~~

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

1 ~~different breed than they are licensed to race live.~~

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

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

12 (I) ~~(l)~~ All authorized interstate simulcasts shall ~~shall~~ **MUST** also
13 comply with the interstate horse racing act of 1978, ~~Public Law 95-~~
14 ~~15,~~ 15 U.S.C. ~~USC~~ 3001 to 3007.

15 (3) All forms of wagering by pari-mutuel methods provided for
16 under this act for live racing shall ~~be~~ **IS** allowed on simulcast
17 horse races authorized under this section. All money wagered on
18 simulcast horse races at a licensed race meeting shall ~~shall~~ **MUST** be
19 included in computing the total amount of all money wagered at the
20 licensed race meeting for purposes of section 17. ~~When the~~
21 ~~simulcast is an interstate simulcast, the money wagered on that~~
22 ~~simulcast shall form a separate pari mutuel pool at the receiving~~
23 ~~track unless 2 or more licensees receive the same interstate~~
24 ~~simulcast signals or the racing commissioner permits the receiving~~
25 ~~track to combine its interstate simulcast pool with the pool~~
26 ~~created at the out of state sending track on the same race. If 2 or~~
27 ~~more licensees receive the same interstate simulcast signals, the~~

1 ~~money wagered on the simulcasts shall be combined in a common pool~~
2 ~~and the licensees shall jointly agree and designate at which race~~
3 ~~meeting the common pool will be located. However, if the law of the~~
4 ~~jurisdiction in which the sending racetrack is located permits~~
5 ~~interstate common pools at the sending racetrack, the ~~racetrack~~~~
6 ~~commissioner~~ **EXECUTIVE DIRECTOR** may permit pari-mutuel pools on
7 interstate simulcast races in this state to be combined with pari-
8 mutuel pools on the same races created at the out-of-state sending
9 racetrack. If the pari-mutuel pools on the interstate simulcast
10 races in this state are combined in a common pool at the out-of-
11 state sending track, ~~then~~ the commissions described in section 17
12 on the pool created in this state shall **MUST** be adjusted to equal
13 the commissions in effect at the sending track under the laws of
14 its jurisdiction. If the simulcast is an intertrack simulcast, the
15 money wagered on ~~that~~ **THE** simulcast at the receiving racetrack
16 shall **MUST** be added to the pari-mutuel pool at the sending
17 racetrack.

18 ~~—— (4) Each race meeting licensee that receives an interstate~~
19 ~~simulcast shall pay to the horsemen's simulcast purse pool~~
20 ~~established under section 19 a sum equal to 40% of the licensee's~~
21 ~~net commission from all money wagered on the interstate simulcast,~~
22 ~~as determined by section 17(3) after first deducting from the~~
23 ~~licensee's statutory commission the applicable state tax on~~
24 ~~wagering due and payable under section 22 and the actual verified~~
25 ~~fee paid by the licensee to the sending host track to receive the~~
26 ~~interstate simulcast signal. The licensee shall retain the~~
27 ~~remaining balance of its net commission and shall be responsible~~

1 ~~for paying all other capital and operational expenses related to~~
2 ~~receiving interstate simulcasts at its race meeting. Any subsequent~~
3 ~~rebate of a fee paid by a licensee to receive interstate simulcast~~
4 ~~signals shall be shared equally by the licensee and the horsemen's~~
5 ~~simulcast purse pool established under section 19.~~

6 (4) ~~(5)~~—A race meeting licensee licensed to conduct pari-
7 mutuel horse racing ~~in a city area~~ shall provide the necessary
8 equipment to send intertrack simulcasts of the live horse races
9 conducted at its race meeting to all other race meeting licensees
10 in this state, and shall send its intertrack simulcast signals to
11 those licensees ~~upon~~ **ON** request for an agreed fee, which shall ~~shall~~ **MUST**
12 not exceed 3% of the total amount wagered on the race at the
13 receiving track. ~~Race meeting licensees that send or receive~~
14 ~~intertrack simulcasts shall make the following payments to the~~
15 ~~horsemen's purse pools:~~

