

HOUSE BILL NO. 4347

April 17, 2025, Introduced by Reps. Kunse, Outman, Woolford, Thompson, Miller, Conlin, Andrews, Alexander, O'Neal, Beson, Bruck, Lightner, Slagh, Witwer, Hoadley and Snyder and referred to Committee on Agriculture.

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending sections 2 and 20 (MCL 431.302 and 431.320), section 2
as amended by 2016 PA 271 and section 20 as amended by 2019 PA 153.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:
2 (a) "Affiliate" means a person who, directly or indirectly,
3 controls, is controlled by, or is under common control with; is in
4 a partnership or joint venture relationship with; or is a co-
5 shareholder of a corporation, co-member of a limited liability

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

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

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

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

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

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

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

20 (d) "Commissioner" or "racing commissioner" means the
21 executive director of the Michigan gaming control board appointed
22 under section 4 of the Michigan ~~gaming control and revenue~~ **Gaming**
23 **Control and Revenue** act, 1996 IL 1, MCL 432.204, who is ordered
24 under Executive Reorganization Order No. 2009-31, MCL 324.99919, to
25 perform all the functions and exercise the powers performed and
26 exercised by the racing commissioner before that position was
27 abolished.

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

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

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

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

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

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

(h) "Eligible recipient" means either of the following:

(i) If the recipient is an individual, a resident of this state.

(ii) If the recipient is a person comprised of more than 1 individual, a person in which greater than 51% is owned or controlled by residents of this state.

(i) ~~(h)~~—"Fair" means a county, district, or community fair or a state fair.

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

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

1 **(l)** ~~(k)~~ "Horsemen's simulcast purse account" means an account
 2 maintained with a financial institution and managed by a designated
 3 agent as described in section 19 to receive and distribute money as
 4 provided in this act.

5 **(m)** "Indexed annually" means the treasurer must adjust the
 6 dollar amount by the percentage increase in the Detroit Consumer
 7 Price Index for the preceding calendar year and round to the
 8 nearest \$100.00 increment. As used in this subdivision, "Detroit
 9 Consumer Price Index" means the most comprehensive index of
 10 consumer prices available for the Detroit-Warren-Dearborn area from
 11 the United States Department of Labor, Bureau of Labor Statistics.

12 **(n)** "Interstate simulcast" means a simulcast to or from a
 13 racetrack outside of this state.

14 **(o)** "Intertrack simulcast" means a simulcast to or from a
 15 racetrack in this state.

16 **(p)** "Live horse race" means a horse race that is held at the
 17 licensed track where the race meeting licensee that conducts
 18 wagering on the race conducts its race meeting, and that is held
 19 immediately after wagering on the race closes.

20 **(q)** ~~(l)~~ "Member of the immediate family" means the spouse,
 21 child, parent, or sibling.

22 **(r)** ~~(m)~~ "Net commission" means the amount determined under
 23 section 17(3), after first deducting from the licensee's statutory
 24 commission the applicable state tax on wagering due and payable
 25 under section 22 and the actual verified fee paid by the licensee
 26 to the sending host track to receive the simulcast signal.

27 **(s)** ~~(n)~~ "Office of the racing commissioner" means the horse
 28 racing section of the horse racing, audit, and gaming technology
 29 division of the Michigan gaming control board created by section 4

1 of the Michigan ~~gaming control and revenue act~~, **Gaming Control and**
 2 **Revenue Act**, 1996 IL 1, MCL 432.204, which operates under the
 3 direction of the executive director of the Michigan gaming control
 4 board, to which Executive Reorganization Order No. 2009-31, MCL
 5 324.99919, transferred all of the authority, powers, duties,
 6 functions, records, personnel, property, unexpended balances of
 7 appropriations, allocations, or other funds of the office of racing
 8 commissioner that previously existed under this act and that was
 9 abolished by that executive reorganization order.

10 (t) ~~(e)~~ "Pari-mutuel" and "pari-mutuel wagering" mean the form
 11 or system of gambling in which the winner or winners divide the
 12 total amount of money bet, after deducting the net commission.

13 (u) ~~(p)~~ "Person" means an individual, firm, partnership,
 14 corporation, association, or other legal entity.

15 (v) ~~(q)~~ "Purse pool" means an amount of money allocated or
 16 apportioned to pay prizes for horse races and from which payments
 17 may be made to certified horsemen's organizations as provided in
 18 this act.

19 (w) "Simulcast" means the live transmission of video and audio
 20 signals conveying a horse race to or from a licensed race meeting
 21 or third-party facilitator in this state. When used as a noun,
 22 simulcast means the program of horse races transmitted.

