

SENATE BILL No. 433

June 14, 2011, Introduced by Senator HUNE and referred to the Committee on Agriculture.

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending the title and section 20 (MCL 431.320), section 20 as amended by 2006 PA 185.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1
2
3
4
5
6
7
8

TITLE

An act to license and regulate ~~the conducting of horse race~~ meetings in this state, ~~with pari-mutuel~~ wagering on the results of horse races, and persons involved in horse racing and pari-mutuel gaming activities at ~~such race meetings; to create the office of racing commissioner; to prescribe the powers and duties of the racing commissioner; to prescribe certain~~ **TO PROVIDE FOR THE** powers and duties of ~~the department of agriculture and the director of the~~

1 ~~department of agriculture~~ **CERTAIN STATE AND LOCAL GOVERNMENTAL**
 2 **OFFICERS AND ENTITIES**; to provide for the promulgation of rules; to
 3 provide for the imposition of ~~taxes and fees~~ and the disposition of
 4 revenues; to impose certain taxes; to create funds; to legalize and
 5 permit the pari-mutuel method of wagering on the results of live
 6 and simulcast races at licensed race meetings in this state; to
 7 appropriate the ~~funds~~ **MONEY** derived from pari-mutuel wagering on
 8 the results of horse races at licensed race meetings in this state;
 9 to prescribe remedies and penalties; and to repeal acts and parts
 10 of acts.

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

25 (2) Money received by the ~~racing commissioner~~ **DIRECTOR OF THE**
 26 **MICHIGAN GAMING CONTROL BOARD** and the state treasurer under this
 27 act shall be paid promptly into the state treasury and placed in

1 the Michigan agriculture equine industry development fund created
2 in subsection (3).

3 (3) The Michigan agriculture equine industry development fund
4 is created in the department of treasury. The Michigan agriculture
5 equine industry development fund shall be administered by the
6 director of the department of agriculture **AND RURAL DEVELOPMENT**
7 with the assistance and advice of the ~~racine commissioner~~**DIRECTOR**
8 **OF THE MICHIGAN GAMING CONTROL BOARD.**

9 (4) Money shall not be expended from the Michigan agriculture
10 equine industry development fund except as appropriated by the
11 legislature. Money appropriated by the legislature for the Michigan
12 agriculture equine industry development fund shall be expended by
13 the director of the department of agriculture **AND RURAL DEVELOPMENT**
14 with the advice and assistance of the ~~racine commissioner~~**DIRECTOR**
15 **OF THE MICHIGAN GAMING CONTROL BOARD** to provide funding for the
16 ~~general fund as provided in subsection (17) and~~ agriculture and
17 equine industry development programs as provided in subsections (5)
18 to (11).

19 (5) The following amounts shall be paid to standardbred and
20 fair programs:

21 (a) A sum not to exceed 75% of the purses for standardbred
22 harness horse races offered by fairs and races at licensed pari-
23 mutuel racetracks. Purse supplements for overnight races at fairs
24 paid ~~pursuant to~~**UNDER** this subsection shall be \$1,000.00. However,
25 if the average purse offered for maiden overnight races of the same
26 breed at any licensed race meeting in this state during the
27 previous year as calculated by the department of agriculture **AND**

1 **RURAL DEVELOPMENT** was less than \$1,000.00, purse supplements for
2 overnight races at fairs paid under this subsection shall not
3 exceed that average purse.

4 (b) A sum to be allotted on a matching basis, but not to
5 exceed \$15,000.00 each year to a single fair, for the purpose of
6 equipment rental during fairs; ground improvement; constructing,
7 maintaining, and repairing buildings; and making the racetrack more
8 suitable and safe for racing at fairs.

9 (c) A sum to be allotted for paying special purses at fairs on
10 2-year-old and 3-year-old standardbred harness horses conceived
11 after January 1, 1992, and sired by a standardbred stallion
12 registered with the ~~Michigan~~ department of agriculture **AND RURAL**
13 **DEVELOPMENT** that was leased or owned by a resident or residents of
14 this state and that did not serve a mare at a location outside of
15 this state from February 1 through July 31 of the calendar year in
16 which the conception occurred. A foal that is born on or after
17 January 1, 2002 of a mare owned by a nonresident of this state and
18 that is conceived outside of this state from transported semen of a
19 stallion registered with the ~~Michigan~~ department of agriculture **AND**
20 **RURAL DEVELOPMENT** is eligible for Michigan tax-supported races only
21 if, in the year that the foal is conceived, the ~~Michigan~~ department
22 of agriculture's **AGRICULTURE AND RURAL DEVELOPMENT'S** agent for
23 receiving ~~funds~~ **MONEY** as the holding agent for stakes and
24 futurities is paid a transport fee as determined by the ~~Michigan~~
25 department of agriculture **AND RURAL DEVELOPMENT** and administered by
26 the Michigan harness horsemen's association.