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

20 — (b) ~~Each race meeting licensee that receives an intertrack~~
21 ~~simulcast shall pay to the horsemen's simulcast purse pool~~
22 ~~established pursuant to section 19 a sum equal to 40% of the~~
23 ~~receiving track's net commission from wagering on the intertrack~~
24 ~~simulcast under section 17(3) after first deducting from the~~
25 ~~licensee's statutory commission the applicable state tax on~~
26 ~~wagering due and owing under section 22 and the actual verified fee~~
27 ~~paid by the receiving track to the sending host track to receive~~

1 ~~the intertrack simulcast signal.~~

2 (5) ~~(6) The racing commissioner~~ **EXECUTIVE DIRECTOR** may
3 authorize a race meeting licensee to transmit simulcasts of live
4 horse races conducted at its racetrack to locations outside of this
5 state in accordance with the interstate horse racing act of 1978,
6 ~~Public Law 95-515, 15 U.S.C. USC~~ 3001 to 3007, or any other
7 applicable laws, and may permit pari-mutuel pools on such simulcast
8 races created under the laws of the jurisdiction in which the
9 receiving track is located to be combined in a common pool with
10 pari-mutuel pools on the same races created in this state. A race
11 meeting licensee that transmits simulcasts of its races to
12 locations outside this state shall pay 50% of the fee that it
13 receives for sending the simulcast signal to the horsemen's purse
14 pool at the sending track after first deducting the actual verified
15 cost of sending the signal out of state.

16 **(6) A RACE MEETING LICENSEE SHALL PAY TO THE HORSEMEN'S**
17 **SIMULCAST PURSE ACCOUNT AN AMOUNT EQUAL TO 25% OF NET COMMISSION**
18 **REVENUE, AFTER DEDUCTING TAXES AND EXPENSES DIRECTLY ASSOCIATED**
19 **WITH RECEIVING THE SIMULCAST, GENERATED AT THE LICENSEE'S RACE**
20 **MEETING FOR PURSES FOR THE LIVE HORSE RACES AT THE RACE MEETING. IF**
21 **THE RACE MEETING LICENSEE HAS A CONTRACT WITH MORE THAN 1 LICENSED**
22 **HORSEMEN'S ORGANIZATION, MONEY PAID UNDER THIS SUBSECTION MUST BE**
23 **DIVIDED EQUALLY BETWEEN THE LICENSED HORSEMEN'S ORGANIZATIONS. THE**
24 **AMOUNT OF NET COMMISSION REVENUE PAID UNDER THIS SUBSECTION AND THE**
25 **DIVISION BETWEEN LICENSED HORSEMEN'S ORGANIZATIONS MAY BE MODIFIED**
26 **IN THE CONTRACT BETWEEN THE RACE MEETING LICENSEE AND THE LICENSED**
27 **HORSEMEN'S ORGANIZATION.**

1 (7) A PERSON THAT OFFERS THE SIGNAL OF AN INTERSTATE SIMULCAST
 2 TO A RACE MEETING LICENSEE IN THIS STATE SHALL OFFER THE SIGNAL FOR
 3 PARI-MUTUEL WAGERING TO ALL RACE MEETING LICENSEES IN THIS STATE AT
 4 AN EQUAL RATE.

5 (8) ~~(7)~~—Simulcasting of events other than horse races for
 6 purposes of pari-mutuel wagering is prohibited.

7 (9) AS USED IN THIS SECTION:

8 (A) "INTERSTATE SIMULCAST" MEANS A SIMULCAST FROM A RACETRACK
 9 IN 1 STATE TO A RACETRACK IN ANOTHER STATE.

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

12 (C) "SIMULCAST" MEANS THE TRANSMISSION OF VIDEO AND AUDIO
 13 SIGNALS CONVEYING A HORSE RACE HELD EITHER INSIDE OR OUTSIDE OF
 14 THIS STATE FOR THE PURPOSE OF PARI-MUTUEL WAGERING TO A LICENSED
 15 RACE MEETING IN THIS STATE.

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

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

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

8 (A) THE MONEY GENERATED AT A SPECIFIC RACETRACK MUST BE
9 DISTRIBUTED TO THE LICENSED HORSEMEN'S ORGANIZATION OR
10 ORGANIZATIONS WITH A VALID CONTRACT WITH A RACE MEETING LICENSEE
11 THAT CONDUCTS ITS RACE MEETINGS AT THE TRACK ACCORDING TO TERMS OF
12 THE CONTRACT.

