

SUBSTITUTE FOR  
HOUSE BILL NO. 4609

[A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending the title and sections 2, 8, 9, 10, 16, 17, 18, 20, 21, 23, and 25 (MCL 431.302, 431.308, 431.309, 431.310, 431.316, 431.317, 431.318, 431.320, 431.321, 431.323, and 431.325), sections 9 and 10 as amended by 2000 PA 164, sections 17 and 18 as amended by 1998 PA 408, and section 20 as amended by 2000 PA 471, and by adding a heading for article 1 and adding section 19b and articles 2 and 3.]

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1

TITLE

2

An act to license and regulate the conducting of horse race

3

meetings in this state with pari-mutuel wagering on the results

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of horse races and persons involved in horse racing and

5

pari-mutuel gaming activities at such race meetings **and at**

1 **off-track racing theaters;** to create the office of racing  
 2 commissioner; to prescribe the powers and duties of the racing  
 3 commissioner; to prescribe certain powers and duties of the  
 4 department of agriculture and the director of the department of  
 5 agriculture; to provide for the promulgation of rules; to provide  
 6 for the imposition of taxes and fees and the disposition of  
 7 revenues; to impose certain taxes; to create funds; to legalize  
 8 and permit the pari-mutuel method of wagering on the results of  
 9 live and simulcast races at licensed race meetings in this state  
 10 **and at off-track racing theaters; to allow and regulate telephone**  
 11 **and other electronic account wagering on horse races;** to  
 12 appropriate the funds derived from pari-mutuel wagering on the  
 13 results of horse races at licensed race meetings **and at off-track**  
 14 **racing theaters** in this state; **to appropriate funds derived from**  
 15 **certain lottery games conducted by race meeting licensees in this**  
 16 **state;** to prescribe remedies and penalties; and to repeal acts  
 17 and parts of acts.

18 **ARTICLE 1**

19 Sec. 2. As used in this act:

20 (a) "Account wagering" means a form of pari-mutuel wagering  
 21 on a horse race in which a wager is placed on the horse race by  
 22 telephone or electronic means, including, but not limited to, the  
 23 internet.

24 (b) "Agricultural enhancement purse pool" means the purse  
 25 pool described in section 19b.

26 (c) ~~(a)~~ "Breaks" means the cents over ~~any~~ a multiple of  
 27 10 otherwise payable to a patron on a wager of \$1.00.

1 (d) "Certified breeders' organization" means an organization  
2 registered with the office of racing commissioner in the manner  
3 required by the racing commissioner that can demonstrate all of  
4 the following:

5 (i) The organization has been in existence more than 10  
6 consecutive years.

7 (ii) The organization has historically demonstrated the  
8 ability to produce promotional materials.

9 (iii) The organization has previously managed the  
10 distribution of breeders' or owners' awards.

11 (iv) The organization has the ability to protect the  
12 financial interests of the recipients of breeders' and owners'  
13 awards.

14 (e) ~~(b)~~ "Certified horsemen's organization" means an  
15 organization registered with the office of racing commissioner in  
16 a manner and form required by the racing commissioner, that can  
17 demonstrate all of the following:

18 (i) The organization's capacity to supply horses.

19 (ii) The organization's ability to assist a race meeting  
20 licensee in conducting the licensee's racing program.

21 (iii) The organization's ability to monitor and improve  
22 physical conditions and controls for individuals and horses  
23 participating at licensed race meetings.

24 (iv) The organization's ability to protect the financial  
25 interests of the individuals participating at licensed race  
26 meetings.

27 (f) ~~(e)~~ "City area" means a city **in this state** having a

1 population of 750,000 or more ~~—~~ and ~~includes~~ the counties in  
 2 **this state** wholly or partly within ~~a distance of~~ 30 miles of  
 3 the city limits of ~~the~~ **that** city.

4 (g) ~~(d)~~ "Controlled substance" means that term as defined  
 5 in section 7104 of the public health code, ~~Act No. 368 of the~~  
 6 ~~Public Acts of 1978, being section 333.7104 of the Michigan~~  
 7 ~~Compiled Laws~~ **1978 PA 368, MCL 333.7104.**

8 (h) ~~(e)~~ "Day of operation" means a period of 24 hours  
 9 beginning at 12 noon and ending at 11:59 a.m. the following day.

10 (i) ~~(f)~~ "Drug" means any of the following:

11 (i) A substance intended for use in the diagnosis, cure,  
 12 mitigation, treatment, or prevention of disease in humans or  
 13 other animals.

14 (ii) A substance, other than food, intended to affect the  
 15 structure, condition, or ~~any~~ a function of the body of humans  
 16 or other animals.

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

19 (j) ~~(g)~~ "Fair" means ~~any~~ a county, district, or  
 20 community fair ~~and any~~ **or** state fair.

21 (k) ~~(h)~~ "Foreign substance" means a substance, or its  
 22 metabolites, ~~which~~ **that** does not exist naturally in an  
 23 untreated horse or, if natural to an untreated horse, exists at  
 24 an unnaturally high physiological concentration as a result of  
 25 having been administered to the horse.

26 (l) ~~(i)~~ "Full card simulcast" means an entire simulcast  
 27 racing program of 1 or more race meet licensees located in this

1 state, or an entire simulcast racing program of 1 or more races  
2 simulcasted from 1 or more racetracks located outside of this  
3 state.

4 (m) "Interstate simulcast" means a simulcast of a horse race  
5 held outside this state to a racetrack inside this state.

6 (n) "Intertrack simulcast" means a simulcast of a horse race  
7 held at 1 racetrack in this state to another racetrack inside  
8 this state.

9 (o) "Mixed breed" means a breed of horse other than  
10 standardbred or thoroughbred. Mixed breed includes, but is not  
11 limited to, quarter horse, Appaloosa, Arabian, and American  
12 paint.

13 (p) "Multijurisdictional wagering hub" means a business  
14 conducted in this state and at least 1 other state that conducts  
15 account wagering.

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

20 (r) "Off-track telecasting" means the telecasting of a live  
21 horse race to a location other than a racetrack.

22 (s) "Off-track wagering" means wagering on the results of a  
23 horse race at a location other than a racetrack.

