

SENATE BILL No. 473

September 11, 1991, Introduced by Senators WELBORN and
GAST and referred to the Committee on Finance.

A bill to amend section 13 of Act No. 327 of the Public Acts
of 1980, entitled as amended

"Racing law of 1980,"

as amended by Act No. 108 of the Public Acts of 1986, being sec-
tion 431.73 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 13 of Act No. 327 of the Public Acts of
2 1980, as amended by Act No. 108 of the Public Acts of 1986, being
3 section 431.73 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 13. (1) Money received by the racing commissioner
6 under this act shall be paid promptly into the state treasury and
7 ~~except as provided in subsections (2), (9), and (10)~~ shall be
8 credited to the general fund of the state. As used in this

1 section, "fair" means a county, district, community, or 4-H fair;
2 the Upper Peninsula state fair; and any other state fair.

3 ~~(2) Twenty-seven and 1/2 percent of the revenue received,~~
4 ~~but not to exceed \$800,000.00, from racing license fees from a~~
5 ~~racetrack shall be placed in a fund under the control of the~~
6 ~~department of agriculture and shall be returned to the city or~~
7 ~~township in which the racetrack is located.~~

8 ~~(3) If the city or township in which the racetrack is~~
9 ~~located has reached the monetary limitation imposed by subsection~~
10 ~~(2) then, in addition to that revenue, 20% of the revenue~~
11 ~~received but not to exceed \$100,000.00, from racing license fees~~
12 ~~from a meet held before April 16 and after November 15 in a year~~
13 ~~shall be placed in a fund under the control of the department of~~
14 ~~agriculture and shall be returned to the city or township in~~
15 ~~which the racetrack is located. If the track is located in more~~
16 ~~than 1 city or township, then the revenue provided for in this~~
17 ~~subsection shall be divided equally between the cities or~~
18 ~~townships. Funds shall not be returned to a city or township~~
19 ~~pursuant to this subsection or subsection (2), if a city or town-~~
20 ~~ship fails to provide a statement as required in section 14.~~

21 (2) ~~(4)~~ A sufficient portion, not to exceed 68-3/4% of the
22 revenue received from standardbred racing in this state, shall be
23 placed in a special fund under the control of the department of
24 agriculture to be allotted to fairs, licensed pari-mutuel race-
25 tracks, other standardbred horse programs, agricultural commodity
26 programs, and to pay the cost of administering this section, as
27 follows:

1 ~~-(a) A sum to pay not more than 75% of the purses for~~
2 ~~standardbred harness horse races offered by fairs and special~~
3 ~~races at licensed pari-mutuel racetracks.~~

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

9 ~~-(c) A sum to be allotted to be used for paying special~~
10 ~~purses at fairs on 2- and 3-year-old standardbred harness horses~~
11 ~~sired by a registered standardbred stallion that was leased or~~
12 ~~owned exclusively by a resident of this state and which did not~~
13 ~~serve a mare at a location outside of this state during the cal-~~
14 ~~endar year in which the service occurred.~~

15 (B) ~~-(d)~~ A sum to pay 75% or more of an eligible cash pre-
16 mium paid by a fair or exposition. The commission of agriculture
17 shall promulgate rules establishing which premiums are eligible
18 for payment, and a dollar limit for all eligible payments.

19 ~~-(e) A sum to pay breeders' awards in the amount of 10% of~~
20 ~~the gross purse to breeders of Michigan bred standardbred harness~~
21 ~~horses for each time the horse wins at a licensed racetrack or~~
22 ~~fair in this state. As used in this subdivision, "Michigan bred~~
23 ~~standardbred harness horse" means a horse from a mare owned by a~~
24 ~~resident of this state at the time of breeding and sired by a~~
25 ~~registered standardbred stallion that was leased or owned exclu-~~
26 ~~sively by a resident of this state and which did not serve a mare~~
27 ~~at a location outside of this state during the calendar year in~~

~~1 which the service occurred. To be eligible, each mare shall be~~
~~2 registered with the director of the department of agriculture.~~

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

6 (D) ~~(g)~~ A sum to be allotted to fairs to pay the presiding
7 judges and clerks of the course at fairs. Presiding judges and
8 clerks of the course shall be hired by the department of
9 agriculture. A person hired as a judge shall be approved by the
10 racing commissioner. The director of the department of agricul-
11 ture may allot funds for a photo finish system and a mobile
12 starting gate. The director of the department of agriculture
13 shall allot funds for the conducting of tests, the collection and
14 laboratory analysis of urine, saliva, blood, and other samples
15 from horses, and the taking of blood alcohol tests on drivers,
16 jockeys, and starting gate employees, for those races described
17 in this subsection. The department may require a driver, jockey,
18 or starting gate employee to submit to a breathalyzer test, urine
19 test, or other noninvasive fluid test to detect the presence of
20 alcohol or a controlled substance as defined in section 7104 of
21 the public health code, Act No. 368 of the Public Acts of 1978,
22 being section 333.7104 of the Michigan Compiled Laws. If the
23 results of a test show that a person has more than 0.05% of alco-
24 hol in his or her blood, or has present in his or her body a con-
25 trolled substance, the person shall not be permitted to continue
26 in his or her duties on that race day and until he or she can
27 produce, at his or her own expense, a negative test result.