13 (B) EACH YEAR, ALL LICENSED HORSEMEN'S ORGANIZATIONS THAT
14 PARTICIPATED IN A LIVE RACE MEETING DURING THE YEAR MAY RECEIVE AN
15 AMOUNT APPROVED BY ORDER OF THE EXECUTIVE DIRECTOR FROM THE SITE-
16 SPECIFIC HORSEMEN'S SIMULCAST PURSE ACCOUNT TO USE FOR GENERAL
17 EXPENSES. BEGINNING JANUARY 1 AND ENDING DECEMBER 31 OF EACH YEAR,
18 A LICENSED HORSEMEN'S ORGANIZATION THAT PARTICIPATED IN A LIVE RACE
19 MEETING DURING THE YEAR IS ENTITLED TO NOT MORE THAN 3% OF THE
20 SITE-SPECIFIC HORSEMEN'S SIMULCAST PURSE ACCOUNT BY ORDER OF THE
21 EXECUTIVE DIRECTOR.

22 (C) AN AMOUNT EQUAL TO 0.5% OF THE TOTAL HORSEMEN'S SIMULCAST
23 PURSE ACCOUNT MAY BE DEDUCTED AND PLACED IN A SEPARATE ACCOUNT TO
24 BE KNOWN AS THE SIMULCAST MANAGEMENT FEE ACCOUNT. THE SIMULCAST
25 MANAGEMENT FEE ACCOUNT IS TO BE USED BY THE DESIGNATED ESCROW AGENT
26 TO PAY EXPENSES CONNECTED TO THE ADMINISTRATION OF THE HORSEMEN'S
27 SIMULCAST PURSE ACCOUNT.

1 (2) The ~~certified~~ **LICENSED** horsemen's organizations and race
2 meeting licensees shall ~~shall~~ **MUST** have audit rights of the ~~funds set~~
3 ~~forth~~ **ACCOUNTS DESCRIBED** in this section.

4 Sec. 19a. If a ~~thoroughbred track~~ **RACE MEETING** license is
5 surrendered, revoked, or escrowed, ~~or after January 1, 1998, a~~
6 ~~licensed thoroughbred track is closed,~~ **IF A RACE MEETING LICENSEE**
7 **FAILS TO CONDUCT A RACE MEETING, OR IF A RACE MEETING LICENSEE**
8 **FAILS TO RENEW THE LICENSEE'S CONTRACT WITH A LICENSED HORSEMEN'S**
9 **ORGANIZATION,** the ~~racings commissioner shall~~ **EXECUTIVE DIRECTOR MAY**
10 order the deposit **OR DISTRIBUTION** of **THE** horsemen's purse pool
11 money **FROM THE RELEVANT RACE MEETING. THE MONEY MAY BE** deposited
12 and distributed ~~pursuant to~~ **UNDER** section 19 to a depository
13 designated by a race meeting licensee ~~upon~~ **ON** written direction of
14 the affected ~~certified~~ **LICENSED** horsemen's organization regardless
15 of whether there was racing at the race meeting licensee's location
16 during the previous year.

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

1 **OF HORSE RACING.**

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

16 (2) Money received by the ~~racing commissioner~~**EXECUTIVE**
17 **DIRECTOR** and the state treasurer under this act shall be paid
18 promptly into the state treasury and placed in the Michigan
19 agriculture equine industry development fund created in subsection
20 (3).

21 (3) The Michigan agriculture equine industry development fund
22 is created in the department of treasury. The Michigan agriculture
23 equine industry development fund shall be administered by the
24 director of the department of agriculture **AND RURAL DEVELOPMENT**
25 with the assistance and advice of the ~~racing commissioner~~**EXECUTIVE**
26 **DIRECTOR**.

