

SENATE BILL No. 504

September 24, 2015, Introduced by Senators ROBERTSON, JONES, HERTEL, GREGORY, HOOD, CASPERSON, ANANICH, STAMAS and EMMONS and referred to the Committee on Agriculture.

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending sections 2, 7, 10, 12, 14, 17, 18, 19, 19a, and 22 (MCL
431.302, 431.307, 431.310, 431.312, 431.314, 431.317, 431.318,
431.319, 431.319a, and 431.322), section 2 as amended by 2006 PA
445, sections 7, 10, and 12 as amended by 2000 PA 164, and sections
14, 17, and 18 as amended and section 19a as added by 1998 PA 408.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Affiliate" means a person who, directly or indirectly,
3 controls, is controlled by, or is under common control with; is in
4 a partnership or joint venture relationship with; or is a co-
5 shareholder of a corporation, co-member of a limited liability
6 company, or co-partner in a limited liability partnership with a
7 person who holds or applies for a race meeting or track license

1 under this act. For purposes of this subdivision, a controlling
2 interest is a pecuniary interest of more than 15%.

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

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

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

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

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

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

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

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

1 (F) ~~(e)~~—"Controlled substance" means that term as defined in
2 section 7104 of the public health code, 1978 PA 368, MCL 333.7104.

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

5 (H) ~~(g)~~—"Drug" means any of the following:

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

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

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

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

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

21 (K) ~~(j)~~—"Full card simulcast" means an entire simulcast racing
22 program of 1 or more race meeting licensees located in this state,
23 or an entire simulcast racing program of 1 or more races
24 simulcasted from 1 or more racetracks located outside of this
25 state.

26 (L) ~~(k)~~—"Member of the immediate family" means the spouse,
27 child, parent, or sibling.

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

(N) "PARI-MUTUEL" AND "PARI-MUTUEL WAGERING" MEAN THE FORM OR SYSTEM OF GAMBLING IN WHICH THE WINNER OR WINNERS DIVIDE THE TOTAL AMOUNT OF MONEY BET, AFTER DEDUCTING ALL COMMISSIONS, FEES, AND TAXES.

(O) ~~(H)~~ "Person" means an individual, firm, partnership, corporation, association, or other legal entity.

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

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

Sec. 7. (1) The racing commissioner may promulgate rules ~~pursuant to~~ **UNDER** the administrative procedures act of 1969, 1969

1 PA 306, MCL 24.201 to 24.328, for conducting horse racing, pari-
2 mutuel wagering on horse racing results, and simulcasting. The
3 rules promulgated under this section ~~shall~~**MUST** be designed to
4 accomplish all of the following:

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

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

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

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

25 (3) The racing commissioner may issue sanctions including, but
26 not limited to, revocation or suspension of a license, exclusion
27 from racetrack grounds, or a fine of not more than \$25,000.00 for

1 each violation of this act or a rule promulgated under this act
2 committed by a licensee or other person under this act. A sanction
3 issued under this section may be appealed to the racing
4 commissioner. The appeal shall be heard ~~pursuant to~~ **UNDER** the
5 contested case provisions of the administrative procedures act of
6 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

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

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

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

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

Sec. 10. (1) A person ~~desiring~~ **THAT DESIRES** to conduct a thoroughbred, ~~OR~~ standardbred, ~~quarter horse, Appaloosa, American paint horse, or Arabian~~ race meeting, or a combination of these race meetings, with pari-mutuel wagering on the results of live and simulcast horse races ~~pursuant to~~ **UNDER** this act shall apply each year to the racing commissioner for a race meeting license in the manner and form required by the racing commissioner. The application ~~shall~~ **MUST** be filed with the racing commissioner before September 1 of the preceding year. ~~except that applications for 1999 racing dates may be filed at any time.~~ The **RACING COMMISSIONER SHALL MAKE AN** application, after ~~being~~ **IT IS** filed, ~~shall be made~~ available for public inspection during regular business hours. The application ~~shall~~ **MUST** be in writing and ~~shall~~ give the name and

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

6 (a) Specify the licensed racetrack at which the proposed race
7 meeting will be held. **THE RACETRACK SPECIFIED MUST HAVE HOSTED LIVE**
8 **HORSE RACING WITH PARI-MUTUEL WAGERING IN THE YEAR BEFORE THE YEAR**
9 **IN WHICH THE AMENDATORY ACT THAT ADDED THIS SENTENCE TAKES EFFECT.**

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

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

18 (d) Specify the time period during which the applicant
19 requests to be licensed during the calendar year immediately
20 following the date of application.