24 (t) ~~(j)~~ "Person" means an individual, firm, partnership,  
25 corporation, association, or other legal entity.

26 (u) ~~(k)~~ "Purse pool" means an amount of money allocated or  
27 apportioned to pay prizes for horse races and from which payments

1 may be made to certified horsemen's organizations pursuant to  
2 this act.

3 (v) "Quarter horse" means a breed of horse developed in the  
4 western United States that is capable of high speed for a short  
5 distance and used in quarter horse racing and registered with the  
6 American quarter horse association.

7 (w) "Racing theater" means an enclosed facility where  
8 patrons may view off-track telecasting and engage in off-track  
9 wagering on the results of the telecast horse races. A racing  
10 theater may provide ancillary facilities, including, but not  
11 limited to, parking and food and beverage service provided at the  
12 viewing area.

13 (x) "Simulcast" means the live transmission of video and  
14 audio signals conveying a horse race held either inside or  
15 outside this state to a racetrack where a race meeting licensee  
16 holds its race meeting in this state.

17 (y) "Standardbred" means a pacing or trotting horse that is  
18 used in harness racing and that has been registered as a  
19 standardbred by the United States trotting association or by a  
20 foreign registry whose stud book is recognized by the United  
21 States trotting association.

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

24 (aa) "Thoroughbred" means a purebred horse whose ancestry  
25 can be traced back to 1 of 3 foundation sires and whose pedigree  
26 is registered in the American stud book or in a foreign stud book  
27 that is recognized by the jockey club and the international stud

1 **book committee.**

2       **(bb)** ~~-(1)-~~ "Veterinarian" means a person licensed to  
3 practice veterinary medicine under article 15 of the public  
4 health code, ~~Act No. 368 of the Public Acts of 1978, being~~  
5 ~~sections 333.16101 to 333.18838 of the Michigan Compiled Laws~~  
6 **1978 PA 368, MCL 333.16101 to 333.18838**, or under a state or  
7 federal law applicable to that person.

8       Sec. 8. ~~-(1)-~~ The racing commissioner may issue the  
9 following general classes of licenses:

10       (a) Occupational licenses issued to individuals participating  
11 in, involved in, or otherwise having to do with horse racing,  
12 pari-mutuel wagering, or simulcasting at a licensed race meeting  
13 **or at a racing theater** in this state.

14       (b) Race meeting licenses issued annually for the succeeding  
15 year to a person to conduct live horse racing, simulcasting, and  
16 pari-mutuel wagering on the results of live and simulcast horse  
17 races at a licensed race meeting in this state **and at a racing**  
18 **theater** pursuant to and in accordance with the provisions of this  
19 act.

20       (c) Track licenses issued to a person to maintain or operate  
21 a racetrack at which 1 or more race meeting licensees may conduct  
22 licensed race meetings in this state.

23       **(d) Licenses issued to multijurisdictional wagering hubs**  
24 **under article 2.**

25       **(e) Racing theater licenses issued under article 3.**

26       ~~-(2)- The racing commissioner shall not issue a race meeting~~  
27 ~~license to a person if the person is licensed to conduct a~~

1 ~~licensed race meeting at another licensed racetrack within a city~~  
2 ~~area and the person has a controlling interest in or co-ownership~~  
3 ~~of the other licensed racetrack within the city area.~~

4       Sec. 9. (1) The racing commissioner shall issue, without  
5 further application, a track license to any person holding a  
6 valid track license under former 1980 PA 327, and maintaining or  
7 operating a licensed horse racetrack as of ~~the effective date of~~  
8 ~~this act~~ **January 9, 1996** at which wagering by pari-mutuel  
9 methods on the results of horse racing has been conducted by a  
10 race meeting licensee.

11       (2) A track license, once issued, is valid only as long as  
12 the annual license fee is paid, or until the track license is  
13 voluntarily surrendered or is revoked as provided in this act or  
14 the rules promulgated under this act.

15       (3) An applicant for a track license shall submit an  
16 application that is in writing, that demonstrates to the racing  
17 commissioner that the applicant has satisfactory financial  
18 responsibility, that shows the location of the racetrack or of  
19 the proposed racetrack, and that is accompanied by substantially  
20 detailed plans and specifications for the racecourse, paddock,  
21 grandstand, stable barns, racetrack buildings, fences, electrical  
22 service and lighting, plumbing, parking, and other facilities and  
23 improvements. The application shall include the name and address  
24 of the applicant, and, if a corporation, the place of its  
25 incorporation, and any other information required by the rules  
26 promulgated under this act by the racing commissioner. Upon the  
27 applicant's filing of the application and the payment of the



1 license fee, the racing commissioner shall investigate the  
2 applicant and the racetrack or proposed racetrack as the racing  
3 commissioner considers necessary. If the racing commissioner  
4 determines that the applicant and the racetrack satisfy the  
5 requirements of this act and the rules promulgated under this  
6 act, the racing commissioner shall grant a license for the  
7 racetrack, designating in the license the county or other  
8 municipality in which the licensed racetrack shall be or is  
9 located. If the racing commissioner determines that the  
10 applicant or the racetrack, or both, do not comply with this act  
11 and the rules promulgated under this act, the racing commissioner  
12 shall deny the license. The action of the racing commissioner in  
13 denying a track license may be reviewed by the circuit court  
14 pursuant to section 631 of the revised judicature act of 1961,  
15 1961 PA 236, MCL 600.631.

16 (4) A track license may be transferred to a new owner of a  
17 racetrack with the consent of the racing commissioner.

18 (5) After a track license is issued under this section, the  
19 racing commissioner may impose a fine or suspend or revoke the  
20 license if the holder of the license, after reasonable notice  
21 from the racing commissioner, does not make necessary  
22 improvements, additions, or corrections to the licensed premises,  
23 fixtures, or equipment as determined and required by the racing  
24 commissioner; if the holder of the license violates or is no  
25 longer in compliance with the requirements of this act or the  
26 rules promulgated under this act; or if the licensed premises are  
27 not utilized to conduct a licensed race meeting for 2 consecutive

1 years. In addition to the suspension or revocation of the  
2 license, the racing commissioner may impose a fine or bring an  
3 action in circuit court seeking an order of the court requiring  
4 the licensee to make reasonable and necessary racetrack  
5 improvements or additions as determined by the commissioner if  
6 the licensee fails to make improvements or corrections that  
7 comply with the applicable construction code or local  
8 ordinances. The action of the racing commissioner in suspending  
9 or revoking a track license shall comply with the administrative  
10 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and  
11 ~~shall be~~ **is** subject to appeal.