27 (d) A sum to pay not more than 75% of an eligible cash premium

1 paid by a fair or exposition. The ~~commission~~**DIRECTOR** of **THE**
2 **DEPARTMENT OF** agriculture **AND RURAL DEVELOPMENT** shall promulgate
3 rules establishing which premiums are eligible for payment and a
4 dollar limit for all eligible payments.

5 (e) A sum to pay breeders' awards in an amount not to exceed
6 10% of the gross purse to breeders of Michigan bred standardbred
7 harness horses for each time the horse wins a race at a licensed
8 race meeting or fair in this state. As used in this subdivision,
9 "Michigan bred standardbred harness horse" means a horse from a
10 mare owned by a resident or residents of this state at the time of
11 conception, that was conceived after January 1, 1992, and sired by
12 a standardbred stallion registered with the ~~Michigan~~ department of
13 agriculture **AND RURAL DEVELOPMENT** that was leased or owned by a
14 resident or residents of this state and that did not serve a mare
15 at a location outside of this state from February 1 through July 31
16 of the calendar year in which the conception occurred. To be
17 eligible, each mare shall be registered with the ~~Michigan~~
18 department of agriculture **AND RURAL DEVELOPMENT**. A foal that is
19 born on or after January 1, 2002 of a mare owned by a nonresident
20 of this state and that is conceived outside of this state from
21 transported semen of a stallion registered with the ~~Michigan~~
22 department of agriculture **AND RURAL DEVELOPMENT** is eligible for
23 Michigan tax-supported races only if, in the year that the foal is
24 conceived, the ~~Michigan~~ department of agriculture's **AGRICULTURE AND**
25 **RURAL DEVELOPMENT'S** agent for receiving ~~funds~~**MONEY** as the holding
26 agent for stakes and futurities is paid a transport fee as
27 determined by the ~~Michigan~~ department of agriculture **AND RURAL**

1 **DEVELOPMENT** and administered by the Michigan harness horsemen's
2 association.

3 (f) A sum not to exceed \$4,000.00 each year to be allotted to
4 fairs to provide training and stabling facilities for standardbred
5 harness horses.

6 (g) A sum to be allotted to pay the presiding judges and
7 clerks of the course at fairs. Presiding judges and clerks of the
8 course shall be hired by the fair's administrative body with the
9 advice and approval of the ~~racing commissioner~~ **DIRECTOR OF THE**
10 **MICHIGAN GAMING CONTROL BOARD**. The director of the department of
11 agriculture **AND RURAL DEVELOPMENT** may allot funds for a photo
12 finish system and a mobile starting gate. The director of the
13 department of agriculture **AND RURAL DEVELOPMENT** shall allot funds
14 for the conducting of tests, the collection and laboratory analysis
15 of urine, saliva, blood, and other samples from horses, and the
16 taking of blood alcohol tests on drivers, jockeys, and starting
17 gate employees, for those races described in this subdivision. The
18 department may require a driver, jockey, or starting gate employee
19 to submit to a breathalyzer test, urine test, or other noninvasive
20 fluid test to detect the presence of alcohol or a controlled
21 substance. If the results of a test show that a person has more
22 than .05% of alcohol in his or her blood, or has present in his or
23 her body a controlled substance, the person shall not be permitted
24 to continue in his or her duties on that race day and until he or
25 she can produce, at his or her own expense, a negative test result.
26 (h) A sum to pay purse supplements to licensed pari-mutuel
27 harness race meetings for special 4-year-old filly and colt horse

1 races.

2 (i) A sum not to exceed 0.25% of all money wagered on live and
3 simulcast horse races in ~~Michigan~~**THIS STATE** shall be placed in a
4 special standardbred sire stakes fund each year, 100% of which
5 shall be used to provide purses for races run exclusively for 2-
6 year-old and 3-year-old Michigan sired standardbred horses at
7 licensed harness race meetings in this state. As used in this
8 subdivision, "Michigan sired standardbred horses" means
9 standardbred horses conceived after January 1, 1992 and sired by a
10 standardbred stallion registered with the ~~Michigan~~ department of
11 agriculture **AND RURAL DEVELOPMENT** that was leased or owned by a
12 resident or residents of this state and that did not serve a mare
13 at a location outside of this state from February 1 through July 31
14 of the calendar year in which the conception occurred. A foal that
15 is born on or after January 1, 2002 of a mare owned by a
16 nonresident of this state and that is conceived outside of this
17 state from transported semen of a stallion registered with the
18 ~~Michigan~~ department of agriculture **AND RURAL DEVELOPMENT** is
19 eligible for Michigan tax-supported races only if, in the year that
20 the foal is conceived, the ~~Michigan~~ department of agriculture's
21 **AGRICULTURE AND RURAL DEVELOPMENT'S** agent for receiving ~~funds~~**MONEY**
22 as the holding agent for stakes and futurities is paid a transport
23 fee as determined by the ~~Michigan~~ department of agriculture **AND**
24 **RURAL DEVELOPMENT** and administered by the Michigan harness
25 horsemen's association.

