

HORSE RACING LAW OF 1995 (EXCERPT)
Act 279 of 1995

431.317 Lawful forms of pari-mutuel wagering; preapproval by racing commissioner required; use of totalisator or other device; commission retained by holder of race meeting license; definitions; retention and payment of breaks; payoff prices of tickets; "minus pool" defined; patron less than 18 years old prohibited; wagering to occur at licensed race meeting; prohibited conduct; felony; penalty; "act or transaction relative to pari-mutuel wagering on results of live or simulcast horse races" defined.

Sec. 17. (1) The pari-mutuel system of wagering on the results of horse races as permitted by this act is not unlawful. All forms of pari-mutuel wagering must be conducted under a race meeting license preapproved by the racing commissioner by rule or written order of the commissioner.

(2) If pari-mutuel wagering is used at a race meeting, a totalisator or other device that is equal in accuracy and clearness to a totalisator and approved by the racing commissioner must be used. The odds display of the totalisator or other device must be placed in full view of the patrons.

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

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

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

(4) All breaks must be retained by the race meeting licensee and paid directly to the city or township in which the racetrack is located as a fee for services provided under section 21.

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

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

(7) Any act or transaction relative to pari-mutuel wagering on the results of live or simulcast horse races may be conducted by a race meeting licensee under this act for the race meeting licensee to comply with the auditing requirements of section 23. A person shall not provide messenger service for the placing of a bet for another person who is not a patron. However, this subsection does not prevent simulcasting or intertrack or interstate common pool wagering inside or outside this state as permitted by this act or the rules promulgated under this act.

(8) Any form of pari-mutuel wagering on the results of live or simulcast horse races must only be conducted or operated by a race meeting licensee, which may use its contracted licensed third-party facilitators, as determined and approved by the racing commissioner. The race meeting licensee is responsible for all conduct of its third-party facilitators. All wagers must be placed by persons within this state and may be placed only in person at a licensed race meeting or electronically through a licensed third-party facilitator. A race meeting licensee or licensed third-party facilitator shall not solicit, offer, accept, or process wagers on or in connection with other gaming or gambling products, including, but not limited to, slot machines and casino table games.

(9) A person that does not hold a race meeting license or a third-party facilitator license that solicits or accepts wagers on the results of live or simulcast horse races from individuals in this state is guilty of a felony punishable by imprisonment for not more than 5 years or a fine of not more than \$10,000.00, or both. Each act of solicitation or wager that is accepted in violation of this section is a separate offense.

(10) Only a race meeting licensee or its contracted licensed third-party facilitator may process, accept, offer, or solicit wagers on the results of live or simulcast horse races as determined and approved by the racing commissioner.

(11) As used in this section, "act or transaction relative to pari-mutuel wagering on the results of live or simulcast horse races" means those steps taken by a race meeting licensee to accept a wager and process it within the ordinary course of its business and in accordance with this act.

History: 1995, Act 279, Imd. Eff. Jan. 9, 1996;—Am. 1998, Act 408, Imd. Eff. Dec. 21, 1998;—Am. 2016, Act 271, Imd. Eff. July 1, 2016;—Am. 2019, Act 153, Imd. Eff. Dec. 20, 2019.

Administrative rules: R 285.812.1 et seq. of the Michigan Administrative Code.