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

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

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

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

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

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

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

1 ~~conduct the requested live horse racing programs.~~

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

4 ~~—— (c) The licensee to conduct live horse racing programs after~~
 5 ~~6:45 p.m., if the licensee is not in a city area and is 75 miles or~~
 6 ~~more from the nearest race meeting licensee authorized to conduct~~
 7 ~~live horse racing.~~

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

18
 19 (2) ~~Each~~ **AN** applicant for **A LICENSE TO CONDUCT** a thoroughbred
 20 ~~, quarter horse, Appaloosa, American paint horse, or Arabian~~ race
 21 meeting ~~license~~ in a city area shall apply to conduct at least 160
 22 days of live thoroughbred, ~~quarter horse, Appaloosa, American~~
 23 ~~paint horse, or Arabian horse~~ racing during its proposed race
 24 meeting. Except during the opening and closing week of a race
 25 meeting, the applicant shall apply to conduct live racing at least
 26 5 days per week, including Saturdays and Sundays, with ~~not less~~
 27 ~~than 9~~ **AT LEAST 8** live horse races programmed, and shall conduct

1 live racing programs on ~~such~~**THE** days allocated by the racing
2 commissioner.

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

13 (4) ~~Each~~**AN** applicant for **A LICENSE TO CONDUCT** a standardbred
14 race meeting ~~license~~ in a county ~~having~~**WITH** a population greater
15 than 250,000 but less than 750,000 and that is not part of a city
16 area shall apply to conduct at least 100 days of live standardbred
17 harness horse racing during its proposed race meeting. Except
18 during the opening and closing week of a race meeting, the
19 applicant shall apply to conduct live racing at least 4 days per
20 week, including Saturdays, with ~~not less than 9~~**AT LEAST 8** live
21 horse races programmed, and shall conduct live racing programs on
22 ~~such~~**THE** days awarded.

23 (5) ~~Each~~**AN** applicant for **A LICENSE TO CONDUCT** a standardbred
24 race meeting ~~license~~ in a city area shall apply to conduct during
25 its race meeting ~~no less than~~**AT LEAST** the following number of live
26 racing days:

27 (a) The race meeting applicant with the highest pari-mutuel

1 handle in the previous calendar year shall apply for ~~no less than~~
 2 **AT LEAST** 140 days of live racing and the applicant shall apply to
 3 conduct live racing at least 5 days per week, including Saturdays,
 4 with ~~not less than 9~~ **AT LEAST 8** live horse races programmed and
 5 shall conduct live racing programs on the days awarded.

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

12 (6) If a race meeting licensee is unable to program and
 13 conduct ~~9-8~~ live horse races on ~~any-A~~ racing date ~~that the~~
 14 ~~commissioner allocates~~ **AWARDED** to the licensee because there are
 15 ~~less~~ **FEWER** than 5 entries in ~~any-A~~ race, the licensee shall not
 16 conduct any simulcasting on that day without the written consent of
 17 the certified horsemen's organization with which it has a contract.

18 (7) If a race meeting licensee is unable to conduct racing on
 19 ~~any-A~~ live racing dates ~~allocated~~ **DATE AWARDED** to the licensee ~~by~~
 20 ~~the racing commissioner or less~~ **FEWER** than ~~9-8~~ live horse races on
 21 ~~any allocated~~ **AN AWARDED** live racing dates ~~DATE~~ because of a labor
 22 dispute, fire, adverse weather conditions, or other causes beyond
 23 the race meeting licensee's control, ~~then~~ the race meeting licensee
 24 is considered to have conducted those races or **THAT** race ~~days~~ **DATE**
 25 for purposes of this act and is not precluded from conducting any
 26 simulcasts because of the licensee's inability to conduct those
 27 live races or **THAT** race ~~dates~~ **DATE**.