27 (4) Money shall not be expended from the Michigan agriculture

1 equine industry development fund except as appropriated by the
2 legislature. Money appropriated by the legislature for the Michigan
3 agriculture equine industry development fund shall be expended by
4 the director of the department of agriculture **AND RURAL DEVELOPMENT**
5 with the advice and assistance of the ~~racing commissioner~~ **EXECUTIVE**
6 **DIRECTOR** to provide funding for ~~the general fund as provided in~~
7 ~~subsection (17) and~~ agriculture and equine industry development
8 programs as provided in subsections (5) to (11).

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

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

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

26 (c) A sum to be allotted for paying special purses at fairs on
27 2-year-old and 3-year-old standardbred harness horses conceived

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

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

23 (e) A sum to pay breeders' awards in an amount not to exceed
24 ~~10%~~ **20%** of the gross purse to breeders of Michigan bred
25 standardbred harness horses for each time the horse wins a race at
26 a licensed race meeting or fair in this state. As used in this
27 subdivision, "Michigan bred standardbred harness horse" means a

1 horse from a mare owned by a resident or residents of this state at
2 the time of conception, that was conceived after January 1, 1992,
3 and sired by a standardbred stallion registered with the Michigan
4 department of agriculture **AND RURAL DEVELOPMENT** that was leased or
5 owned by a resident or residents of this state and that did not
6 serve a mare at a location outside of this state from February 1
7 through July 31 of the calendar year in which the conception
8 occurred. To be eligible, each mare ~~shall~~ **MUST** be registered with
9 the Michigan department of agriculture **AND RURAL DEVELOPMENT**. A
10 foal that 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 (f) A sum not to exceed \$4,000.00 each year to be allotted to
22 fairs to provide training and stabling facilities for standardbred
23 harness horses.

24 (g) A sum to be allotted to pay the presiding judges and
25 clerks of the course at fairs. Presiding judges and clerks of the
26 course shall be hired by the fair's administrative body with the
27 advice and approval of the ~~racing commissioner.~~ **EXECUTIVE DIRECTOR.**

1 The director of the department of agriculture **AND RURAL DEVELOPMENT**
2 may allot funds for a photo finish system and a mobile starting
3 gate. The director of the department of agriculture **AND RURAL**
4 **DEVELOPMENT** shall allot funds for the conducting of tests, the
5 collection and laboratory analysis of urine, saliva, blood, and
6 other samples from horses, and the taking of blood alcohol tests on
7 drivers, jockeys, and starting gate employees, for those races
8 described in this subdivision. The department may require a driver,
9 jockey, or starting gate employee to submit to a breathalyzer test,
10 urine test, or other noninvasive fluid test to detect the presence
11 of alcohol or a controlled substance. If the results of a test show
12 that a person has more than .05% of alcohol in his or her blood, or
13 has present in his or her body a controlled substance, the person
14 shall not be permitted to continue in his or her duties on that
15 race day and until he or she can produce, at his or her own
16 expense, a negative test result.

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

20 (i) A sum not to exceed 0.25% of all money wagered on live and
21 simulcast horse races in ~~Michigan~~**THIS STATE** shall be placed in a
22 special standardbred sire stakes fund each year, 100% of which
23 shall be used to provide purses for races run exclusively for 2-
24 year-old and 3-year-old Michigan sired standardbred horses at
25 licensed harness race meetings in this state. As used in this
26 subdivision, "Michigan sired standardbred horses" means
27 standardbred horses conceived after January 1, 1992 and sired by a

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

17 (6) The following amounts shall be paid to thoroughbred
18 programs:

19 (a) A sum to be allotted thoroughbred race meeting licensees
20 to supplement the purses for races to be conducted exclusively for
21 Michigan bred horses.

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

25 (c) A sum to pay breeders' awards in an amount not to exceed
26 ~~10%~~ **20%** of the gross purse to the breeders of Michigan bred
27 thoroughbred horses for each time Michigan bred thoroughbred horses

1 win at a licensed race meeting in this state.

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

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

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

22 (7) The following amounts shall be paid for quarter horse
23 programs:

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

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

1 (c) A sum to pay breeders' awards in an amount not to exceed
2 ~~10%~~ 20% of a gross purse to breeders of Michigan bred quarter
3 horses for each time a Michigan bred quarter horse wins at a county
4 fair or licensed race meeting in this state.