26 (6) The following amounts shall be paid to thoroughbred
27 programs:

1 (a) A sum to be allotted thoroughbred race meeting licensees
2 to supplement the purses for races to be conducted exclusively for
3 Michigan bred horses.

4 (b) A sum to pay awards to owners of Michigan bred horses that
5 finish first, second, or third in races open to non-Michigan bred
6 horses.

7 (c) A sum to pay breeders' awards in an amount not to exceed
8 10% of the gross purse to the breeders of Michigan bred
9 thoroughbred horses for each time Michigan bred thoroughbred horses
10 win at a licensed race meeting in this state. **IF, DURING A FISCAL**
11 **YEAR, LIVE THOROUGHBRED HORSE RACES ARE NOT CONDUCTED AT A LICENSED**
12 **RACE MEETING IN THIS STATE, A SUM SHALL BE APPROPRIATED UNDER THIS**
13 **SUBDIVISION TO PAY BREEDERS' AWARDS, IN AMOUNTS NOT TO EXCEED 10%**
14 **OF THE GROSS PURSES, TO THE BREEDERS OF MICHIGAN BRED THOROUGHBRED**
15 **HORSES THAT WIN AT RACES CONDUCTED AT LICENSED HORSE RACETRACKS**
16 **OUTSIDE OF THIS STATE.**

17 (d) A sum to pay purse supplements to licensed thoroughbred
18 race meetings for special 4-year-old and older filly and colt horse
19 races.

20 (e) A sum not to exceed 0.25% of all money wagered on live and
21 simulcast horse races in ~~Michigan~~ **THIS STATE** shall be placed in a
22 special thoroughbred sire stakes fund each year, 100% of which
23 shall be used to provide purses for races run exclusively for 2-
24 year-old and 3-year-old and older Michigan sired thoroughbred
25 horses at licensed thoroughbred race meetings in this state and
26 awards for owners of Michigan sired horses or stallions. As used in
27 this subdivision, "Michigan sired thoroughbred horses" means

1 thoroughbred horses sired by a stallion registered with the
2 department of agriculture **AND RURAL DEVELOPMENT** that was leased or
3 owned exclusively by a resident or residents of this state and that
4 did not serve a mare at a location outside of this state during the
5 calendar year in which the service occurred.

6 (f) A sum to be allotted sufficient to pay for the collection
7 and laboratory analysis of urine, saliva, blood, and other samples
8 from horses and licensed persons and for the conducting of tests
9 described in section 16(4)(b).

10 (7) The following amounts shall be paid for quarter horse
11 programs:

12 (a) A sum to supplement the purses for races to be conducted
13 exclusively for Michigan bred quarter horses.

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

16 (c) A sum to pay breeders' awards in an amount not to exceed
17 10% of a gross purse to breeders of Michigan bred quarter horses
18 for each time a Michigan bred quarter horse wins at a county fair
19 or licensed race meeting in this state.

20 (d) A sum to pay for the collection and laboratory analysis of
21 urine, saliva, blood, and other samples from horses and licensed
22 persons and the taking of blood alcohol tests on jockeys for those
23 races described in this subsection and for the conducting of tests
24 described in section 16(4)(b).

25 (e) As used in this subsection, "Michigan bred quarter horse"
26 means that term as defined in R 285.817.1 of the Michigan
27 administrative code. Each mare and stallion shall be registered

1 with the director of the department of agriculture **AND RURAL**
2 **DEVELOPMENT**.

3 (8) The following amounts shall be paid for Appaloosa
4 programs:

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

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

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

13 (d) The department shall also allot sufficient funds from the
14 revenue received from Appaloosa horse racing to pay for the
15 collection and laboratory analysis of urine, saliva, blood, or
16 other samples from horses and licensed persons and the taking of
17 blood alcohol tests on jockeys for those races described in this
18 subsection and for the conducting of tests described in section
19 16(4)(b).

20 (e) As used in this subsection, "Michigan bred Appaloosa
21 horse" means that term as defined in R 285.819.1 of the Michigan
22 administrative code. Each mare and stallion shall be registered
23 with the director of the department of agriculture **AND RURAL**
24 **DEVELOPMENT**.