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

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

19 (10) **NOTWITHSTANDING ANYTHING IN THIS ACT TO THE CONTRARY, IF**
20 **THE RACING COMMISSIONER DETERMINES THAT 1 OR MORE OF THE CONDITIONS**
21 **LISTED IN SUBSECTION (11) APPLY, THE RACING COMMISSIONER MAY AMEND**
22 **AN EXISTING RACE MEETING LICENSE AND SIMULCAST PERMIT TO ALLOW THE**
23 **LICENSEE TO CONTINUE SIMULCASTING DURING THE REMAINING PERIOD OF**
24 **THE RACE MEETING LICENSE. AN AMENDED LICENSE UNDER THIS SECTION MAY**
25 **BE ISSUED BY THE RACING COMMISSIONER AT ANY TIME, INCLUDING AT THE**
26 **TIME OF THE INITIAL ISSUANCE OF THE RACE MEETING LICENSE FOR THE**
27 **UPCOMING YEAR DURING WHICH IT IS VALID.**

1 (11) THE RACING COMMISSIONER MAY ISSUE AN ORDER AMENDING A
2 RACE MEETING LICENSE UNDER SUBSECTION (10) IF HE OR SHE DETERMINES
3 THAT THE LICENSEE IS CAPABLE OF CONDUCTING SIMULCAST HORSE RACING
4 IN ACCORDANCE WITH THIS ACT AND THAT 1 OR MORE OF THE FOLLOWING
5 CONDITIONS EXIST:

6 (A) THERE IS INADEQUATE HORSE SUPPLY FOR THE LICENSEE TO
7 CONDUCT A LIVE RACE MEETING OF AT LEAST 10 DAYS WITH 8 RACES PER
8 DAY.

9 (B) THERE IS INADEQUATE FUNDING OF LIVE RACING PURSES TO
10 SUPPORT THE LICENSEE'S CONDUCTING OF A LIVE RACE MEETING OF AT
11 LEAST 10 DAYS WITH 8 RACES PER DAY.

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

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

1 COMMISSION FROM SIMULCASTING. IF THERE IS NO RACETRACK IN THIS
2 STATE CONDUCTING LIVE HORSE RACING UNDER THIS ACT, THE LICENSEE
3 SHALL SATISFY THE LIVE RACING REQUIREMENTS OF THIS ACT BY PAYING
4 THE ADDITIONAL SIMULCAST TAX UNDER SECTION 22 INSTEAD OF HAVING THE
5 WRITTEN CONTRACT REQUIRED UNDER THIS SUBSECTION.

6 (13) SUBSECTIONS (10) TO (12) APPLY ONLY TO AMENDMENTS TO A
7 RACE MEETING LICENSE FOR THE PURPOSE OF ALLOWING SIMULCAST-ONLY
8 OPERATIONS AND ARE NOT LIMITATIONS ON OR REQUIREMENTS FOR OTHER
9 RACE MEETING LICENSE AMENDMENTS THE RACING COMMISSIONER MAY APPROVE
10 OR DENY.

11 (14) NOTWITHSTANDING ANYTHING IN THIS ACT TO THE CONTRARY, IF
12 A RACE MEETING LICENSEE AND THE CERTIFIED HORSEMEN'S ORGANIZATION
13 WITH WHICH THE LICENSEE HAS A CONTRACT JOINTLY REQUEST THAT THE
14 LICENSEE BE ALLOWED TO CONDUCT A LIVE RACE MEETING WITH FEWER THAN
15 8 RACES PER DAY, THE RACING COMMISSIONER SHALL APPROVE THE REQUEST
16 AND ISSUE AN ORDER AMENDING THE LICENSE ACCORDINGLY.

17 (15) AS USED IN THIS SECTION, "NET COMMISSION" MEANS THE
18 AMOUNT DETERMINED UNDER SECTION 17(3), AFTER FIRST DEDUCTING FROM
19 THE LICENSEE'S STATUTORY COMMISSION THE APPLICABLE STATE TAX ON
20 WAGERING DUE AND PAYABLE UNDER SECTION 22, THE ACTUAL VERIFIED FEE
21 PAID BY THE LICENSEE TO THE SENDING HOST TRACK TO RECEIVE THE
22 SIMULCAST SIGNAL.