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

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

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

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

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

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

25 ~~—— (d) The department shall also allot sufficient funds from the~~
26 ~~revenue received from Appaloosa horse racing to pay for the~~
27 ~~collection and laboratory analysis of urine, saliva, blood, or~~

1 ~~other samples from horses and licensed persons and the taking of~~
2 ~~blood alcohol tests on jockeys for those races described in this~~
3 ~~subsection and for the conducting of tests described in section~~
4 ~~16(4)(b).~~

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

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

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

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

15 (c) A sum to pay breeders' awards in an amount not to exceed
16 ~~10%~~20% of the gross purse to the breeders of Michigan bred Arabian
17 horses for each time Michigan bred horses win at a fair or licensed
18 racetrack in this state.

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

25 (D) ~~(e)~~As used in this subsection, "Michigan bred Arabian
26 horse" means a Michigan-bred horse as that term is defined in R
27 285.822.1(i) of the Michigan ~~administrative code.~~ **ADMINISTRATIVE**

1 **CODE.** Each mare and stallion shall be registered with the director
2 of the department of agriculture **AND RURAL DEVELOPMENT.**

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

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

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

9 (c) A sum to pay breeders' awards in an amount not to exceed
10 ~~10%~~ **20%** of the gross purse to the breeders of Michigan bred
11 American paint horses for each time a Michigan bred American paint
12 horse wins at a county fair or licensed race meeting in this state.

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

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

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

24 (a) A sum to fund grants for research projects conducted by
25 persons affiliated with a university or governmental research
26 agency or institution or other private research entity approved by
27 the ~~racine commissioner,~~ **EXECUTIVE DIRECTOR,** which are beneficial

1 to the horse racing and breeding industry in this state.

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

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

19 (13) AN AMOUNT SHALL BE ALLOTTED ANNUALLY TO THE EXECUTIVE
20 DIRECTOR THAT IS SUFFICIENT TO PAY FOR THE COLLECTION AND
21 LABORATORY ANALYSIS OF URINE, SALIVA, BLOOD, AND OTHER SAMPLES FROM
22 HORSES AND LICENSED PERSONS INVOLVED IN HORSE RACING ON WHICH PARI-
23 MUTUEL WAGERS ARE MADE AND FOR THE CONDUCTING OF TESTS DESCRIBED IN
24 SECTION 16(5).

25 (14) ~~(13) Subject to subsection (17), money~~ MONEY appropriated
26 and allotted to the Michigan agriculture equine industry
27 development fund shall not revert to the general fund and shall be

1 carried forward from year to year until disbursed to fund grants
2 for research projects beneficial to the industry.

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

9 (16) ~~(15)~~—The director of the department of agriculture **AND**
10 **RURAL DEVELOPMENT** shall promulgate rules pursuant to the
11 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
12 24.328, to implement this section. The rules promulgated under this
13 subsection shall do all of the following:

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

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

19 (c) Develop and maintain informational programs related to
20 this section.

21 (17) ~~(16)~~—Funds under the control of the department of
22 agriculture **AND RURAL DEVELOPMENT** in this section shall be
23 disbursed under the rules promulgated pursuant to subsection ~~(15)~~.
24 **(16)**. All funds under the control of the department of agriculture
25 **AND RURAL DEVELOPMENT** approved for purse supplements and breeders'
26 awards shall be paid by the state treasurer not later than 45 days
27 from the date of the race.

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

4 (18) WITH RESPECT TO MONEY PAID UNDER THIS SECTION FOR RACES
5 AT LICENSED RACETRACKS, PREFERENCES FOR DRAWING INTO ALL OVERNIGHT
6 EVENTS MAY BE GIVEN IN ACCORDANCE WITH AN AGREEMENT BETWEEN THE
7 RACE MEETING LICENSEE AND THE APPLICABLE LICENSED HORSEMEN'S
8 ORGANIZATION. THE LICENSED HORSEMEN'S ORGANIZATION MUST AGREE THAT
9 ITS SYSTEM OF PREFERENCES WILL NOT BE DESIGNED TO DISCOURAGE A
10 COMPETITIVE RACING AND WAGERING PRODUCT AT THE RACE MEETING.
11 PREFERENCES MAY BE GIVEN UNDER THIS SUBSECTION IN THE FOLLOWING
12 ORDER:

13 (A) FIRST, TO MICHIGAN SIREN OR BRED HORSES, AS DEFINED BY THE
14 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT.

