

SENATE BILL No. 1355

November 8, 2012, Introduced by Senators KAHN and NOFS 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 sections 2, 8, and 17 (MCL 431.302,
431.308, and 431.317), section 2 as amended by 2006 PA 445 and
section 17 as amended by 1998 PA 408, and by adding section 17a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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, **INCLUDING ADVANCE DEPOSIT ACCOUNT WAGERING**, and
persons involved in horse racing and pari-mutuel gaming activities;
~~at such race meetings; to create the office of racing commissioner;~~
~~to prescribe~~ **PROVIDE FOR** the powers and duties of ~~the racing~~
~~commissioner; to prescribe certain powers and duties of the~~
~~department of agriculture and the director of the department of~~

1 ~~agriculture~~ **CERTAIN STATE GOVERNMENTAL OFFICERS AND ENTITIES**; to
 2 provide for the promulgation of rules; to ~~provide for the~~
 3 ~~imposition of~~ **IMPOSE** taxes and fees and ~~the disposition~~ **DISPOSE** 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. 2. As used in this act:

12 (A) "ADVANCE DEPOSIT ACCOUNT WAGERING" MEANS A METHOD OF PARI-
 13 MUTUEL WAGERING CONDUCTED IN THIS STATE THAT IS PERMISSIBLE UNDER
 14 THE INTERSTATE HORSERACING ACT OF 1978, 15 USC 3001 TO 3007, IN
 15 WHICH AN INDIVIDUAL MAY ESTABLISH AN ACCOUNT WITH A PERSON,
 16 LICENSED BY THE RACING COMMISSIONER, TO PLACE PARI-MUTUEL WAGERS IN
 17 PERSON, VIA TELEPHONE, OR ELECTRONICALLY.

18 (B) ~~(a)~~ "Affiliate" means a person who, directly or
 19 indirectly, controls, is controlled by, or is under common control
 20 with; is in a partnership or joint venture relationship with; or is
 21 a co-shareholder of a corporation, co-member of a limited liability
 22 company, or co-partner in a limited liability partnership with a
 23 person who holds or applies for a race meeting or track license
 24 under this act. For purposes of this subdivision, a controlling
 25 interest is a pecuniary interest of more than 15%.

26 (C) "BOARD" MEANS THE MICHIGAN GAMING CONTROL BOARD CREATED BY
 27 SECTION 4 OF THE MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL

1 1, MCL 432.204, TO WHICH CERTAIN POWERS AND DUTIES UNDER THIS ACT
2 WERE TRANSFERRED BY EXECUTIVE REORGANIZATION ORDER NO. 2009-31, MCL
3 324.99919.

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

6 (E) ~~(c)~~ "Certified horsemen's organization" means an
7 organization **THAT IS** registered with the ~~office of racing~~
8 ~~commissioner~~ **BOARD** in a manner and form required by the ~~racing~~
9 ~~commissioner~~, **DIRECTOR AND** that can demonstrate all of the
10 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 (F) ~~(d)~~ "City area" means a city with a population of 750,000
21 or more and every county located wholly or partly within 30 miles
22 of the city limits of the city.

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

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

27 (I) **"DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE MICHIGAN**

1 GAMING CONTROL BOARD APPOINTED UNDER SECTION 4 OF THE MICHIGAN
2 GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.204, TO WHOM
3 DUTIES OF THE RACING COMMISSIONER WERE TRANSFERRED UNDER EXECUTIVE
4 REORGANIZATION ORDER NO. 2009-31, MCL 324.99919.

5 (J) ~~(g)~~—"Drug" means any of the following:

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

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

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

14 (K) ~~(h)~~—"Fair" means ~~any~~A county, district, or community fair
15 ~~and any~~OR A state fair.

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

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

26 (N) ~~(k)~~—"Member of the immediate family" means the spouse,
27 child, parent, or sibling.

1 (O) ~~(h)~~—"Person" means an individual, firm, partnership,
2 corporation, association, or other legal entity.

3 (P) ~~(m)~~—"Purse pool" means an amount of money allocated or
4 apportioned to pay prizes for horse races and from which payments
5 may be made to certified horsemen's organizations ~~pursuant to~~ **UNDER**
6 this act.