1 ~~(h) A sum to pay purse supplements to licensed pari-mutuel~~
2 ~~racetracks for special 4 year old filly and colt horse races.~~

3 ~~(5) A sufficient portion not to exceed 27 1/2% of the reve-~~
4 ~~nue received from thoroughbred racing shall be placed in a spe-~~
5 ~~cial fund under the control of the department of agriculture and~~
6 ~~shall be allotted to thoroughbred racing associations to supple-~~
7 ~~ment the purses for races to be conducted exclusively for~~
8 ~~Michigan bred horses; to pay not more than 75% of the purses for~~
9 ~~registered light horse races offered by fairs; to pay the cost of~~
10 ~~administering this subsection; and to pay breeders' awards in the~~
11 ~~amount of 10% of the gross purse to the breeders of Michigan bred~~
12 ~~horses for each time Michigan bred horses win at a licensed race-~~
13 ~~track in this state. In addition to the sums allotted for purse~~
14 ~~supplements and breeders' awards, the~~

15 (3) THE department of agriculture may allot sufficient funds
16 from the revenue received from thoroughbred racing to create a
17 fund not to exceed 1% of the revenue received from the thorough-
18 bred racing in this state which may be allotted to provide train-
19 ing and stabling facilities for thoroughbred horses. The depart-
20 ment shall also allot sufficient funds from the revenue received
21 from thoroughbred racing to pay for the collection and laboratory
22 analysis of urine, saliva, blood, and other samples from horses
23 and for the conducting of tests described in section 11(3)(b).

24 (4) ~~(6)~~ A sufficient portion of the revenue received from
25 quarter horse racing in this state shall be placed in a special
26 fund under the control of the department of agriculture and shall
27 be allotted to quarter horse racing associations to supplement

1 the purses for races to be conducted exclusively for Michigan
2 bred horses; to pay not more than 75% of the purses for regis-
3 tered light horse races offered by fairs; to pay the cost of
4 administering this subsection; and to pay breeders' awards in the
5 amount of 10% of a gross purse to breeders of Michigan bred quar-
6 ter horses for each time a Michigan bred quarter horse wins at a
7 county fair or licensed racetrack in this state. The department
8 shall also allot sufficient funds from the revenue received from
9 quarter horse racing to pay for the collection and laboratory
10 analysis of urine, saliva, blood, and other samples from horses
11 and the taking of blood alcohol tests on jockeys for those races
12 described in this subsection and for the conducting of tests
13 described in section 11(3)(b). As used in this subsection,
14 "Michigan bred quarter horse" means a horse from a mare owned by
15 a resident of this state, at the time of breeding and sired by a
16 registered stallion owned exclusively by a resident of this state
17 and which did not serve a mare at a location outside of this
18 state during the calendar year in which the service occurred.
19 Each mare and stallion shall be registered with the director of
20 the department of agriculture.

21 (5) ~~-(7)-~~ A sufficient portion of the revenue received from
22 Appaloosa horses racing in this state shall be placed in a spe-
23 cial fund under the control of the department of agriculture and
24 shall be allotted to Appaloosa horse racing associations to sup-
25 plement the purses for races to be conducted exclusively for
26 Michigan bred horses; to pay not more than 75% of the purses for
27 registered light horse races offered by fairs; to pay the cost of

1 administering this subsection; and to pay breeders' awards in the
2 amount of 10% of the gross purse to the breeders of Michigan bred
3 horses for each time Michigan bred horses win at a fair or
4 licensed racetrack in this state. The department shall also
5 allot sufficient funds from the revenue received from Appaloosa
6 horse racing to pay for the collection and laboratory analysis of
7 urine, saliva, blood, or other samples from horses and the taking
8 of blood alcohol tests on jockeys for those races described in
9 this subsection and for the conducting of tests described in sec-
10 tion 11(3)(b). Each mare and stallion shall be registered with
11 the director of the department of agriculture.