15 (B) SECOND, TO HORSES THAT ARE OWNED EXCLUSIVELY BY RESIDENTS
16 OF THIS STATE.

17 (C) THIRD, TO HORSES THAT ARE TRAINED BY TRAINERS WHO RESIDE
18 IN THIS STATE, WITH RESIDENCY BEING ESTABLISHED BY THE TRAINER
19 HOLDING A DRIVER LICENSE ISSUED BY THIS STATE.

20 (D) IF A PREFERENCE IS NOT GIVEN UNDER SUBDIVISIONS (A) TO
21 (C), BY GIVING PREFERENCES ACCORDING TO THE HORSE'S LAST PREVIOUS
22 PURSE RACE WITHIN THE PAST 60 DAYS OR THE HORSE'S LAST SUCCESSFUL
23 QUALIFYING RACE, WHICHEVER IS MORE RECENT.

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

1 (2) ~~During calendar year 1996, each~~ **THE** holder of a race
2 meeting license shall pay to the state treasurer, from the holder's
3 commission, a tax in the amount of ~~2.5%~~ **3.5%** of all money wagered
4 on interstate and intertrack simulcast races conducted at the
5 holder's licensed race meetings ~~in 1996~~ in a manner and time as the
6 ~~racing commissioner~~ **EXECUTIVE DIRECTOR** requires. ~~For calendar year~~
7 ~~1997 and each year thereafter, the tax rate shall increase to 3.5%~~
8 ~~of all money wagered on interstate and intertrack simulcast races~~
9 ~~conducted at the holder's licensed race meetings each calendar~~
10 ~~year. Not later than 4 years after the effective date of this act,~~
11 ~~the racing commissioner shall report to the chairpersons of the~~
12 ~~senate and house committees responsible for legislation concerning~~
13 ~~horse racing as to the effect on the horse racing industry of the~~
14 ~~reduction in the tax pursuant to subsection (2).~~

15 (3) By eliminating the pari-mutuel wagering tax on live racing
16 programs, it is not the intent of the legislature to diminish the
17 funding and appropriations for the Michigan agriculture equine
18 industry fund and related programs described in section 20. The
19 pari-mutuel tax reduction effected by this section is intended to
20 generally allow for the improvement of the pari-mutuel horse racing
21 and breeding industry in this state by increasing purses at
22 licensed race meetings and making additional pari-mutuel revenues
23 available for capital improvements at licensed racetracks in this
24 state.

25 (4) **A PERSON THAT CONDUCTS PARI-MUTUEL WAGERING ON THE RESULTS**
26 **OF HORSE RACES THAT ARE NOT LIVE OR SIMULCAST RACES SHALL PAY THE**
27 **FOLLOWING AMOUNTS IN A MANNER AND TIME AS REQUIRED BY THE EXECUTIVE**

1 DIRECTOR:

2 (A) TO THE STATE TREASURER, A TAX IN THE AMOUNT OF 0.15% OF
3 ALL MONEY WAGERED ON THE PARI-MUTUEL WAGERING.

4 (B) TO THE PURSE POOLS AT THE RACETRACK WHERE THE PARI-MUTUEL
5 WAGERING IS CONDUCTED, A PURSE CONTRIBUTION IN THE AMOUNT OF 1.35%
6 OF ALL MONEY WAGERED ON THE PARI-MUTUEL WAGERING.