12 (6) In a city area, not more than 3 racetracks shall be  
13 licensed, except that in a city with a population of 900,000 or  
14 more the racing commissioner may issue 1 additional license.

15 ~~(7) A person shall not be issued more than 1 track license.~~  
16 ~~Controlling ownership and interlocking directorates among the~~  
17 ~~holders of track licenses are prohibited.~~

18 ~~(8) A track license shall not be issued under this section if~~  
19 ~~the new license would result in harmful competition among~~  
20 ~~existing racetracks.~~

21 (7) A racetrack license shall not be issued for a racetrack  
22 located in the part of this state that is not in a city area  
23 unless the racetrack was licensed before the effective date of  
24 the act that added this subsection.

25 (8) A racetrack that first applies for a license after the  
26 effective date of the act that added this subsection shall not be  
27 located within 10 miles of a racetrack licensed before that date.

1           Sec. 10. (1) A person desiring to conduct a ~~thoroughbred,~~  
2 ~~standardbred, quarter horse, Appaloosa, American paint horse, or~~  
3 ~~Arabian race meeting, or a combination of these race meetings~~  
4 **race meeting, including a race meeting conducted with a**  
5 **combination of horse breeds**, with pari-mutuel wagering on the  
6 results of live and simulcast horse races pursuant to this act  
7 shall apply each year to the racing commissioner for a race  
8 meeting license in the manner and form required by the racing  
9 commissioner. The application shall be filed with the racing  
10 commissioner before September 1 of the preceding year. ~~except~~  
11 ~~that applications for 1999 racing dates may be filed at any~~  
12 ~~time.~~ The application, after being filed, shall be made  
13 available for public inspection during regular business hours.  
14 The application shall be in writing and shall give the name and  
15 address of the applicant, and, if the applicant is a corporation  
16 or partnership, shall state the place of the applicant's  
17 incorporation or partnership and the names and addresses of all  
18 corporate directors, officers, shareholders, and partners. The  
19 application shall also do all of the following:

20           (a) Specify the licensed racetrack at which the proposed race  
21 meeting will be held.

22           (b) Specify whether the applicant requests or will request to  
23 conduct simulcasting at the proposed race meeting and, if so,  
24 demonstrate the applicant's ability to conduct simulcasting in  
25 accordance with this act.

26           (c) Specify the horse breed **or breeds** for which the applicant  
27 desires to conduct live racing at the proposed race meeting, and

1 the days on which the applicant proposes to conduct live horse  
2 racing at the race meeting.

3 (d) Specify the time period during which the applicant  
4 requests to be licensed during the calendar year immediately  
5 following the date of application.

6 (e) Demonstrate to the racing commissioner that the applicant  
7 and all persons associated with the applicant who hold any  
8 beneficial or ownership interest in the business activities of  
9 the applicant or who have power or ability to influence or  
10 control the business decisions or actions of the applicant  
11 satisfy all of the following requirements:

12 (i) Are persons of good character, honesty, and integrity.

13 (ii) Possess sufficient financial resources and business  
14 ability and experience to conduct the proposed race meeting.

15 (iii) Do not pose a threat to the public interest of the  
16 state or to the security and integrity of horse racing or  
17 pari-mutuel wagering on the results of horse races in the state.

18 (f) Provide any other information required by the rules  
19 promulgated under this act or by the racing commissioner.

20 (2) Upon the filing of the application for a race meeting  
21 license, the racing commissioner shall conduct an investigation  
22 of the applicant and the application to determine whether the  
23 applicant, application, and proposed race meeting comply with the  
24 licensing requirements under this act and the rules promulgated  
25 under this act. ~~Unless a different agreement is reached by all~~  
26 ~~the race meeting licensees in a city area, a race meeting~~  
27 ~~licensee shall not conduct a live thoroughbred horse race after~~

~~1 6:45 p.m. on any day except Sunday. Unless a different agreement  
2 is reached by all the race meeting licensees in a city area, a  
3 race meeting licensee shall not conduct a live standardbred horse  
4 race before 6:45 p.m. on any day except Sunday. Notwithstanding  
5 the 6:45 p.m. time restrictions, the commissioner, upon request  
6 by a race meeting licensee, may grant to the race meeting  
7 licensee a race meeting license authorizing any of the  
8 following:~~

~~9 — (a) The licensee to conduct live horse racing programs that  
10 would otherwise be prevented by the 6:45 p.m. time restriction,  
11 if no other race meeting in a city area is licensed or authorized  
12 to conduct live horse racing at the same time the licensee  
13 proposes to conduct the requested live horse racing programs.~~

~~14 — (b) Waiver of the 6:45 p.m. time restriction pursuant to the  
15 written agreement of all race meeting licensees in the city  
16 area.~~

~~17 — (c) The licensee to conduct live horse racing programs after  
18 6:45 p.m., if the licensee is not in a city area and is 75 miles  
19 or more from the nearest race meeting licensee authorized to  
20 conduct live horse racing.~~

21       Sec. 16. (1) Each person participating in or having to do  
22 with pari-mutuel horse racing or pari-mutuel wagering on the  
23 results of horse races at a licensed race meeting **or at a racing**  
24 **theater**, including, but not limited to, all racing officials,  
25 veterinarians, pari-mutuel clerks or tellers, totalisator company  
26 employees, security guards, timers, horse owners, jockeys,  
27 drivers, apprentices, exercise riders, authorized agents,