23 Sec. 14. (1) ~~Except as provided in subsection (8), before~~
24 **BEFORE** November 1 of the year preceding the year for which
25 applications are made, the racing commissioner shall grant or deny
26 each application for a race meeting license, allocate or deny the
27 dates, for which application has been made, on which pari-mutuel

1 wagering on live races may be conducted at each licensed race
2 meeting in this state, and shall also determine whether the
3 applicant may simulcast under section 18 during the calendar year
4 for which the license is issued. The racing commissioner may grant
5 a race meeting license for any time period up to 1 year during
6 which the licensee may conduct live and simulcast horse races with
7 pari-mutuel wagering on the results of ~~such~~**THE** races.

8 (2) Subject to section 12(7), all simulcasting authorized by
9 the racing commissioner ~~shall~~**MUST** be conditioned ~~upon~~**ON** the
10 holder of the license conducting at least ~~9~~**8** live horse races on
11 each live racing date allocated in the holder's race meeting
12 license, unless this requirement is waived in writing by both the
13 racing commissioner and the certified horsemen's organization with
14 which the licensee has contracted.

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

19 (4) Except as provided in section 12(7), (8), and (9), if
20 after the issuance of a race meeting license ~~the~~ the racing
21 commissioner determines ~~upon~~**ON** further investigation that the
22 holder of a race meeting license has not met, or will be unable to
23 meet, the requirements of the license, the racing commissioner may
24 impose a fine or suspend or revoke the race meeting license, or
25 both, for all or part of the remainder of the time period for which
26 the license was granted. Before making the required determination
27 to impose a fine or suspend or revoke a race meeting license under

1 this subsection, the racing commissioner shall consider whether the
2 race meeting licensee's inability or failure to meet the
3 requirements of its license is due to a cause beyond the control of
4 the race meeting licensee.

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

11 (6) A denial of a race meeting license under subsection (3)
12 may be appealed to the circuit court for judicial review ~~pursuant~~
13 ~~to~~ **UNDER** section 631 of the revised judicature act of 1961, 1961 PA
14 236, MCL 600.631. A suspension or revocation of a race meeting
15 license may be appealed ~~pursuant to~~ **UNDER** the administrative
16 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

17 (7) Each applicant issued a race meeting license shall
18 maintain an interest bearing account used exclusively ~~for~~ **TO**
19 deposit ~~of all funds~~ **MONEY** due **TO** horsemen's purse pools under this
20 act. All ~~funds~~ **MONEY** due to this account ~~shall~~ **MUST** be deposited
21 within a reasonable time after receipt by the race meeting
22 licensee. The name of the depository and the identification number
23 of the account ~~shall~~ **MUST** be designated in each race meeting
24 license application and all interest earned by the account ~~shall~~
25 **MUST** be credited to the purse pool and deposited in the account.

26 ~~—— (8) The November 1 deadline provided in subsection (1) does~~
27 ~~not apply to 1999 thoroughbred race meeting dates. The racing~~

1 ~~commissioner may issue 1999 thoroughbred race meeting dates at any~~
2 ~~time.~~

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

9 (2) A holder of a race meeting license may provide a place in
10 the race meeting grounds or enclosure at which he or she may
11 conduct and supervise ~~the pari-mutuel system of~~ wagering on the
12 results of horse races as permitted by this act. If ~~the pari-mutuel~~
13 ~~system of~~ wagering is used at a race meeting, a totalisator or
14 other device that is equal in accuracy and clearness to a
15 totalisator and approved by the racing commissioner ~~shall~~ **MUST** be
16 used. The odds display of the totalisator or other device ~~shall~~
17 **MUST** be placed in full view of the patrons.

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

1 results of live and simulcast horse races conducted at the
2 licensee's race meeting. Except as otherwise provided by contract,
3 50% of all commissions from wagering on the results of live racing
4 at the racetrack where the live racing was conducted shall be paid
5 to the horsemen's purse pool at the racetrack where the live racing
6 was conducted. As used in this subsection:

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

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

12 (4) All breaks shall be retained by the race meeting licensee
13 and paid directly to the city or township in which the racetrack is
14 located as a fee for services provided ~~pursuant to~~ **UNDER** section
15 21.