25 (9) The following amounts shall be paid for Arabian programs:

26 (a) A sum to supplement the purses for races to be conducted
27 exclusively for Michigan bred Arabian horses.

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

3 (c) A sum to pay breeders' awards in an amount not to exceed
4 10% of the gross purse to the breeders of Michigan bred Arabian
5 horses for each time Michigan bred horses win at a fair or licensed
6 racetrack in this state.

7 (d) A sum allotted from the revenue received from Arabian
8 horse racing to pay for the collection and laboratory analysis of
9 urine, saliva, blood, and other samples from horses and licensed
10 persons and the taking of blood alcohol tests on jockeys for those
11 races described in this subsection and for the conducting of tests
12 described in section 16(4)(b).

13 (e) As used in this subsection, "Michigan bred Arabian horse"
14 means a Michigan-bred horse as that term is defined in R
15 285.822.1(i) of the Michigan administrative code. Each mare and
16 stallion shall be registered with the director of the department of
17 agriculture **AND RURAL DEVELOPMENT**.

18 (10) The following sums shall be paid for American paint horse
19 programs:

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

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

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

1 (d) A sum to pay for the collection and laboratory analysis of
2 urine, saliva, blood, and other samples from horses and licensed
3 persons and the taking of blood alcohol tests on jockeys for those
4 races described in this subsection and for the conducting of tests
5 described in section 16(4)(b).

6 (e) As used in this subsection, "Michigan bred American paint
7 horse" means a Michigan-bred paint horse as that term is defined in
8 R 285.823.1 of the Michigan administrative code.

9 (11) The following amounts shall be paid for the equine
10 industry research, planning, and development grant fund program:

11 (a) A sum to fund grants for research projects conducted by
12 persons affiliated with a university or governmental research
13 agency or institution or other private research entity approved by
14 the ~~racine commissioner~~ **DIRECTOR OF THE MICHIGAN GAMING CONTROL**
15 **BOARD**, which are beneficial to the horse racing and breeding
16 industry in this state.

17 (b) A sum to fund the development, implementation, and
18 administration of new programs that promote the proper growth and
19 development of the horse racing and breeding industry in this state
20 and other valuable equine-related commercial and recreational
21 activities in this state.

22 (12) As used in subsection (11), "equine industry research"
23 means the study, discovery and generation of accurate and reliable
24 information, findings, conclusions, and recommendations that are
25 useful or beneficial to the horse racing and breeding industry in
26 this state through improvement of the health of horses; prevention
27 of equine illness and disease, and performance-related accidents

1 and injuries; improvement of breeding technique and racing
2 performance; ~~and~~ compilation and study of valuable and reliable
3 statistical data regarding the size, organization, and economics of
4 the industry in this state; and strategic planning for the
5 effective promotion, growth, and development of the industry in
6 this state.

7 (13) ~~Subject to subsection (17), money~~ **MONEY** appropriated and
8 allotted to the Michigan agriculture equine industry development
9 fund shall not revert to the general fund and shall be carried
10 forward from year to year until disbursed to fund grants for
11 research projects beneficial to the industry.

12 (14) A percentage of the Michigan agriculture equine industry
13 development fund that is equal to 1/100 of 1% of the gross wagers
14 made each year in each of the racetracks licensed under this act
15 shall be deposited in the compulsive gaming prevention fund created
16 in section 3 of the compulsive gaming prevention act, 1997 PA 70,
17 MCL 432.253.

18 (15) The director of the department of agriculture **AND RURAL**
19 **DEVELOPMENT** shall promulgate rules pursuant to the administrative
20 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to
21 implement this section. The rules promulgated under this subsection
22 shall do all of the following:

23 (a) Prescribe the conditions under which the Michigan
24 agriculture equine industry development fund and related programs
25 described in subsections (1) to (13) shall be funded.

26 (b) Establish conditions and penalties regarding the programs
27 described in subsections (5) to (12).

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

3 (16) ~~Funds~~ **MONEY** under the control of the department of
4 agriculture **AND RURAL DEVELOPMENT** in this section shall be
5 disbursed under the rules promulgated pursuant to subsection (15).
6 All ~~funds~~ **MONEY** under the control of the department of agriculture
7 **AND RURAL DEVELOPMENT** approved for purse supplements and breeders'
8 awards shall be paid by the state treasurer not later than 45 days
9 from the date of the race.

10 ~~—— (17) Two million dollars shall be transferred from the~~
11 ~~Michigan agriculture equine industry development fund to the~~
12 ~~general fund in the fiscal year ending September 30, 2006.~~