1 trainers, grooms, valets, owners of stables operating under an  
2 assumed name, jockey agents, pony riders, hot walkers,  
3 blacksmiths, starting gate employees, owners and operators of  
4 off-track training centers, farms or stables where racehorses are  
5 kept, and vendors operating within the barn area of a licensed  
6 racetrack or off-track training center, farm, or stable where  
7 racehorses are kept may be licensed by the racing commissioner  
8 pursuant to rules promulgated by the racing commissioner under  
9 this act. The racing commissioner shall not issue an  
10 occupational license to a person who, within the 6 years  
11 immediately preceding the date of the person's application for  
12 the occupational license, was convicted of a felony involving  
13 theft, dishonesty, misrepresentation, fraud, corruption, drug  
14 possession, delivery, or use, or other criminal misconduct that  
15 is related to the person's ability **to** and likelihood ~~to~~ **that**  
16 **the person will** perform the functions and duties of the racing  
17 related occupation for which the person seeks to be licensed and  
18 participate in pari-mutuel horse racing in that licensed  
19 occupation in a fair, honest, open, and lawful manner. The  
20 racing commissioner shall not issue a pari-mutuel occupational  
21 license to a person who, within 2 years immediately preceding the  
22 date of the person's application for the occupational license,  
23 was convicted of a misdemeanor involving theft, dishonesty,  
24 misrepresentation, fraud, corruption, drug possession, delivery,  
25 or use, or other criminal misconduct that is related to the  
26 person's ability **to** and likelihood ~~to~~ **that the person will**  
27 perform the functions and duties of the racing related occupation

1 for which the person seeks to be licensed and participate in  
2 pari-mutuel horse racing in that licensed occupation in a fair,  
3 honest, open, and lawful manner.

4 (2) A veterinarian is not required to be licensed under this  
5 act to provide necessary and appropriate emergency veterinary  
6 care or treatment to any horse that is intended to be entered, is  
7 entered, or participates in a race with wagering by pari-mutuel  
8 methods or a nonbetting race or workout conducted at a licensed  
9 race meeting in this state. For purposes of this section,  
10 "emergency veterinary care or treatment" means care or treatment  
11 necessary and appropriate to save the life of a horse or prevent  
12 permanent physical injury or damage to a horse in a situation  
13 requiring immediate veterinary action. Only veterinarians  
14 licensed under this act may provide nonemergency veterinary care  
15 or treatment to a horse in this state that is intended to be  
16 entered, is entered, or participates in races at licensed race  
17 meetings in this state. Only persons licensed under this act or  
18 otherwise authorized by the racing commissioner may enter the  
19 restricted grounds of a licensed race meeting where horses are  
20 kept that are eligible to race at the race meeting. For the  
21 purposes of this section and sections 30 and 31, a horse that is  
22 intended to be entered is a horse that has its name put into the  
23 draw for a specific race, and a horse that is entered in a race  
24 is a horse that has been drawn into a specific race.

25 (3) As conditions precedent to being issued and holding a  
26 valid pari-mutuel occupational license, a license applicant shall  
27 disclose, in writing, any ownership interest that the applicant

1 has in a racehorse ~~in addition to~~ **and provide any** other  
2 information the racing commissioner considers necessary and  
3 proper, including fingerprints of occupational license applicants  
4 and proof of compliance with the worker's disability compensation  
5 act of 1969, ~~Act No. 317 of the Public Acts of 1969, being~~  
6 ~~sections 418.101 to 418.941 of the Michigan Compiled Laws 1969~~  
7 **PA 317, MCL 418.101 to 418.941**, except that **the** proof of  
8 compliance requirement does not apply to horse owners and  
9 trainers not covered under section 115 of ~~Act No. 317 of the~~  
10 ~~Public Acts of 1969, being section 418.115 of the Michigan~~  
11 ~~Compiled Laws~~ **the worker's disability compensation act of 1969,**  
12 **1969 PA 317, MCL 418.115.**

13 (4) In addition to the requirements of subsection (3), an  
14 applicant for a pari-mutuel occupational license shall consent,  
15 upon application and for the duration of the occupational  
16 license, if issued, to all of the following:

17 (a) Personal inspections, inspections of the applicant's  
18 personal property, and inspections of premises and property  
19 related to his or her participation in a race meeting by persons  
20 authorized by the racing commissioner.

21 (b) If the applicant is applying for a racing official,  
22 jockey, driver, trainer, or groom license, or for any other  
23 license for an occupation that involves contact with or access to  
24 the racehorses or the barn areas or stables where racehorses are  
25 kept, ~~then the applicant shall agree as a condition of licensure~~  
26 ~~to submit for the duration of the license period to a~~  
27 breathalyzer test, urine test, or other noninvasive fluid test to



1 detect the presence of alcohol or a controlled substance, ~~as~~  
2 ~~defined in section 7104 of the public health code, Act No. 368 of~~  
3 ~~the Public Acts of 1978, being section 333.7104 of the Michigan~~  
4 ~~Compiled Laws,~~ if directed to do so by the racing commissioner  
5 or his or her representative. If the results of a test show that  
6 an occupational licensee has more than .05% of alcohol in his or  
7 her blood, or has present in his or her body a controlled  
8 substance, the person shall not be permitted to continue in his  
9 or her duties or participate in horse racing until he or she can  
10 produce, at his or her own expense, a negative test result. The  
11 licensee may be penalized by the racing commissioner for his or  
12 her positive test results, which may include any disciplinary  
13 action authorized by this act or rules promulgated under this  
14 act. This subsection does not apply to a controlled substance  
15 obtained directly from, or pursuant to a valid prescription from,  
16 a licensed health care provider, except that the racing  
17 commissioner may consider the person's medical need for  
18 prescribed controlled substances in determining the person's  
19 fitness to be licensed to participate in pari-mutuel horse  
20 racing. The racing commissioner shall suspend for not less than  
21 1 year the license of a person who for the third time in a period  
22 of not more than 6 consecutive years is relieved of his or her  
23 duties ~~for the reasons prescribed in~~ **because of** this  
24 subsection.

25 (5) A person who is issued a pari-mutuel occupational license  
26 as a trainer is responsible for and absolute insurer of the  
27 condition, fitness, eligibility, and qualification of the horses

1 entered to race for the person by whom the trainer is employed,  
2 except as prescribed by the rules promulgated by the racing  
3 commissioner under this act. This subsection shall not be  
4 construed or interpreted to determine civil tort liability of any  
5 racehorse owner or trainer but shall be for purposes of  
6 enforcement of this act only. A trainer shall not start a horse  
7 that has in its body a drug or foreign substance unless permitted  
8 pursuant to section 30 and the rules promulgated under that  
9 section. A trainer is strictly liable and subject to  
10 disciplinary action if a horse under the trainer's actual or  
11 apparent care and control as trainer has a drug or foreign  
12 substance in its body, in violation of section 30 and the rules  
13 promulgated under that section.