16 (5) Payoff prices of tickets of a higher denomination ~~shall~~
17 **MUST** be calculated as even multiples of the payoff price for a
18 \$1.00 wager. Each holder of a race meeting license shall distribute
19 to the persons holding winning tickets, as a minimum, a sum not
20 less than \$1.10 calculated on the basis of each \$1.00 deposited in
21 a pool, except that each race meeting licensee may distribute a sum
22 of not less than \$1.05 to persons holding winning tickets for each
23 \$1.00 deposited in a minus pool. As used in this subsection, "minus
24 pool" means any win, place, or show pool in which the payout would
25 exceed the total value of the pool.

26 (6) A holder of a race meeting license shall not knowingly
27 permit a person less than 18 years of age to be a patron of the

1 pari-mutuel wagering conducted or supervised by the holder.

2 (7) Any act or transaction relative to pari-mutuel wagering on
3 the results of live or simulcast horse races ~~shall only occur or be~~
4 ~~permitted to occur within the enclosure of a licensed race meeting.~~
5 ~~A person shall not participate or be a party to any act or~~
6 ~~transaction relative to placing a wager or carrying a wager for~~
7 ~~placement outside of a race meeting ground.~~ **MAY BE CONDUCTED BY A**
8 **RACE MEETING LICENSEE UNDER THIS ACT FOR THE RACE MEETING LICENSEE**
9 **TO COMPLY WITH THE AUDITING REQUIREMENTS OF SECTION 23.** A person
10 shall not provide messenger service for the placing of a bet for
11 another person who is not a patron. However, this subsection does
12 not prevent simulcasting or intertrack or interstate common pool
13 wagering inside or outside this state as permitted by this act or
14 the rules promulgated under this act.

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

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

27 Sec. 18. (1) Simulcasting by race meeting licensees may be

1 authorized by the racing commissioner subject to the limitations of
2 this section. ~~As used in this section, "simulcast" means the live~~
3 ~~transmission of video and audio signals conveying a horse race held~~
4 ~~either inside or outside this state to a licensed race meeting in~~
5 ~~this state. A simulcast from 1 racetrack in this state to another~~
6 ~~racetrack in this state shall be called an "intertrack simulcast".~~
7 ~~A simulcast from a racetrack outside this state to a racetrack~~
8 ~~inside this state shall be called an "interstate simulcast".~~**FOR**
9 **SIMULCAST WAGERING TO OCCUR AT ANY LICENSED TRACK IN THIS STATE, A**
10 **MINIMUM OF 50 LIVE THOROUGHBRED RACING DAYS MUST OCCUR IN THAT**
11 **CALENDAR YEAR UNLESS OTHERWISE APPROVED BY THE THOROUGHBRED**
12 **CERTIFIED HORSEMEN'S ORGANIZATION.**

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

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

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

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

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

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

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

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

26 (G) **THE APPLICANT MUST NOT CHARGE OR PAY A FEE THAT EXCEEDS 5%**
27 **OF THE TOTAL AMOUNT WAGERED ON AN INTERTRACK SIMULCAST UNLESS THE**

1 RACING COMMISSIONER APPROVES THE FEE ON THE BASIS THAT THE FEE
 2 REASONABLY REFLECTS THE VALUE OF THE SIMULCAST RACING PROGRAM AND
 3 THAT CHARGING OR PAYING THE FEE DOES NOT RESULT IN HARMFUL
 4 COMPETITION AMONG RACE MEETING LICENSEES.

5 (H) ~~(g)~~—Except as otherwise agreed by the race meeting
 6 licensees in a city area and the respective certified horsemen's
 7 organizations with which they contract, ~~a licensee~~ **IF THE APPLICANT**
 8 **CONDUCTS ITS RACE MEETINGS** in a city area, ~~shall~~ **THE APPLICANT MUST**
 9 receive all available intertrack simulcasts from licensed race
 10 meetings in the city area located more than 12 miles from the
 11 ~~licensee's~~ **APPLICANT'S** race meeting.