23 (x) ~~(r)~~ "Standardbred" means a horse registered with the
 24 United States Trotting Association that races on designated gaits
 25 of pace or trot.

26 (y) ~~(s)~~ "Thoroughbred" means a thoroughbred, quarter, paint,
 27 Arabian, or other breed horse. Thoroughbred does not include a
 28 standardbred.

29 (z) ~~(t)~~ "Veterinarian" means an individual licensed to

1 practice veterinary medicine under part 188 of the public health
2 code, 1978 PA 368, MCL 333.18801 to 333.18838, or under a state or
3 federal law applicable to the individual.

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

18 (2) Except for money generated from the tax on wagers
19 processed through licensed third-party facilitators operating under
20 ~~this act under~~ section 22, money received by the racing
21 commissioner and the state treasurer under this act must be paid
22 promptly into the state treasury and placed in the Michigan
23 agriculture equine industry development fund created in subsection
24 (3).

25 (3) The Michigan agriculture equine industry development fund
26 is created in the department of treasury. The Michigan agriculture
27 equine industry development fund must be administered by the
28 director of the department of agriculture and rural development
29 with the assistance and advice of the racing commissioner.

(4) Money must not be expended from the Michigan agriculture equine industry development fund except as appropriated by the legislature. Money appropriated by the legislature from the Michigan agriculture equine industry development fund must be expended by the director of the department of agriculture and rural development with the advice and assistance of the racing commissioner to provide funding for agriculture and equine industry development programs **only** as provided in subsections (5) to (11).

(5) The following amounts must be paid to standardbred and fair programs:

(a) A sum **of not less than \$1,500,000.00, indexed annually,** ~~not to exceed 75% of the~~ **for** purses for standardbred harness horse races offered by fairs and races at licensed pari-mutuel racetracks. ~~Purse supplements paid under this subdivision for overnight races at fairs for which Michigan sired, Michigan bred, or Michigan owned harness horses are eligible must be \$1,000.00. However, if the average purse offered for maiden overnight races of the same breed at any licensed race meeting in this state during the previous year as calculated by the department of agriculture and rural development was less than \$1,000.00, purse supplements for overnight races at fairs paid under this subdivision must not exceed that average purse.~~

(b) ~~A~~ **Except for a program under subdivision (f), a sum of not less than \$5,000.00 to every county fair in this state to be allocated each year and distributed by the state treasurer.** ~~to be allotted on a matching basis, but not to exceed \$15,000.00 each year to a single fair, for the purpose of equipment rental during fairs; ground improvement; constructing, maintaining, and repairing buildings; and making the racetrack more suitable and safe for~~

1 ~~racing at fairs.~~

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

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

27 (e) A sum to pay breeders' awards in an amount **of not less**
 28 **than \$500,000.00, indexed annually, but** not to exceed ~~10%~~**20%** of
 29 the gross purse to breeders of Michigan bred standardbred harness

horses for each time the horse wins a race at a licensed race meeting or fair in **or outside of** this state. As used in this subdivision, ~~"Michigan-bred"~~**Michigan-bred** standardbred harness horse" means a horse from a mare owned by a resident or residents of this state at the time of conception, that was conceived after January 1, 1992, and sired by a standardbred stallion registered with the department of agriculture and rural development that was leased or owned by ~~a resident or residents of this state~~**an eligible recipient** and that did not serve a mare at a location outside of this state from February 1 through July 31 of the calendar year in which the conception occurred. To be eligible, each mare must be registered with the department of agriculture and rural development. A foal that is born on or after January 1, 2002 of a mare owned by a nonresident of this state and that is conceived outside of this state from transported semen of a stallion registered with the department of agriculture and rural development is eligible for Michigan tax-supported races only if, in the year that the foal is conceived, the department of agriculture and rural development's agent for receiving funds as the holding agent for stakes and futurities is paid a transport fee as determined by the department of agriculture and rural development and administered by the Michigan Harness Horsemen's Association.

(f) A sum ~~of not to exceed \$4,000.00 each year to be allotted to fairs to provide training and stabling facilities for standardbred harness horses~~**less than \$10,000.00 to be allocated per year and distributed by the state treasurer to each fair that held standardbred harness racing in the previous calendar year and that will hold standardbred harness racing in the current calendar**