7 (Q) ~~(n)~~—"Veterinarian" means ~~a person~~ **AN INDIVIDUAL** licensed
8 **OR OTHERWISE AUTHORIZED** to **ENGAGE IN THE** practice **OF** veterinary
9 medicine under part 188 of the public health code, 1978 PA 368, MCL
10 ~~333.16101-333.18801~~ to 333.18838, or under a state or federal law
11 applicable to that ~~person~~ **INDIVIDUAL**.

12 Sec. 8. (1) The ~~racing commissioner~~ **DIRECTOR** may issue the
13 following general classes of licenses:

14 (a) Occupational licenses issued to individuals participating
15 in, involved in, or otherwise having to do with horse racing, pari-
16 mutuel wagering, or simulcasting at a licensed race meeting in this
17 state.

18 (b) Race meeting licenses issued annually for the succeeding
19 year to ~~a person~~ **PERSONS** to conduct live horse racing,
20 simulcasting, and pari-mutuel wagering on the results of live and
21 simulcast horse races at a licensed race meeting in this state
22 ~~pursuant to and in accordance with the provisions of~~ **UNDER** this
23 act.

24 (c) Track licenses issued to ~~a person~~ **PERSONS** to maintain or
25 operate a racetrack at which 1 or more race meeting licensees may
26 conduct licensed race meetings in this state.

27 (D) **ADVANCE DEPOSIT ACCOUNT WAGERING LICENSES ISSUED TO**

1 **PERSONS TO PROVIDE ADVANCE DEPOSIT ACCOUNT WAGERING SERVICES IN**
2 **THIS STATE.**

3 (2) The ~~racing commissioner~~**DIRECTOR** shall not issue a race
4 meeting license to a person if the person is licensed to conduct a
5 licensed race meeting at another licensed racetrack within a city
6 area and the person has a controlling interest in or co-ownership
7 of the other licensed racetrack. ~~within the city area.~~

8 Sec. 17. (1) The pari-mutuel system of wagering ~~upon~~**ON** the
9 results of horse races as permitted by this act shall not be held
10 or construed to be unlawful. All forms of pari-mutuel wagering
11 conducted at a licensed race meeting shall be preapproved by the
12 ~~racing commissioner~~**DIRECTOR** pursuant to rule or written order of
13 the ~~commissioner~~**DIRECTOR**.

14 (2) A holder of a race meeting license may provide a place in
15 the race meeting grounds or enclosure at which he or she may
16 conduct and supervise the pari-mutuel system of wagering on the
17 results of horse races as permitted by this act. If the pari-mutuel
18 system of wagering is used at a race meeting, a totalisator or
19 other device that is equal in accuracy and clearness to a
20 totalisator and approved by the ~~racing commissioner~~**DIRECTOR** shall
21 be used. The odds display of the totalisator or other device shall
22 be placed in full view of the patrons.

23 (3) Subject to section 18(3), each holder of a race meeting
24 license shall retain as his or her commission on all forms of
25 straight wagering 17% of all money wagered involving straight
26 wagers on the results of live and simulcast horse races conducted
27 at the licensee's race meetings. Subject to section 18(3), each

1 holder of a race meeting license shall retain as his or her
2 commission on all forms of multiple wagering ~~without the written~~
3 permission of the ~~racing commissioner~~ **DIRECTOR** not more than 28%
4 ~~and OR~~ with the written permission of the ~~racing commissioner~~
5 **DIRECTOR** not more than 35% of all money wagered involving any form
6 of multiple wager on the results of live and simulcast horse races
7 conducted at the licensee's race meeting. Except as otherwise
8 provided by contract, 50% of all commissions from wagering on the
9 results of live racing at the racetrack where the live racing was
10 conducted shall be paid to the horsemen's purse pool at the
11 racetrack where the live racing was conducted. As used in this
12 subsection:

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

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

18 (4) All breaks shall be retained by the race meeting licensee
19 and paid directly to the city or township in which the racetrack is
20 located as a fee for services provided ~~pursuant to~~ **UNDER** section
21 21.

22 (5) Payoff prices of tickets of a higher denomination shall be
23 calculated as even multiples of the payoff price for a \$1.00 wager.
24 Each holder of a race meeting license shall distribute to the
25 persons holding winning tickets, as a minimum, a sum not less than
26 \$1.10 calculated on the basis of each \$1.00 deposited in a pool,
27 except that each race meeting licensee may distribute a sum of not

1 less than \$1.05 to persons holding winning tickets for each \$1.00
2 deposited in a minus pool. As used in this subsection, "minus pool"
3 means any win, place, or show pool in which the payout would exceed
4 the total value of the pool.