14 (6) Upon the filing of a written complaint, under oath, in  
15 the office of the racing commissioner, or upon the written motion  
16 of the racing commissioner regarding the actions or omissions of  
17 a person issued a pari-mutuel occupational license, the racing  
18 commissioner may summarily suspend the occupational license of  
19 the person for a period of not more than 90 days pending a  
20 hearing and final determination by the racing commissioner  
21 regarding the acts or omissions complained of in the written  
22 complaint or motion, if the commissioner determines from the  
23 complaint or motion that the public health, safety, or welfare  
24 requires emergency action. The racing commissioner shall  
25 schedule the complaint or motion to be heard within 14 business  
26 days after the occupational license is summarily suspended and  
27 notify the holder of the occupational license of the date, time,

1 and place of the hearing not less than 5 days before the date of  
2 the hearing. The hearing shall be conducted in accordance with  
3 the contested case provisions of the administrative procedures  
4 act of 1969, ~~Act No. 306 of the Public Acts of 1969, being~~  
5 ~~sections 24.201 to 24.328 of the Michigan Compiled Laws~~ **1969 PA**  
6 **306, MCL 24.201 to 24.328.** The action of the racing commissioner  
7 in revoking or suspending a pari-mutuel occupational license may  
8 be appealed to the circuit court pursuant to ~~Act No. 306 of the~~  
9 ~~Public Acts of 1969~~ **the administrative procedures act of 1969,**  
10 **1969 PA 306, MCL 24.201 to 24.328.** If the racing commissioner's  
11 order is predicated upon a series of acts, the review by the  
12 circuit court may be in the county in which any of the alleged  
13 acts or failures to act took place.

14 (7) A decision by the racing commissioner or ~~his or her~~  
15 ~~deputies or appointed state stewards~~ **a deputy commissioner or**  
16 **state steward** of racing to deny an application for an  
17 occupational license may be appealed to the circuit court and  
18 reviewed pursuant to section 631 of the revised judicature act of  
19 1961, ~~Act No. 236 of the Public Acts of 1961, being section~~  
20 ~~600.631 of the Michigan Compiled Laws~~ **1961 PA 236, MCL 600.631.**  
21 A suspension or revocation of an occupational license may be  
22 appealed and reviewed pursuant to the administrative procedures  
23 act of 1969, ~~Act No. 306 of the Public Acts of 1969, being~~  
24 ~~sections 24.201 to 24.328 of the Michigan Compiled Laws~~ **1969 PA**  
25 **306, MCL 24.201 to 24.328.**

26 (8) Each pari-mutuel occupational licensee shall pay a  
27 license fee of not less than \$10.00 or more than \$100.00 as

1 determined by the racing commissioner.

2       Sec. 17. (1) The pari-mutuel system of wagering upon the  
3 results of horse races as permitted by this act shall not be held  
4 or construed to be unlawful. All forms of pari-mutuel wagering  
5 conducted at a licensed race meeting shall be preapproved by the  
6 racing commissioner pursuant to rule or written order of the  
7 commissioner.

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

17       (3) Subject to section 18(3), each holder of a race meeting  
18 license shall retain as his or her commission on all forms of  
19 straight wagering 17% of all money wagered involving straight  
20 wagers on the results of live and simulcast horse races conducted  
21 at the licensee's race meetings. Subject to section 18(3), each  
22 holder of a race meeting license shall retain as his or her  
23 commission on all forms of multiple wagering, without the written  
24 permission of the racing commissioner not more than 28% and with  
25 the written permission of the racing commissioner not more than  
26 35% of all money wagered involving any form of multiple wager on  
27 the results of live and simulcast horse races conducted at the

1 licensee's race meeting. Except as otherwise provided by  
2 contract, 50% of all commissions from wagering on the results of  
3 live racing at the racetrack where the live racing was conducted  
4 shall be paid to the horsemen's purse pool at the racetrack where  
5 the live racing was conducted. ~~As used in this subsection:~~

6 ~~—— (a) "Straight wagering" means a wager made on the finishing  
7 position of a single specified horse in a single specified race.~~

8 ~~—— (b) "Multiple wagering" means a wager made on the finishing  
9 positions of more than 1 horse in a specified race or the  
10 finishing positions of 1 or more horses in more than 1 specified  
11 race.~~

12 (4) All breaks shall be retained by the race meeting licensee  
13 and paid directly to the city or township in which the racetrack  
14 is located as a fee for services provided pursuant to section  
15 21.

16 (5) Payoff prices of tickets of a higher denomination shall  
17 be calculated as even multiples of the payoff price for a \$1.00  
18 wager. Each holder of a race meeting license shall distribute to  
19 the persons holding winning tickets, as a minimum, a sum not less  
20 than \$1.10 calculated on the basis of each \$1.00 deposited in a  
21 pool, except that each race meeting licensee may distribute a sum  
22 of not less than \$1.05 to persons holding winning tickets for  
23 each \$1.00 deposited in a minus pool. As used in this  
24 subsection, "minus pool" means any win, place, or show pool in  
25 which the payout would exceed the total value of the pool.

26 (6) A holder of a race meeting license shall not knowingly  
27 permit a person less than 18 years of age to be a patron of the

1 pari-mutuel wagering conducted or supervised by the holder.

2       (7) ~~Any~~ **Except as authorized under article 2 or 3, an** act  
 3 or transaction relative to pari-mutuel wagering on the results of  
 4 live or simulcast horse races shall only occur or be permitted to  
 5 occur within the enclosure of a licensed race meeting. ~~A~~  
 6 **Except as authorized under article 2 or 3, a** person shall not  
 7 participate or be a party to any act or transaction relative to  
 8 placing a wager or carrying a wager for placement outside of a  
 9 race meeting ground. A person shall not provide messenger  
 10 service for the placing of a bet for another person who is not a  
 11 patron. However, this subsection does not prevent simulcasting,  
 12 **wagering at racing theaters, telephone or other electronic**  
 13 **account wagering,** or intertrack or interstate ~~common pool~~  
 14 **simulcast** wagering ~~inside or outside this state~~ as permitted by  
 15 this act or the rules promulgated under this act.