1 **year.**

2 (g) A sum to be allotted **by the director of the department of**
 3 **agriculture and rural development** to pay the presiding judges and
 4 clerks of the course at fairs. Presiding judges and clerks of the
 5 course must be hired by the fair's administrative body with the
 6 advice ~~and approval of the racing commissioner.~~ **horse racing**
 7 **advisory commission.** The director of the department of agriculture
 8 and rural development may allot funds for a photo finish system,
 9 ~~and a mobile starting gate,~~ **a water truck, track maintenance**
 10 **vehicles, an announcer, an ambulance, an outrider, and advertising.**
 11 **The director of the department of agriculture and rural development**
 12 **may allot funds for an on-site veterinarian to ensure animal health**
 13 **and the soundness of participating horses.** The director of the
 14 department of agriculture and rural development shall allot funds
 15 for the conducting of tests, the collection and laboratory analysis
 16 of urine, saliva, blood, and other samples from horses, and the
 17 taking of blood alcohol tests on drivers, jockeys, and starting
 18 gate employees, for those races described in this subdivision. The
 19 department may require a driver, jockey, or starting gate employee
 20 to submit to a breathalyzer test, urine test, or other noninvasive
 21 fluid test to detect the presence of alcohol or a controlled
 22 substance. If the results of a test show that ~~a person an~~
 23 **individual** has more than .05% of alcohol in ~~his or her the~~
 24 **individual's** blood, or has present in ~~his or her the~~ **individual's**
 25 body a controlled substance, the ~~person individual~~ is not permitted
 26 to continue in ~~his or her the~~ **individual's** duties on that race day
 27 and until ~~he or she the~~ **individual** can produce, at ~~his or her the~~
 28 **individual's** own expense, a negative test result.

29 (h) A sum **of not less than \$200,000.00, indexed annually,** to

1 pay purse supplements to licensed pari-mutuel harness race meetings
2 for special 4-year-old filly and colt horse races.

3 (i) A sum **of** not ~~to exceed 0.25% of all money wagered on live~~
4 ~~and simulcast horse races in this state~~ **less than \$800,000.00,**

5 **indexed annually,** must be placed in a special standardbred sire
6 stakes fund each year, 100% of which must be used to provide purses
7 for races run exclusively for 2-year-old and 3-year-old ~~Michigan~~
8 ~~sired~~ **Michigan-sired** standardbred horses at licensed harness race
9 meetings in this state. **If there is no licensed harness race**

10 **meeting in this state, or the licensed race meeting is unable to**
11 **conduct these races, the director of the department of agriculture**
12 **and rural development may designate a county fair to host these**
13 **races.** As used in this subdivision, ~~"Michigan-sired"~~ **"Michigan-sired"**

14 standardbred horses" means standardbred horses conceived after
15 January 1, 1992 and sired by a standardbred stallion registered
16 with the department of agriculture and rural development that was
17 leased or owned by a resident or residents of this state and that
18 did not serve a mare at a location outside of this state from

19 February 1 through July 31 of the calendar year in which the
20 conception occurred. A foal that is born on or after January 1,
21 2002 of a mare owned by a nonresident of this state and that is
22 conceived outside of this state from transported semen of a
23 stallion registered with the department of agriculture and rural
24 development is eligible for Michigan tax-supported races only if,

25 in the year that the foal is conceived, the department of
26 agriculture and rural development's agent for receiving funds as
27 the holding agent for stakes and futurities is paid a transport fee
28 as determined by the department of agriculture and rural
29 development and administered by the Michigan Harness Horsemen's

1 Association.

2 (6) The following amounts must be paid to thoroughbred
3 programs:

4 (a) A sum to be allotted thoroughbred race meeting licensees
5 to supplement the purses for races to be conducted exclusively for
6 ~~Michigan-bred~~ **Michigan-sired** horses.

7 (b) A sum **of not less than \$100,000.00, indexed annually,** to
8 pay awards to owners of ~~Michigan-bred~~ **Michigan-sired** horses that
9 finish first, second, or third in races open to ~~non-Michigan-bred~~
10 **non-Michigan sired** horses in and outside of this state. Owner
11 awards under this subdivision may be paid only if the owner is an
12 eligible recipient.

13 (c) A sum **of not less than \$200,000.00, indexed annually,** to
14 pay breeders' awards in an amount not to exceed ~~10%~~ **20%** of the
15 gross purse to the breeders of ~~Michigan-bred~~ **Michigan-sired**
16 thoroughbred horses for each time ~~Michigan-bred~~ **Michigan-sired**
17 thoroughbred horses win at a licensed race meeting in and outside
18 of this state. **Breeders' awards under this subdivision may be paid**
19 **only if the owner is an eligible recipient.**