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

8 (7) ~~Any~~ **EXCEPT AS OTHERWISE AUTHORIZED BY THIS ACT, AN** act or
9 transaction relative to pari-mutuel wagering on the results of live
10 or simulcast horse races shall only occur or be permitted to occur
11 within the enclosure of a licensed race meeting. A person shall not
12 participate or be a party to any act or transaction relative to
13 placing a wager or carrying a wager for placement outside of a race
14 meeting ground. A person shall not provide messenger service for
15 the placing of a bet for another person who is not a patron.

16 ~~However, this subsection does not prevent simulcasting or~~
17 ~~intertrack or interstate common pool wagering inside or outside~~
18 ~~this state as permitted by this act or the rules promulgated under~~
19 ~~this act.~~

20 **SEC. 17A. (1) NOTWITHSTANDING ANY OTHER PROVISION IN THIS ACT,**
21 **A PERSON LICENSED TO CONDUCT ADVANCE DEPOSIT ACCOUNT WAGERING UNDER**
22 **SECTION 8 MAY PROVIDE ADVANCE DEPOSIT ACCOUNT WAGERING SERVICES IN**
23 **THIS STATE.**

24 (2) A PERSON THAT WISHES TO PROVIDE ADVANCE DEPOSIT ACCOUNT
25 WAGERING SERVICES IN THIS STATE SHALL APPLY TO THE DIRECTOR FOR A
26 LICENSE ON FORMS PROVIDED BY THE DIRECTOR. THE APPLICANT SHALL
27 PROVIDE ALL OF THE FOLLOWING:

1 (A) A SIGNED AGREEMENT WITH THE APPROPRIATE CERTIFIED
2 HORSEMEN'S ORGANIZATIONS THAT IDENTIFIES THE ACCOUNTS INTO WHICH
3 FEES ARE TO BE DEPOSITED.

4 (B) A DETAILED PLAN THAT DESCRIBES PROCEDURES THAT WILL BE
5 IMPLEMENTED TO ADDRESS THE REQUIREMENTS OF SUBSECTION (9).

6 (C) ANY OTHER INFORMATION REQUIRED BY THE DIRECTOR.

7 (3) AN ADVANCE DEPOSIT ACCOUNT WAGERING LICENSE IS VALID FOR 1
8 YEAR AND MAY BE RENEWED ANNUALLY.

9 (4) THE INITIAL FEE FOR AN ADVANCE DEPOSIT ACCOUNT WAGERING
10 LICENSE IS \$5,000.00. THE ANNUAL RENEWAL FEE IS \$1,000.00.

11 (5) THE DIRECTOR SHALL ISSUE A LICENSE TO PROVIDE ADVANCE
12 DEPOSIT ACCOUNT WAGERING SERVICES IN THIS STATE TO ANY PERSON WHO
13 MEETS THE REQUIREMENTS OF THIS ACT.

14 (6) A PERSON THAT HOLDS AN ADVANCE DEPOSIT ACCOUNT WAGERING
15 LICENSE IS SUBJECT TO ALL PERTINENT PROVISIONS OF THIS ACT
16 REGARDING PARI-MUTUEL WAGERING.

17 (7) THE DIRECTOR MAY PROMULGATE RULES UNDER THE ADMINISTRATIVE
18 PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, TO
19 REGULATE ADVANCE DEPOSIT ACCOUNT WAGERING AND TO IMPLEMENT THIS
20 SECTION, INCLUDING RULES TO ESTABLISH ALL OF THE FOLLOWING:

21 (A) STANDARDS, QUALIFICATIONS, AND PROCEDURES FOR ISSUANCE OF
22 AN ADVANCE DEPOSIT ACCOUNT WAGERING LICENSE.

23 (B) PROVISIONS REGARDING ACCESS TO BOOKS, RECORDS, AND OTHER
24 PERTINENT DOCUMENTS.

25 (C) PROVISIONS FOR INSPECTIONS, AUDITS, AND SUBMISSION OF
26 REPORTS.