7 Sec. 23. (1) The auditing of pari-mutuel operations at each
8 race meeting ~~shall~~**MUST** be performed by a private auditing firm
9 appointed by the state treasurer and approved by the ~~racing~~
10 ~~commissioner. The~~**EXECUTIVE DIRECTOR. THIS STATE SHALL PAY THE**
11 expense of ~~pari-mutuel audits shall be paid by the state~~**UNDER THIS**
12 **SECTION** as a part of the state treasurer's budget. Daily audit
13 reports on each day of pari-mutuel racing ~~shall~~**MUST** be forwarded
14 to the ~~racing commissioner~~**EXECUTIVE DIRECTOR** and the holder of the
15 race meeting license not later than 2 business days after the day
16 for which the report is made. Within 60 days following each race
17 meeting, at least 3 copies of the ~~pari-mutuel audit report for the~~
18 entire race meeting ~~shall~~**MUST** be forwarded to the ~~racing~~
19 ~~commissioner~~**EXECUTIVE DIRECTOR** and additional copies ~~shall~~**MUST** be
20 supplied to the state treasurer and the holder of the race meeting
21 license. The scope of the ~~pari-mutuel audits shall~~**UNDER THIS**
22 **SECTION MUST** be established in specifications prepared by the state
23 treasurer and approved by the ~~racing commissioner~~**EXECUTIVE**
24 **DIRECTOR.**

25 (2) ~~The~~**A RACE MEETING LICENSEE SHALL GIVE THE** auditors
26 representing ~~the~~**THIS** state ~~shall have~~ free and full access to the
27 space ~~or enclosure~~ where the payoff prices are calculated, to the

1 rooms ~~and enclosures~~ where the totalisator equipment is operated,
2 and to the money rooms and cashier terminals. ~~and~~ **THE AUDITORS**
3 ~~shall be responsible for verifying~~ **VERIFY** the accuracy of the
4 calculations on which are based the payoff prices to the public and
5 amount of racetrack commission, state tax and breakage, and for the
6 amounts withheld by the holder of the race meeting license for
7 payment of uncashed tickets. The **RACE MEETING LICENSEE SHALL GIVE**
8 **THE** auditors at all times ~~shall have~~ full and free access to all
9 pari-mutuel records and all aspects, areas, and functions of the
10 totalisator system, including but not limited to, all hardware,
11 software, input and output data, documents, and files. The auditors
12 may audit internally and externally any or all parts and elements
13 of the totalisator system whether on or off the site of the race
14 meeting grounds. If the records are maintained in a machine-
15 readable form, such as computer tapes or disks, copies ~~shall~~ **MUST**
16 be made available to the auditors on request. The auditors, in
17 addition to their regular reports, shall make prompt report to the
18 ~~racing commissioner,~~ **EXECUTIVE DIRECTOR**, the state treasurer, and
19 the holder of the race meeting license of any irregularities or
20 discrepancies ~~which~~ **THAT** they ~~may~~ encounter during their auditing.

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

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

26 (2) **A PERSON SHALL NOT HOLD OR CONDUCT, OR ASSIST, AID, OR**
27 **ABET IN HOLDING OR CONDUCTING, A RACE MEETING IN THIS STATE AT**

1 WHICH LIVE OR SIMULCAST HORSE RACES WITH PARI-MUTUEL WAGERING ON
2 THE RESULTS OF THE HORSE RACES FOR A STAKE, PURSE, PRIZE, SHARE, OR
3 REWARD IS CONDUCTED, UNLESS THE PERSON AND THE RACETRACK AT WHICH
4 THE PARI-MUTUEL WAGERING IS CONDUCTED ARE LICENSED BY THE EXECUTIVE
5 DIRECTOR.

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

17 (2) A drug or foreign substance ~~,~~ other than a stimulant or
18 ~~depressant,~~ may be administered to a horse ~~or present in a horse~~
19 that is intended to be entered ~~,~~ OR is entered, or BE PRESENT IN A
20 HORSE THAT participates, in a race with PARI-MUTUEL wagering ~~by~~
21 ~~pari-mutuel methods~~ or any nonbetting race or workout that is
22 conducted at a licensed race meeting in this state only if
23 authorized by the ~~racine commissioner~~ EXECUTIVE DIRECTOR by rule or
24 written order for use in the care or treatment of the horse. A
25 veterinarian is not prohibited by this section from administering
26 to a horse any drug or foreign substance that is necessary and
27 appropriate for the emergency veterinary care and treatment of the

1 horse under accepted standards of veterinary practice in this
2 state. The treating veterinarian and the horse's trainer shall
3 report immediately to the ~~racine commissioner,~~ **EXECUTIVE DIRECTOR,**
4 the state veterinarian, or the ~~state~~ steward any unauthorized or
5 emergency administration of an unauthorized drug or foreign
6 substance to a horse that is intended to be entered, is entered, or
7 participates in a race or workout at a licensed race meeting in
8 this state, before the running of the race or workout, in the
9 manner and form prescribed by the ~~racine commissioner~~ **EXECUTIVE**
10 **DIRECTOR** and the stewards shall scratch the horse from the race.

