



Senate Fiscal Agency  
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Senate Bills 396 and 398 (as reported without amendment)  
Sponsor: Senator Dan Lauwers (S.B. 396)  
Senator Curtis Hertel, Jr. (S.B. 398)  
Committee: Agriculture

### **CONTENT**

Senate Bill 396 would amend the Horse Racing Law to do the following:

- Modify the definition of "pari-mutuel" and "pari-mutuel wagering".
- Prohibit the Racing Commissioner from allowing a holder of a race meeting license to conduct pari-mutuel wagering on the outcome of a live horse race run in the past at a licensed racetrack unless the legislative body for the local unit of government in which the racetrack was located had adopted an ordinance authorizing those activities.
- Modify various provisions pertaining to simulcasting to include pari-mutuel wagering.
- Require monthly distributions from the pari-mutuel horse racing disbursement account to be divided equally to each race meeting licensee instead of to each track licensee.
- Require a race meeting licensee that conducted pari-mutuel wagering on the results of live horse races that were run in the past to pay a tax of 1.0% of all money wagered, and require the tax to be deposited in the Michigan Agriculture and Equine Industry Development Fund (90%) and the Horse Racing Advisory Commission (10%).

Senate Bill 398 would amend the Lottery Act to specify that a casino licensee could not televise or allow any other person to televise simulcast horse races on the premises of the casino unless the licensee also held a third-party facilitator license issued under the Horse Racing Law.

Senate Bill 398 is tie-barred to Senate Bill 396. Senate Bill 396 also would repeal Section 19b of the Law. (Section 19b pertains to money in escrow for distribution to a certified horsemen's organization.)

MCL 431.302 et al. (S.B. 396)  
432.209b & 432.212 (S.B. 398)

Legislative Analyst: Jeff Mann

### **FISCAL IMPACT**

Senate Bill 396 would have a fiscal impact on the State and Michigan Gaming Control Board and no fiscal impact on local units of government. The bills would allow an increase in pari-mutuel wagering to occur during live horse races. This could increase the amount of wagers that occurred during each live horse race. The 1.0% tax on pari-mutuel wagering would result in additional revenue generated during each live horse racing event. The overall fiscal impact to State revenue would depend on the number of the live horse racing event that occurred during the year.

The Michigan Gaming Control Board could experience additional administrative costs for oversight and collection of revenue from pari-mutuel wagering. Any additional costs would be covered by additional fee revenue from facilitators.

Senate Bill 398 would have no fiscal impact on State or local units of government.

Date Completed: 5-17-21

Fiscal Analyst: Cory Savino