



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5881 (Substitute H-4 as passed by the House)
Sponsor: Representative Larry Julian
House Committee: Government Operations
Senate Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 6-30-04

CONTENT

The bill would amend the Horse Racing Law to do the following:

- Require that the Racing Commissioner issue or deny a track license not later than 90 days after an applicant filed a "completed application".**
- Require the Commissioner to notify the applicant within 30 days after receiving an incomplete application.**
- Require a refund of the application fee if the license were not denied or issued during the 90-day period.**
- Require the Commissioner to submit an annual report to the appropriate Senate and House committees regarding compliance with the 90-day time limit.**
- Delete prohibitions against the issuance of more than one track license to a person, and against controlling ownership and interlocking directorates among license holders.**

Beginning on the bill's effective date, the Racing Commissioner would have to grant or deny an application for a track license within 90 days after the applicant filed a completed application. The bill states that receipt of the application would be considered the date it was received by an agency or department of this State.

If the Commissioner determined that an application was incomplete, he or she would have to notify the applicant in writing, or make information electronically available, within 30 days after receiving the incomplete application, describing the deficiency and requesting the additional information. The 90-day period would be tolled upon notification by the Commissioner of a deficiency until the date the Commissioner received the requested information. The determination of completeness of an application would not operate as an approval of the application for the license and would not confer eligibility on an applicant determined otherwise ineligible for issuance of a license.

Should the Commissioner fail to issue or deny a license during the 90-day period, he or she would have to return the application fee. The failure to issue a license within the 90-day period would not allow the Commissioner otherwise to delay the processing of the application, and that application, upon completion, would have to be placed in sequence with other completed applications received at that same time. The Commissioner would not be permitted to discriminate against an applicant in the processing of the application based upon the fact the license fee was refunded.

Beginning October 1, 2005, the Commissioner would have to submit a report by December 1 of each year to the standing committees and Appropriations subcommittees of the Senate and House of Representatives concerned with racing issues. The Commissioner would have to include all of the following information in the report concerning the preceding fiscal year:

- The number of initial and renewal applications the Commissioner received and completed within the 90-day time period.
- The number of applications denied.
- The number of applicants not issued a license within the 90-day time period and the amount of money returned to licensees.

The bill would define "completed application" as an application complete on its face and submitted with any application fees and any other information, records, approval, security, or similar item required by the Act or a rule promulgated under the Act.

MCL 431.309

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill could result in a reduction in State revenue associated with the requirement for the Racing Commissioner to issue a license within 90 days. A failure by the Racing Commissioner to meet the stated time frame would result in a refund of the license fee paid by the applicant for the current license period (\$1,000/year for a licensee in a "city area" (metropolitan Detroit), \$200/year for all other licensees).

At this time, it is unknown how many, if any, license applications would not be renewed within the stated time frame. The maximum amount of lost revenue to the State would be equal to the total revenue generated in a given year, assuming the Racing Commissioner did not meet the deadline for any of the license applications. It is estimated that the Racing Commissioner will receive about \$4,200 in license fee revenue in FY 2003-04 under the Act. (The actual fee revenue generated in any given year will depend on the number of individuals applying for a license and whether a license is issued by the Racing Commissioner.)

Fiscal Analyst: Craig Thiel

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.