27 (D) PROVISIONS FOR COLLECTION OF ALL FEES AND REVENUES DUE TO

1 THIS STATE AND CERTIFIED HORSEMEN'S ORGANIZATIONS FROM ADVANCE
2 DEPOSIT ACCOUNT WAGERS.

3 (8) THE DIRECTOR MAY ISSUE A TEMPORARY LICENSE TO ANY PERSON
4 THAT DESIRES TO PROVIDE ADVANCED DEPOSIT ACCOUNT WAGERING SERVICES
5 IN THIS STATE BEFORE RULES ARE PROMULGATED UNDER SUBSECTION (7).

6 (9) A PERSON LICENSED TO CONDUCT ADVANCE DEPOSIT ACCOUNT
7 WAGERING IN THIS STATE SHALL TAKE ALL REASONABLE STEPS TO DO BOTH
8 OF THE FOLLOWING:

9 (A) PREVENT MINORS FROM CONDUCTING ADVANCE DEPOSIT ACCOUNT
10 WAGERING.

11 (B) IDENTIFY AND LIMIT THE ABILITY OF COMPULSIVE GAMBLERS TO
12 PLACE ADVANCE DEPOSIT ACCOUNT WAGERS.

13 (10) A PERSON THAT CONDUCTS ADVANCE DEPOSIT ACCOUNT WAGERING
14 IN THIS STATE WITHOUT A LICENSE IS SUBJECT TO A FINE OF UP TO
15 \$25,000.00 PER DAY OF VIOLATION AND MAY BE ORDERED TO PAY
16 RESTITUTION TO THIS STATE AND THE CERTIFIED HORSEMEN'S ORGANIZATION
17 FOR ALL UNPAID FEES AND REVENUE.

18 (11) A PERSON THAT PROVIDES ACCOUNT WAGERING SERVICES IN THIS
19 STATE TO A MINOR IS SUBJECT TO A FINE OF UP TO \$25,000.00 PER
20 VIOLATION. EACH WAGER MADE BY A MINOR IS A VIOLATION OF THIS
21 SECTION.

22 (12) THE FOLLOWING FEES SHALL BE PAID BY AN ADVANCE DEPOSIT
23 ACCOUNT WAGERING LICENSEE BY THE TENTH OF EACH MONTH FOR THE
24 PREVIOUS MONTH:

25 (A) TO THE DIRECTOR, AN AMOUNT EQUAL TO 1/2% OF THE TOTAL
26 GROSS AMOUNT OF ALL WAGERS MADE IN THIS STATE PLACED THROUGH THE
27 LICENSEE. THE DIRECTOR SHALL USE A SUFFICIENT PORTION OF THE MONEY

1 PAID UNDER THIS SUBDIVISION TO RETAIN AN INVESTIGATOR TO ENFORCE
2 THIS SECTION AND USE THE BALANCE FOR THE REGULATION AND OVERSIGHT
3 OF HORSE RACING.

4 (B) TO THE STATE TREASURER FOR DEPOSIT INTO THE GENERAL FUND,
5 AN AMOUNT EQUAL TO 3-1/2% OF THE TOTAL GROSS AMOUNT OF ALL WAGERS
6 MADE IN THIS STATE FOR ALL BREEDS PLACED THROUGH THE LICENSEE.

7 (C) TO THE CERTIFIED HORSEMEN'S ORGANIZATIONS, AN AMOUNT EQUAL
8 TO 10% OF THE TOTAL GROSS AMOUNT OF ALL WAGERS MADE IN THIS STATE
9 THROUGH THE LICENSEE. MONEY PAID UNDER THIS SUBDIVISION SHALL BE
10 DEPOSITED INTO AN ACCOUNT SPECIFICALLY DESIGNATED TO RECEIVE THE
11 MONEY AS IDENTIFIED BY THE CERTIFIED HORSEMEN'S ORGANIZATIONS.

