

# HOUSE BILL No. 4783

June 16, 2011, Introduced by Reps. Denby, Johnson, Santana, Price, Horn, Crawford, Kurtz, Wayne Schmidt, Somerville, MacMaster and Rogers and referred to the Committee on Appropriations.

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:

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### 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~~ **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~~**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. **IF, DURING A FISCAL YEAR, LIVE THOROUGHBRED**  
4 **HORSE RACES ARE NOT CONDUCTED AT A LICENSED RACE MEETING IN THIS**  
5 **STATE, THE SUM APPROPRIATED UNDER THIS SUBDIVISION SHALL BE PAID AT**  
6 **THE END OF THE FISCAL YEAR TO SUPPLEMENT THE PURSES OF MICHIGAN**  
7 **BRED THOROUGHBRED HORSES THAT WIN ALLOWANCE AND CLAIMING RACES AT**  
8 **LICENSED HORSE RACE TRACKS OUTSIDE OF THIS STATE.**

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

12 (c) A sum to pay breeders' awards in an amount not to exceed  
13 10% of the gross purse to the breeders of Michigan bred  
14 thoroughbred horses for each time Michigan bred thoroughbred horses  
15 win at a licensed race meeting in this state.

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

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



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

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

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

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

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

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

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

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

1 **DEVELOPMENT.**

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

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

23 **DEVELOPMENT.**

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

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

27 (b) A sum to pay not more than 75% of the purses for

1 registered Arabian horse races offered by fairs.

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

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

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

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

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

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

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

27 (d) A sum to pay for the collection and laboratory analysis of

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

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

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

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

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

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

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

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

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

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

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

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

27 (c) Develop and maintain informational programs related to

1 this section.

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

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