16       Sec. 18. (1) Simulcasting by race meeting licensees may be  
 17 authorized by the racing commissioner subject to the limitations  
 18 of this section. ~~As used in this section, "simulcast" means the~~  
 19 ~~live transmission of video and audio signals conveying a horse~~  
 20 ~~race held either inside or outside this state to a licensed race~~  
 21 ~~meeting in this state. A simulcast from 1 racetrack in this~~  
 22 ~~state to another racetrack in this state shall be called an~~  
 23 ~~"intertrack simulcast". A simulcast from a racetrack outside~~  
 24 ~~this state to a racetrack inside this state shall be called an~~  
 25 ~~"interstate simulcast".~~

26       (2) The holder of a race meeting license may apply to the  
 27 racing commissioner, in the manner and form required by the

1 commissioner, for a permit to televise simulcasts of horse races  
2 to viewing areas within the enclosure of the licensed racetrack  
3 at which the applicant is licensed to conduct its race meeting.  
4 The commissioner may issue a permit for individual race and full  
5 card simulcasts televised during, between, before, or after  
6 programmed live horse races on any day that live racing is  
7 conducted by the applicant, and also on other days during the  
8 term of the applicant's license when the applicant does not  
9 conduct live horse racing, subject to the following conditions:

10 (a) The applicant ~~shall have~~ **has** a current contract with a  
11 certified horsemen's organization.

12 (b) The applicant ~~shall have~~ **has** applied for and been  
13 allocated the minimum number of live racing dates required by  
14 section ~~12(1) to (5)~~ **12**, subject to the availability of  
15 adequate horse supply as determined by the racing commissioner.

16 (c) The applicant ~~shall make~~ **makes** a continuing good faith  
17 effort throughout the duration of its race meeting to program and  
18 conduct not less than 9 live horse races on each live racing date  
19 allocated to the applicant.

20 (d) The certified horsemen's organization with which the  
21 applicant has contracted ~~shall have~~ **has** consented to the  
22 requested simulcasts on any live racing day when the applicant is  
23 unable to program and conduct not less than 9 live horse races,  
24 if required by section 12(6).

25 (e) If the requested simulcasts are interstate, the applicant  
26 ~~shall waive~~ **waives** in writing any right that the applicant may  
27 have under the interstate horse racing act of 1978, Public Law

1 95-515, 15 U.S.C. 3001 to 3007, to restrict interstate simulcasts  
 2 by other race meeting licensees in this state.

3 (f) If the applicant conducts its race meeting in a city  
 4 area, the applicant ~~shall make~~ **does both of the following:**

5 (i) **Makes** the video and audio signals of its live horse races  
 6 available for intertrack simulcasting to all licensed race  
 7 meetings in this state located more than 12 miles from the  
 8 applicant's race meeting.

9 ~~The applicant shall charge~~

10 (ii) **Charges** each race meeting licensee the same fee to  
 11 receive its live signals for intertrack simulcasting. The fee  
 12 shall not exceed 3% of the total amount wagered on the intertrack  
 13 simulcast at each race meeting that receives the simulcast.

14 (g) ~~Except~~ **If the applicant conducts its race meeting in a**  
 15 **city area, except** as otherwise agreed by the race meeting  
 16 licensees in ~~a~~ **the** city area and the respective certified  
 17 horsemen's organizations with which they contract, ~~a~~ **the**  
 18 licensee ~~in a city area shall receive~~ **receives** all available  
 19 intertrack simulcasts from licensed race meetings in the city  
 20 area located more than 12 miles from the licensee's race  
 21 meeting.

22 (h) ~~A licensed~~ **As a condition of conducting interstate**  
 23 **simulcasts, if the applicant conducts its** race meeting outside a  
 24 city area, ~~shall not conduct interstate simulcasts unless it~~  
 25 ~~also~~ **the applicant** receives all intertrack simulcasts from  
 26 licensed race meetings in a city area that are available.

27 (i) ~~All applicants conducting licensed~~ **If the applicant**



1 **conducts its** race meetings in a city area, ~~shall authorize the~~  
2 **applicant authorizes** all other race meeting licensees in the  
3 state to conduct simulcasts of the breed for which the applicant  
4 is licensed to conduct live horse racing. An applicant may not  
5 conduct interstate simulcasts unless authorization to do so is  
6 given by the applicant, in accordance with subdivision (j),  
7 permitting all other race meeting licensees to receive interstate  
8 simulcasts of a different breed than they are licensed to race  
9 live.

10 (j) ~~A race meeting licensee shall not conduct~~ **As a**  
11 **condition of conducting** an interstate simulcast of a different  
12 breed than it is licensed to race live at its race meeting,  
13 ~~unless the licensee~~ **applicant** has the written permission of  
14 all race meeting licensees in a city area that are licensed to  
15 race that breed live at their race meetings.

16 (k) All authorized simulcasts ~~shall be~~ **are** conducted in  
17 compliance with the written permit and related orders issued by  
18 the racing commissioner and all other requirements and conditions  
19 of this act and the rules of the racing commissioner promulgated  
20 under this act.

21 (l) All authorized interstate simulcasts ~~shall~~ also comply  
22 with the interstate horse racing act of 1978, Public Law ~~95-15~~  
23 **95-515**, 15 U.S.C. 3001 to 3007.