12 (6) ~~—(8)—~~ A sufficient portion of the revenue received from
13 Arabian horses racing in this state shall be placed in a special
14 fund under the control of the department of agriculture and shall
15 be allotted to Arabian horse racing associations to supplement
16 the purses for races to be conducted exclusively for Michigan
17 bred horses; to pay not more than 75% of the purses for regis-
18 tered light horse races offered by fairs; to pay the cost of
19 administering this subsection; and to pay breeders' awards in the
20 amount of 10% of the gross purse to the breeders of Michigan bred
21 horses for each time Michigan bred horses win at a fair or
22 licensed racetrack in this state. The department shall also
23 allot sufficient funds from the revenue received from Arabian
24 horse racing to pay for the collection and laboratory analysis of
25 urine, saliva, blood, and other samples from horses and the
26 taking of blood alcohol tests on jockeys for those races
27 described in this subsection and for the conducting of tests

1 described in section 11(3)(b). Each mare and stallion shall be
2 registered with the director of the department of agriculture.

3 ~~(9) Three tenths of 1% of all money wagered on standardbred~~
4 ~~racers shall be placed in a special fund pursuant to subsections~~
5 ~~(12) and (13), 100% of which shall be used to provide purses for~~
6 ~~racers to be conducted exclusively for 2 and 3 year old Michigan~~
7 ~~sired standardbred horses at licensed harness racetracks in this~~
8 ~~state. As used in this section, "Michigan sired standardbred~~
9 ~~horses" means a horse sired by a registered stallion that was~~
10 ~~leased or owned exclusively by a resident of this state and which~~
11 ~~did not serve a mare at a location outside of this state during~~
12 ~~the calendar year in which the service occurred.~~

13 ~~(10) Three tenths of 1% of all money wagered on thoroughbred~~
14 ~~racers shall be placed in a special fund pursuant to subsections~~
15 ~~(12) and (13), 100% of which shall be used to provide purses for~~
16 ~~racers to be conducted exclusively for 2 and 3 year old Michigan~~
17 ~~sired thoroughbred horses at licensed thoroughbred racetracks in~~
18 ~~this state. As used in this section, "Michigan sired thorough-~~
19 ~~bred horses" means a horse sired by a registered stallion that~~
20 ~~was leased or owned exclusively by a resident or residents of~~
21 ~~this state and which did not serve a mare at a location outside~~
22 ~~of this state during the calendar year in which the service~~
23 ~~occurred.~~

24 (7) ~~-(11)-~~ A sum equal to 2% or less, but not more than
25 \$2,500,000.00, of the principal amount of bonds issued for a sta-
26 dium, and appurtenant parking, and other facilities by an
27 authority organized pursuant to state law before December 1,

1 1971, from the revenue received from thoroughbred and harness
2 racing, shall be returned to a county in which or adjoining which
3 a licensed racetrack is located or to a city in that county, if
4 that county or city has obligated itself to pay more than 1/2 of
5 the annual rental for a stadium, appurtenant parking, and other
6 facilities for the conduct of sporting events, exhibitions, and
7 other general recreational purposes. The sum returned shall only
8 be used by that county or city, along with other available funds
9 to the extent necessary, only to pay the annual rental to the
10 authority organized pursuant to state law which acquired the sta-
11 dium and facilities and leased the stadium and facilities to that
12 county or city. A sum returned pursuant to this subsection shall
13 not be specifically pledged for the payment of the rental or for
14 the payment of bonds issued in anticipation of the rental.
15 Pari-mutuel wagering shall not be conducted in the stadium,
16 appurtenant parking area, or other facilities.

17 (8) ~~-(12)-~~ The director of the department of agriculture
18 shall promulgate rules pursuant to THE ADMINISTRATIVE PROCEDURES
19 ACT OF 1969, Act No. 306 of the Public Acts of 1969, as amended,
20 being sections 24.201 to 24.328 of the Michigan Compiled Laws, to
21 implement this section. The rules promulgated under this subsec-
22 tion shall do all of the following:

23 (a) Prescribe the conditions under which the revenue
24 described in subsections (2) to ~~-(11)-~~ (7) shall be disbursed.

25 (b) Establish conditions and penalties regarding the pro-
26 grams described in subsections ~~-(4)-~~ (2) to ~~-(11)-~~ (7).

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

3 (9) ~~-(13)-~~ Funds under the control of the department of
4 agriculture in this section shall be disbursed under the rules
5 promulgated pursuant to subsection ~~-(12)-~~ (8). All funds under
6 the control of the department of agriculture approved for purse
7 supplements and breeders' awards shall be paid by the state trea-
8 surer not later than 30 days from the date of the race.

9 (10) ~~-(14)-~~ The department shall report to the legislature
10 by March 30, 1990 on the effect on the horse racing industry of
11 the practice of restricting premiums, purses, breeders' awards or
12 other payments to Michigan sired horses, including an analysis of
13 which sectors of the horse racing industry benefit from the pay-
14 ments and which are placed at a disadvantage. The report shall
15 recommend extensions or elimination of such payments and regula-
16 tory restrictions.