12 (13) THE STANDARD BRED AND THOROUGHBRED CERTIFIED HORSEMEN'S
13 ORGANIZATIONS IN THIS STATE SHALL EACH ESTABLISH AND ADMINISTER AN
14 ACCOUNT TO BE KNOWN AS THE STANDARD BRED OR THOROUGHBRED, AS
15 APPLICABLE, HORSEMEN'S ADVANCE DEPOSIT ACCOUNT WAGERING POOL. MONEY
16 DEPOSITED UNDER SUBSECTION (12) (C) SHALL BE DISTRIBUTED BY THE
17 ESCROW AGENT NAMED BY THE CERTIFIED HORSEMEN'S ORGANIZATIONS TO THE
18 STANDARD BRED HORSEMEN'S ADVANCE DEPOSIT ACCOUNT WAGERING POOL AND
19 THE THOROUGHBRED HORSEMEN'S ADVANCE DEPOSIT ACCOUNT WAGERING POOL,
20 FOR THE FIRST CALENDAR YEAR OR REMAINING PORTION OF THE FIRST
21 CALENDAR YEAR AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
22 ADDED THIS SECTION ON A PRO RATA BASIS BASED ON THE PERCENTAGE OF
23 THE TOTAL SIMULCAST HANDLE FOR EACH BREED FOR THE PREVIOUS CALENDAR
24 YEAR, AND FOR EACH SUBSEQUENT CALENDAR YEAR ON A PRO RATA BASIS
25 BASED ON THE PERCENTAGE OF THE TOTAL ADVANCE DEPOSIT ACCOUNT
26 WAGERING HANDLE FOR EACH BREED FOR THE PREVIOUS CALENDAR YEAR.
27 MONEY IN THE STANDARD BRED AND THOROUGHBRED ADVANCE DEPOSIT ACCOUNT

1 WAGERING POOLS SHALL BE DISTRIBUTED AS FOLLOWS:

2 (A) FORTY-FOUR PERCENT TO THE LICENSED TRACKS IN THIS STATE.
3 IF THERE IS MORE THAN 1 LICENSED TRACK CONDUCTING RACES FOR A
4 BREED, THE AMOUNT PAID TO EACH LICENSED TRACK SHALL BE DETERMINED
5 ON A PRO RATA BASIS BASED UPON THE PERCENTAGE OF TOTAL HANDLE, FROM
6 ALL SOURCES, FOR THE PREVIOUS CALENDAR YEAR FOR EACH TRACK.

7 (B) FORTY-FOUR PERCENT TO PURSES AND ADMINISTRATION OF
8 CERTIFIED HORSEMEN'S ORGANIZATIONS.

9 (C) TEN PERCENT FOR BREED INCENTIVES.

10 (D) ONE HALF OF ONE PERCENT FOR HORSE RETIREMENT.

11 (E) ONE HALF OF ONE PERCENT FOR SUPPORT OF YOUTH EQUINE
12 PROGRAMS IN THIS STATE.

13 (F) ONE HALF OF ONE PERCENT FOR EQUINE PREMIUMS AT COUNTY
14 FAIRS.

15 (G) ONE HALF OF ONE PERCENT TO THE LOCAL UNIT OF GOVERNMENT IN
16 WHICH THE TRACK IS LOCATED.

17 (14) THE MONEY DISTRIBUTED UNDER SUBSECTION (13) (B) AND (C)
18 SHALL BE DIVIDED BETWEEN THE THOROUGHBRED CERTIFIED HORSEMEN'S
19 ASSOCIATION AND THE QUARTER HORSE CERTIFIED HORSEMEN'S ASSOCIATION
20 FOR THE FIRST CALENDAR YEAR OR PORTION OF THE FIRST CALENDAR YEAR
21 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
22 SECTION ON A PRO RATA BASIS BASED ON THE PERCENTAGE OF THE TOTAL
23 SIMULCAST HANDLE FOR EACH BREED FOR THE PREVIOUS CALENDAR YEAR, AND
24 FOR EACH SUBSEQUENT CALENDAR YEAR ON A PRO RATA BASIS BASED ON THE
25 PERCENTAGE OF THE TOTAL ADVANCE DEPOSIT ACCOUNT WAGERING HANDLE FOR
26 EACH BREED FOR THE PREVIOUS CALENDAR YEAR.

27 (15) A CERTIFIED HORSEMEN'S ORGANIZATION THAT RECEIVES MONEY

1 UNDER SUBSECTION (12) (C) SHALL HAVE AN INDEPENDENT AUDITOR CONDUCT
2 AN ANNUAL AUDIT OF THE MONEY.

3 (16) THIS SECTION DOES NOT LIMIT ANY AUTHORITY OF THE DIRECTOR
4 UNDER THIS ACT.