20 (d) A sum **of not less than \$100,000.00, indexed annually,** to
21 pay purse supplements to licensed thoroughbred race meetings for
22 special 4-year-old and older, **Michigan-sired** filly and colt horse
23 races. **If there is no thoroughbred race meeting in the state, or**
24 **the race meeting is unable to conduct the races under this**
25 **subdivision, the racing commissioner shall allot a special**
26 **thoroughbred sires stakes fund for 4-year-olds to provide an award**
27 **to the owners of the top 5 highest earning Michigan-sired 4-year-**
28 **olds by sex and distribute money as follows: 50% of the fund to the**
29 **top earning 4-year-old horse and mare; 25% of the fund to the**

1 second top earning 4-year-old; 12% of the fund to the third top
 2 earning 4-year-old horse and mare; 8% of the fund to the fourth top
 3 earning 4-year-old horse and mare; and 5% of the fund to the fifth
 4 top earning 4-year-old horse and mare. Awards under this
 5 subdivision may be paid only if the owner is an eligible recipient
 6 and submits an annual supplemental purse/award eligibility form to
 7 the racing commissioner not later than January 15 for the horse's
 8 earnings for the previous calendar year. The racing commissioner
 9 shall verify eligibility and that the owner is an eligible
 10 recipient and submit results to the state treasurer not later than
 11 February 15.

12 (e) A sum ~~of not to exceed 0.25% of all money wagered on live~~
 13 ~~and simulcast horse races in this state~~ **less than \$200,000.00,**
 14 **indexed annually,** must be placed in a special thoroughbred sire
 15 stakes fund each year, 100% of which must be used to provide purses
 16 for races run exclusively for 2-year-old and 3-year-old and older
 17 ~~Michigan-sired~~ **Michigan-sired** thoroughbred horses at licensed
 18 thoroughbred race meetings in this state and awards for owners of
 19 ~~Michigan-sired~~ **Michigan-sired** horses or stallions. As used in this
 20 subdivision, ~~"Michigan-sired"~~ **"Michigan-sired** thoroughbred horses"
 21 means thoroughbred horses sired by a stallion registered with the
 22 department of agriculture and rural development that was leased or
 23 ~~owned exclusively by a resident or residents of this state~~ **an**
 24 **eligible recipient** and that did not serve a mare at a location
 25 outside of this state during the calendar year in which the service
 26 occurred. **If there is no thoroughbred race meeting in the state, or**
 27 **the race meeting is unable to conduct the races under this**
 28 **subdivision, the racing commissioner shall allot a special**
 29 **thoroughbred sires stakes fund for 2-year-olds and 3-year-olds to**

1 provide an award to the owners of the top 5 highest earning
2 Michigan-sired 2-year-old and 3-year-old colt and philly by age and
3 sex and distribute money as follows: 50% of the fund to the top
4 earning 2-year-old and 3-year-old colt and philly; 25% of the fund
5 to the second top earning 2-year-old and 3-year-old colt and
6 philly; 12% of the fund to the third top earning 2-year-old and 3-
7 year-old colt and philly; 8% of the fund to the fourth top earning
8 2-year-old and 3-year-old colt and philly; and 5% of the fund to
9 the fifth top earning 2-year-old and 3-year-old colt and philly.
10 Awards under this subdivision may be paid only if the owner is an
11 eligible recipient and submits an annual supplemental purse/award
12 eligibility form to the racing commissioner not later than January
13 15 for the horse's earnings for the previous calendar year. The
14 racing commissioner shall verify eligibility and that the owner is
15 an eligible recipient and submit results to the state treasurer not
16 later than February 15.

17 ~~(7) The following amounts must be paid for quarter horse~~
18 ~~programs:~~

19 ~~(a) A sum to supplement the purses for races to be conducted~~
20 ~~exclusively for Michigan bred quarter horses.~~

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

23 ~~(c) A sum to pay breeders' awards in an amount not to exceed~~
24 ~~10% of a gross purse to breeders of Michigan bred quarter horses~~
25 ~~for each time a Michigan bred quarter horse wins at a county fair~~
26 ~~or licensed race meeting in this state.~~

27 ~~(d) As used in this subsection, "Michigan bred quarter horse"~~
28 ~~means Michigan bred quarter horse as that term is defined in R~~
29 ~~285.817.1 of the Michigan Administrative Code. Each mare and~~

~~1 stallion must be registered with the director of the department of
2 agriculture and rural development.~~

~~3 (8) The following amounts must be paid for Appaloosa programs:~~

~~4 (a) A sum to supplement the purses for races to be conducted
5 exclusively for Michigan bred Appaloosa horses.~~

~~6 (b) A sum to pay not more than 75% of the purses for
7 registered Appaloosa horse races offered by fairs.~~

~~8 (c) A sum to pay breeders' awards in an amount not to exceed
9 10% of the gross purse to the breeders of Michigan bred Appaloosa
10 horses for each time Michigan bred horses win at a fair or licensed
11 race meeting in this state.~~