12 (I) ~~(h)~~ ~~A licensed~~ **IF THE APPLICANT CONDUCTS ITS** race meeting
 13 **MEETINGS** outside a city area, ~~shall~~ **THE APPLICANT MUST** not conduct
 14 interstate simulcasts unless it also receives all intertrack
 15 simulcasts from licensed race meetings in a city area that are
 16 available.

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

26 (K) ~~(j)~~—A race meeting licensee shall not conduct an
 27 interstate simulcast of a different breed than it is licensed to

1 race live at its race meeting, unless the licensee has the written
2 permission of all race meeting licensees in a city area that are
3 licensed to race that breed live at their race meetings.

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

9 (M) ~~(L)~~ All authorized interstate simulcasts ~~shall~~ **MUST** also
10 comply with the interstate horse racing act of 1978, ~~Public Law 95-~~
11 ~~15, 15 U.S.C. USC~~ 3001 to 3007.

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

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

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

1 horsemen's simulcast purse ~~pool~~-**ACCOUNT** established under section
2 19.

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

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

16 (b) Each race meeting licensee that receives an intertrack
17 simulcast shall pay to the horsemen's simulcast purse ~~pool~~-**ACCOUNT**
18 established ~~pursuant to~~-**UNDER** section 19 a sum equal to 40% of the
19 ~~receiving track's~~-**LICENSEE'S** net commission from ~~wagering~~-**ALL MONEY**
20 **WAGERED** on the intertrack simulcast **AS DETERMINED** under section
21 17(3), after first deducting from the licensee's statutory
22 commission the applicable state tax on wagering due and ~~owing~~
23 **PAYABLE** under section 22, ~~and~~ the actual verified fee paid by the
24 ~~receiving track~~-**LICENSEE** to the sending host track to receive the
25 intertrack simulcast signal.

26 (6) The racing commissioner may authorize a race meeting
27 licensee to transmit simulcasts of live horse races conducted at

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

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

15 (8) AS USED IN THIS SECTION:

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

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

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

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

1 (a) ~~50%–100%~~ of the funds ~~MONEY~~ generated from thoroughbred
 2 simulcasts ~~for horsemen's purses and 35% of the funds generated~~
 3 ~~from standardbred simulcasts for horsemen's purses shall be divided~~
 4 ~~between all thoroughbred purse pools. The division shall be on a~~
 5 ~~pro rata basis between all thoroughbred race meeting licensees~~
 6 ~~based upon the percentage of total thoroughbred handle, from all~~
 7 ~~sources, for the previous calendar year.~~ **DEPOSITED IN A DEPOSITORY**
 8 **DESIGNATED BY THE THOROUGHbred CERTIFIED HORSEMEN'S ORGANIZATION.**

9 (b) ~~50%–100%~~ of the funds ~~MONEY~~ generated from thoroughbred
 10 simulcasts ~~for horsemen's purses and 65% of the funds generated~~
 11 ~~from standardbred simulcasts for horsemen's purses shall be divided~~
 12 ~~between all standardbred purse pools. The division shall be on a~~
 13 ~~pro rata basis between all standardbred race meeting licensees~~
 14 ~~based upon the percentage of total standardbred handle, from all~~
 15 ~~sources, for the previous calendar year.~~ **DEPOSITED IN A DEPOSITORY**
 16 **DESIGNATED BY THE STANDARDbred CERTIFIED HORSEMEN'S ORGANIZATION.**

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

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

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

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

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

~~commissioner shall report to the chairpersons of the senate and
house committees responsible for legislation concerning horse
racing as to the effect on the horse racing industry of the
reduction in the tax pursuant to subsection (2).~~

(3) By eliminating the pari-mutuel wagering tax on live racing programs **AND ALTERING THE CALCULATION OF THE TAX ON SIMULCAST HORSE RACING**, it is not the intent of the legislature to diminish the funding and appropriations for the Michigan agriculture equine industry fund and related programs described in section 20. The pari-mutuel tax ~~reduction~~ **ALTERATION** effected by this section is intended to generally allow for the improvement of the pari-mutuel horse racing and breeding industry in this state by increasing purses at licensed race meetings and making additional pari-mutuel revenues available for capital improvements at licensed racetracks in this state.

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