5 (17) A PERSON THAT CONDUCTED ADVANCE DEPOSIT ACCOUNT WAGERING
6 IN THIS STATE BY ACCEPTING A WAGER FROM A RESIDENT OF THIS STATE
7 BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
8 SECTION IS ENTITLED TO AN AMNESTY PERIOD OF 1 YEAR FROM THE
9 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION. THE
10 PERSON SHALL NOT BE PROSECUTED DURING THE AMNESTY PERIOD FOR
11 CONDUCTING THE WAGERING IF THE PERSON ENTERS INTO A SETTLEMENT
12 AGREEMENT WITH THE DIRECTOR, OBTAINS AN ADVANCE DEPOSIT ACCOUNT
13 WAGERING LICENSE BEFORE ACCEPTING ANY ADDITIONAL ADVANCE DEPOSIT
14 ACCOUNT WAGER FROM A RESIDENT OF THIS STATE, AND PAYS THE FOLLOWING
15 FEES:

16 (A) TO THE STATE TREASURER, AN AMOUNT EQUAL TO 1% OF THE TOTAL
17 GROSS AMOUNT OF ALL WAGERS MADE THROUGH THE PERSON IN THIS STATE
18 BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
19 SECTION.

20 (B) TO THE ACCOUNT DESCRIBED IN SUBSECTION (12) (C), AN AMOUNT
21 EQUAL TO 2% OF THE TOTAL GROSS AMOUNT OF ALL WAGERS MADE THROUGH
22 THE PERSON IN THIS STATE BEFORE THE EFFECTIVE DATE OF THE
23 AMENDATORY ACT THAT ADDED THIS SECTION. MONEY PAID UNDER THIS
24 SUBDIVISION SHALL BE DIVIDED BETWEEN THE STANDARD BREED AND
25 THOROUGHBRED HORSEMAN'S ADVANCE DEPOSIT ACCOUNT WAGERING POOLS AS
26 PROVIDED IN SUBSECTION (13) AND THEN DIVIDED EQUALLY BETWEEN THE
27 LICENSED TRACKS AND PURSES AND CERTIFIED HORSEMEN'S ORGANIZATIONS

1 AS IF THE MONEY WERE TO BE DISTRIBUTED UNDER SUBSECTION (13) (A) AND
2 (B) .

3 (18) IF LIVE THOROUGHBRED RACE MEETINGS ARE NOT CONDUCTED AT
4 ANY LICENSED TRACK IN THIS STATE IN A FISCAL YEAR, ALL OF THE
5 FOLLOWING APPLY:

6 (A) MONEY PAID DURING THE FISCAL YEAR TO THE THOROUGHBRED
7 HORSEMEN'S ADVANCE DEPOSIT ACCOUNT WAGERING POOL TO BE EXPENDED AS
8 PROVIDED IN SUBSECTION (13) (A) AND (B) SHALL BE USED FOR
9 THOROUGHBRED BREED INCENTIVES WITH THE TOTAL AMOUNT BEING DIVIDED
10 EQUALLY BETWEEN BREEDERS' AWARDS AND OWNERS' AWARDS.

11 (B) BREEDERS' AWARDS AND OWNERS' AWARDS SHALL BE PAID FOR
12 MICHIGAN-BRED THOROUGHBRED HORSES THAT RACE AT ANY RACETRACK IN
13 NORTH AMERICA. THE AWARDS SHALL BE CALCULATED BY DIVIDING THE TOTAL
14 AMOUNT OF MONEY AVAILABLE FOR EACH AWARD CATEGORY BY THE GROSS
15 AMOUNT OF PURSE MONEY EARNED BY MICHIGAN-BRED THOROUGHBRED HORSES
16 IN THE FISCAL YEAR, AND THEN MULTIPLYING THE RESULT BY THE TOTAL
17 AMOUNT EARNED BY ALL THOROUGHBRED HORSES OF EACH OWNER OR BREEDER.

18 (C) MONEY FOR BREEDERS' AWARDS AND OWNERS' AWARDS UNDER THIS
19 SUBSECTION MAY ALSO BE USED TO PAY FOR PURSES FOR RESTRICTED STAKES
20 RACES FOR MICHIGAN-BRED THOROUGHBRED HORSES AT ANY RACETRACK IN
21 NORTH AMERICA. ANY AMOUNTS PAID FOR PURSES FOR STAKES RACES SHALL
22 BE DEDUCTED EQUALLY FROM THE AMOUNTS AVAILABLE FOR BREEDERS' AWARDS
23 AND OWNERS' AWARDS.

24 (D) A REASONABLE AMOUNT FROM THE THOROUGHBRED HORSEMEN'S
25 ADVANCE DEPOSIT ACCOUNT WAGERING POOL MAY BE USED TO ADMINISTER
26 THIS SUBSECTION.