



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 433 (Substitute S-2 as reported)
Sponsor: Senator Joe Hune
Committee: Agriculture

CONTENT

The bill would amend the Horse Racing Law to require the payment of breeders' awards for Michigan bred thoroughbred horses that won out-of-State races, if all of the money appropriated to pay breeders' awards were not spent during a fiscal year ending before October 1, 2012.

The Act created the Michigan Agriculture Equine Industry Development Fund and requires money appropriated for the Fund to be spent to provide funding for the agriculture equine industry development programs, as provided in the Act.

The amounts that must be paid to thoroughbred programs include a sum to pay breeders' awards in an amount not to exceed 10% of the gross purse to the breeders of Michigan bred thoroughbred horses for each time those horses win at a licensed race meeting in Michigan. Under the bill, if all of the money appropriated to pay the awards were not spent during a fiscal year that ends before October 1, 2012, the balance of the appropriated money would have to be paid, in amounts not to exceed 10% of the gross purses, to the breeders of Michigan bred thoroughbred horses that won races conducted at licensed horse racetracks outside of Michigan.

MCL 431.320

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have an indeterminate impact on the funds distributed in the form of grants to the horse racing industry by the Department of Agriculture and Rural Development. Under the bill, unspent appropriations for grant payments (Thoroughbred Breeders' Awards) for breeders' awards to winners of thoroughbred races in Michigan, would be redirected to those Michigan thoroughbred breeders that won races conducted at licensed tracks outside of Michigan, in an amount not to exceed 10% of the gross purses.

In current practice, appropriations made to this program (\$387,000 restricted, for Thoroughbred Breeders' Awards under Public Act 166 of 2010 for FY 2010-11) that are unspent would lapse to the following year's overall corpus of the Michigan Agriculture Equine Industry Development Fund, to be distributed to a number of horse racing entities, including thoroughbred breeders. It is not known what amount of breeders' awards would be paid to those winners of races outside of the State, as proposed under the bill.

Date Completed: 10-3-11

Fiscal Analyst: Bruce Baker