~~12 (d) As used in this subsection, "Michigan bred Appaloosa
13 horse" means a Michigan bred Appaloosa horse as that term is
14 defined in R 285.819.1 of the Michigan Administrative Code. Each
15 mare and stallion must be registered with the director of the
16 department of agriculture and rural development.~~

~~17 (9) The following amounts must be paid for Arabian programs:~~

~~18 (a) A sum to supplement the purses for races to be conducted
19 exclusively for Michigan bred Arabian horses.~~

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

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

~~26 (d) As used in this subsection, "Michigan bred Arabian horse"
27 means a Michigan bred horse as that term is defined in R
28 285.822.1(i) of the Michigan Administrative Code. Each mare and
29 stallion shall be registered with the director of the department of~~

1 ~~agriculture and rural development.~~

2 ~~(10) The following sums must be paid for American paint horse~~
3 ~~programs:~~

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

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

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

12 ~~(d) As used in this subsection, "Michigan bred American paint~~
13 ~~horse" means a Michigan bred paint horse as that term is defined in~~
14 ~~R 285.823.1 of the Michigan Administrative Code.~~

15 ~~(7)~~ ~~(11)~~ The following amounts must be paid for the equine
16 industry research, planning, and development grant fund program:

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

22 (b) A sum to fund the development, implementation, and
23 administration of new programs that promote the proper growth and
24 development of the horse racing and breeding industry in this state
25 and other valuable equine-related commercial and recreational
26 activities in this state.

27 ~~(8)~~ ~~(12)~~ As used in subsection ~~(11)~~, ~~(7)~~, "equine industry
28 research" means the study, discovery and generation of accurate and
29 reliable information, findings, conclusions, and recommendations

1 that are useful or beneficial to the horse racing and breeding
2 industry in this state through improvement of the health of horses;
3 prevention of equine illness and disease, and performance-related
4 accidents and injuries; improvement of breeding technique and
5 racing performance; and compilation and study of valuable and
6 reliable statistical data regarding the size, organization, and
7 economics of the industry in this state; and strategic planning for
8 the effective promotion, growth, and development of the industry in
9 this state.

10 (9) ~~(13)~~—An amount must be allotted annually to the racing
11 commissioner that is sufficient to pay for the collection and
12 laboratory analysis of urine, saliva, blood, and other samples from
13 horses and licensed individuals involved in horse racing on which
14 pari-mutuel wagers are made and for the conducting of tests
15 described in section 16(4).

16 (10) ~~(14)~~—Money appropriated and allotted to the Michigan
17 agriculture equine industry development fund must not revert to the
18 general fund and must be carried forward from year to year until
19 disbursed to fund grants for research projects beneficial to the
20 industry.

21 (11) ~~(15)~~—A percentage of the Michigan agriculture equine
22 industry development fund that is equal to 1/15 of 1% of the gross
23 wagers made each year in each of the racetracks licensed under this
24 act must be deposited in the compulsive gaming prevention fund
25 created in section 3 of the compulsive gaming prevention act, 1997
26 PA 70, MCL 432.253.

27 (12) ~~(16)~~—The director of the department of agriculture and
28 rural development shall promulgate rules pursuant to the
29 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to

24.328, to implement this section. The rules promulgated under this subsection must do all of the following:

(a) Prescribe the conditions under which the Michigan agriculture equine industry development fund and related programs described in subsections (1) to ~~(14)~~ **(10)** must be funded.

(b) Establish conditions and penalties regarding the programs described in subsections (5) to ~~(12)~~ **(8)**.

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

(13) ~~(17)~~ Funds under the control of the department of agriculture and rural development in this section must be disbursed under the rules promulgated under subsection ~~(16)~~ **(12)**. All funds under the control of the department of agriculture and rural development approved for purse supplements and breeders' awards must be paid by the state treasurer not later than 45 days from the date of the race.

(14) ~~(18)~~ Purses paid under this section must be based on actual purses awarded in a race. If the actual purses awarded are less than the purse supplement amount requested by a fair or licensed pari-mutuel racetrack at the time they applied to the department of agriculture and rural development for the purse supplement, the purse supplement paid must be the lesser amount.

~~(19) If the amount allocated to the Michigan agriculture equine industry development fund under this act or any other source exceeds \$8,000,000.00 in a fiscal year, the amount in excess of \$8,000,000.00 must be allocated to the pari-mutuel horse racing disbursement account under section 19.~~

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. ____ (request no. S01228'25) or House Bill

1 No. 4346 (request no. H01228'25) of the 103rd Legislature is
2 enacted into law.