24 (3) All forms of wagering by pari-mutuel methods ~~provided~~  
25 ~~for~~ **allowed** under this act for live racing shall be allowed on  
26 simulcast horse races authorized under this section. All money  
27 wagered on simulcast horse races at a licensed race meeting shall

1 be included in computing the total amount of all money wagered at  
2 the licensed race meeting for purposes of section 17. When the  
3 simulcast is an interstate simulcast, the money wagered on that  
4 simulcast shall form a separate pari-mutuel pool at the receiving  
5 track unless 2 or more licensees receive the same interstate  
6 simulcast signals or the racing commissioner permits the  
7 receiving track to combine its interstate simulcast pool with the  
8 pool created at the out-of-state sending track on the same race.  
9 If 2 or more licensees receive the same interstate simulcast  
10 signals, the money wagered on the simulcasts shall be combined in  
11 a common pool and the licensees shall jointly agree and designate  
12 at which race meeting the common pool will be located. However,  
13 if the law of the jurisdiction in which the sending racetrack is  
14 located permits interstate common pools at the sending racetrack,  
15 the racing commissioner may permit pari-mutuel pools on  
16 interstate simulcast races in this state to be combined with  
17 pari-mutuel pools on the same races created at the out-of-state  
18 sending racetrack. If the pari-mutuel pools on the interstate  
19 simulcast races in this state are combined in a common pool at  
20 the out-of-state sending track, then the commissions described in  
21 section 17 on the pool created in this state shall be adjusted to  
22 equal the commissions in effect at the sending track under the  
23 laws of its jurisdiction. If the simulcast is an intertrack  
24 simulcast, the money wagered on that simulcast at the receiving  
25 racetrack shall be added to the pari-mutuel pool at the sending  
26 racetrack.

27 (4) Each race meeting licensee that receives an interstate

1 simulcast shall pay to the horsemen's simulcast purse pool  
2 established under section 19 a sum equal to 40% of the licensee's  
3 net commission from all money wagered on the interstate  
4 simulcast, as determined by section 17(3) after first deducting  
5 from the licensee's statutory commission the applicable state tax  
6 on wagering due ~~and payable~~ under section 22 and the actual  
7 verified fee paid by the licensee to the sending host track to  
8 receive the interstate simulcast signal. The licensee shall  
9 retain the remaining balance of its net commission and shall be  
10 responsible for paying all other capital and operational expenses  
11 related to receiving interstate simulcasts at its race meeting.  
12 Any subsequent rebate of a fee paid by a licensee to receive  
13 interstate simulcast signals shall be shared equally by the  
14 licensee and the horsemen's simulcast purse pool established  
15 under section 19.

16 (5) A race meeting licensee licensed to conduct pari-mutuel  
17 horse racing in a city area shall provide the necessary equipment  
18 to send intertrack simulcasts of the live horse races conducted  
19 at its race meeting to all other race meeting licensees in this  
20 state, and shall send its intertrack simulcast signals to those  
21 licensees upon request for an agreed fee, which shall not exceed  
22 3% of the total amount wagered on the race at the receiving  
23 track. Race meeting licensees that send or receive intertrack  
24 simulcasts shall make the following payments to the horsemen's  
25 purse pools:

26 (a) Each race meeting licensee that sends an intertrack  
27 simulcast shall pay 50% of the simulcast fee that it receives for

1 sending the simulcast signal to the horsemen's purse pool at the  
2 sending track.

3 (b) Each race meeting licensee that receives an intertrack  
4 simulcast shall pay to the horsemen's simulcast purse pool  
5 established pursuant to section 19 a sum equal to 40% of the  
6 receiving track's net commission from wagering on the intertrack  
7 simulcast under section 17(3) after first deducting from the  
8 licensee's statutory commission the applicable state tax on  
9 wagering due and owing under section 22 and the actual verified  
10 fee paid by the receiving track to the sending host track to  
11 receive the intertrack simulcast signal.

12 (6) The racing commissioner may authorize a race meeting  
13 licensee to transmit simulcasts of live horse races conducted at  
14 its racetrack to locations outside of this state in accordance  
15 with the interstate horse racing act of 1978, Public Law 95-515,  
16 15 U.S.C. 3001 to 3007, or any other applicable laws, and may  
17 permit pari-mutuel pools on ~~such~~ **the** simulcast races created  
18 under the laws of the jurisdiction in which the receiving track  
19 is located to be combined in a common pool with pari-mutuel pools  
20 on the same races created in this state. A race meeting licensee  
21 that transmits simulcasts of its races to locations outside this  
22 state shall pay 50% of the fee that it receives for sending the  
23 simulcast signal to the horsemen's purse pool at the sending  
24 track after first deducting the actual verified cost of sending  
25 the signal out of state.

26 (7) Simulcasting of events other than horse races for  
27 purposes of pari-mutuel wagering is prohibited.

1           Sec. 19b. (1) All certified horsemen's organizations  
2 participating in the distribution of money under this section  
3 shall designate a depository as the recipient of money designated  
4 by law to be deposited into the agricultural enhancement purse  
5 pool. Money deposited with the depository designated by law to  
6 be deposited into the agricultural enhancement purse pool shall  
7 be distributed by the escrow agent designated by the  
8 participating horsemen's organizations as follows:

9           (a) One percent to be divided between all mixed breed purse  
10 pools. The amount distributed to mixed breed purse pools each  
11 year shall be not less than a minimum amount that is 1 of the  
12 following:

13           (i) For the first full calendar year in which money is  
14 distributed under this subsection, \$1,200,001.00.

15           (ii) For each year after the first full calendar year in  
16 which money is distributed under this subsection, the minimum  
17 amount for the previous year adjusted as follows:

18           (A) If the amount of the simulcast purse pool for the  
19 previous year increased from the amount of the simulcast purse  
20 pool for the year before that, by increasing the minimum amount  
21 by the percentage of the increase in the simulcast purse pool.

22           (B) If the amount of the simulcast purse pool for the  
23 previous year decreased from the amount of the simulcast purse  
24 pool for the year before that, by decreasing the minimum amount  
25 by the percentage of the decrease in the simulcast purse pool.

26           (b) If there is no race meeting licensee conducting  
27 thoroughbred racing in a city area, the balance of the money

1 shall be distributed as follows:

2 (i) Of the money paid under this act, 55% shall be paid to  
3 thoroughbred purse pools, and 45% shall be paid to standardbred  
4 purse pools.

5 (ii) Of the money paid under the  
6 McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL  
7 432.1 to 432.47, 45% shall be paid to thoroughbred purse pools,  
8 and 55% shall be paid to standardbred purse pools.

9 (c) If there is a race meeting licensee conducting  
10 thoroughbred racing in a city area, the balance of the money  
11 shall be distributed equally between thoroughbred and  
12 standardbred purse pools.

13 (2) Money from any source designated to be distributed to  
14 breeders' awards under this section shall be distributed as  
15 follows:

16 (a) One percent to pay mixed breed breeders' awards described  
17 in section 20(7)(c), (8)(c), (9)(c), and (10)(c).