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

21 (4) ~~(2)~~ The ~~racine commissioner~~ **EXECUTIVE DIRECTOR** or his or
22 her designee shall conduct random testing to detect the presence of
23 a drug or foreign substance in all winning horses and in any other
24 horse in each ~~pari-mutuel~~ horse race and may conduct individual
25 testing for the presence of a drug or foreign substance in any
26 ~~specific~~ horse **ELIGIBLE TO RACE** within the **GROUNDS OF A** racetrack
27 **OR OFF-TRACK TRAINING CENTER, FARM, OR STABLE.**

1 (5) ~~(3)~~ The ~~racing commissioner~~ **EXECUTIVE DIRECTOR** shall issue
2 written orders or promulgate rules pursuant to the administrative
3 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~
4 ~~being sections 1969 PA 306, MCL 24.201 to 24.328, of the Michigan~~
5 ~~Compiled Laws,~~ that specify the condition of the horse that must
6 exist in order to permit authorization of the use and possession of
7 a foreign substance or a permissible drug for the intended care or
8 treatment of a horse and that specify the procedures that must be
9 followed in administering the authorized drugs. Any written order
10 issued by the ~~racing commissioner~~ pursuant to **EXECUTIVE DIRECTOR**
11 **UNDER** this section ~~shall~~ **MUST** be available for review in the office
12 of ~~racing commissioner~~ **EXECUTIVE DIRECTOR** at each licensed race
13 meeting in this state.

14 (6) ~~(4)~~ Except as authorized by the ~~racing commissioner~~
15 **EXECUTIVE DIRECTOR** or as provided in this section, a person who
16 administers or conspires to administer a drug or foreign substance,
17 that could affect the racing condition or performance of a horse,
18 internally, externally, by hypodermic method, or by any other
19 method, to a horse that is intended to be entered, is entered, or
20 participates in a race or workout at a licensed race meeting in
21 this state, or who knowingly starts a horse in any race or workout
22 at a licensed race meeting in this state knowing that the horse was
23 administered a drug or foreign substance, by any method, after the
24 horse was entered or intended to be entered in the race or workout
25 is guilty of a felony punishable by a fine of not more than
26 \$10,000.00 or by imprisonment for not more than 5 years, or both.

27 (7) ~~(5)~~ A postmortem examination ~~shall~~ **MUST** be performed on

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

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

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

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

1 can be used for the purpose of affecting a horse's racing condition
2 or performance in a race or workout at a licensed race meeting in
3 this state.

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

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

24 (3) **A PERSON THAT IS NOT AUTHORIZED TO CONDUCT WAGERING UNDER**
25 **THIS ACT AND THAT SOLICITS OR ACCEPTS A WAGER FROM ANOTHER PERSON**
26 **THAT AN AUTHORIZED PERSON WOULD BE ABLE TO SOLICIT OR ACCEPT IS**
27 **GUILTY OF A FELONY PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 3**

1 YEARS OR A FINE OF NOT MORE THAN \$100,000.00, OR BOTH. EACH ACT OF
2 SOLICITATION OR WAGER THAT IS ACCEPTED IN VIOLATION OF THIS
3 SUBSECTION IS A SEPARATE OFFENSE.

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

18 Enacting section 1. (1) Except as provided in subsection (2),
19 this amendatory act takes effect 90 days after the date it is
20 enacted into law.

21 (2) Section 18 of the horse racing law of 1995, 1995 PA 279,
22 MCL 431.318, as amended by this amendatory act, takes effect
23 January 1, 2017.

24 Enacting section 2. This amendatory act does not take effect
25 unless Senate Bill No. ____ or House Bill No. 5601 (request no.
26 03880'15 a) of the 98th Legislature is enacted into law.