18 (b) The balance of the money to be divided between  
19 standardbred breeders' awards described in section 20(5)(e) and  
20 thoroughbred breeders' awards described in section 20(6)(c), the  
21 division being the same as the division between standardbred and  
22 thoroughbred purse pools under subsection (1).

23 (3) Money to be distributed for thoroughbred breeders' awards  
24 under subsection (2) shall be administered by the thoroughbred  
25 certified breeders' organization. The thoroughbred certified  
26 breeders' organization may expend not more than 5% from money it  
27 administers for administrative expenses, including expenses of

1 registering and certifying the eligibility of mares and foals,  
2 paying awards, and other expenses approved by the department of  
3 agriculture.

4       (4) Money distributed to a breed's purse pools under  
5 subsection (1) or a breed's breeders' awards under subsection (2)  
6 shall be divided between all race meeting licensees that hold  
7 races in which that breed of horse participates, each licensee's  
8 portion being determined by the percentage of the total amount  
9 wagered on races of that breed of horse conducted in this state  
10 during the previous year that was wagered on races of that breed  
11 of horse conducted by the licensee in this state during the  
12 previous year.

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

1           (2) Money received by the racing commissioner and the state  
2 treasurer under this act shall be paid promptly into the state  
3 treasury and placed in the Michigan agriculture equine industry  
4 development fund created in subsection (3).

5           (3) The Michigan agriculture equine industry development fund  
6 is created in the department of treasury. The Michigan  
7 agriculture equine industry development fund shall be  
8 administered by the director of the department of agriculture  
9 with the assistance and advice of the racing commissioner.

10          (4) Money shall not be expended from the Michigan agriculture  
11 equine industry development fund except as appropriated by the  
12 legislature. Money appropriated by the legislature for the  
13 Michigan agriculture equine industry development fund shall be  
14 expended by the director of the department of agriculture with  
15 the advice and assistance of the racing commissioner to provide  
16 funding for agriculture and equine industry development programs  
17 as provided in subsections (5) to (12).

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

20           (a) A sum not to exceed 75% of the purses for standardbred  
21 harness horse races offered by fairs and races at licensed  
22 pari-mutuel racetracks. Purse supplements for overnight races at  
23 fairs paid pursuant to this subsection may not exceed the lowest  
24 purse offered for overnight races of the same breed at any  
25 licensed race meeting in this state during the previous year.

26           (b) A sum to be allotted on a matching basis, but not to  
27 exceed \$15,000.00 each year to a single fair, for the purpose of



1 equipment rental during fairs; ground improvement; constructing,  
2 maintaining, and repairing buildings; and making the racetrack  
3 more suitable and safe for racing at fairs.

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

21 (d) A sum to pay not more than 75% of an eligible cash  
22 premium paid by a fair or exposition. The commission of  
23 agriculture shall promulgate rules establishing which premiums  
24 are eligible for payment and a dollar limit for all eligible  
25 payments.

26 (e) A sum to pay breeders' awards in an amount not to exceed  
27 10% of the gross purse to breeders of Michigan bred standardbred

1 harness horses for each time the horse wins a race at a licensed  
2 race meeting or fair in this state. As used in this subdivision,  
3 "Michigan bred standardbred harness horse" means a horse from a  
4 mare owned by a resident or residents of this state at the time  
5 of conception, that was conceived after January 1, 1992, and  
6 sired by a standardbred stallion registered with the Michigan  
7 department of agriculture that was leased or owned by a resident  
8 or residents of this state and that did not serve a mare at a  
9 location outside of this state from February 1 through July 31 of  
10 the calendar year in which the conception occurred. To be  
11 eligible, each mare shall be registered with the Michigan  
12 department of agriculture. A foal that is born on or after  
13 January 1, 2002 of a mare owned by a nonresident of this state  
14 and that is conceived outside of this state from transported  
15 semen of a stallion registered with the Michigan department of  
16 agriculture is eligible for Michigan tax-supported races only if,  
17 in the year that the foal is conceived, the Michigan department  
18 of agriculture's agent for receiving funds as the holding agent  
19 for stakes and futurities is paid a transport fee as determined  
20 by the Michigan department of agriculture and administered by the  
21 Michigan harness horsemen's association.

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

25 (g) A sum to be allotted to pay the presiding judges and  
26 clerks of the course at fairs. Presiding judges and clerks of  
27 the course shall be hired by the fair's administrative body with

1 the advice and approval of the racing commissioner. The director  
2 of the department of agriculture may allot funds for a photo  
3 finish system and a mobile starting gate. The director of the  
4 department of agriculture shall allot funds for the conducting of  
5 tests, the collection and laboratory analysis of urine, saliva,  
6 blood, and other samples from horses, and the taking of blood  
7 alcohol tests on drivers, jockeys, and starting gate employees,  
8 for those races described in this subdivision. The department  
9 may require a driver, jockey, or starting gate employee to submit  
10 to a breathalyzer test, urine test, or other noninvasive fluid  
11 test to detect the presence of alcohol or a controlled substance  
12 as defined in section 7104 of the public health code, 1978 PA  
13 368, MCL 333.7104. If the results of a test show that a person  
14 has more than .05% of alcohol in his or her blood, or has present  
15 in his or her body a controlled substance, the person shall not  
16 be permitted to continue in his or her duties on that race day  
17 and until he or she can produce, at his or her own expense, a  
18 negative test result.

19 (h) A sum to pay purse supplements to licensed pari-mutuel  
20 harness race meetings for special 4-year-old filly and colt horse  
21 races.

22 (i) A sum not to exceed 0.25% of all money wagered on live  
23 and simulcast horse races in Michigan shall be placed in a  
24 special standardbred sire stakes fund each year, 100% of which  
25 shall be used to provide purses for races run exclusively for  
26 2-year-old and 3-year-old Michigan sired standardbred horses at  
27 licensed harness race meetings in this state. As used in this

1 subdivision, "Michigan sired standardbred horses" means  
2 standardbred horses conceived after January 1, 1992 and sired by  
3 a standardbred stallion registered with the Michigan department  
4 of agriculture that was leased or owned by a resident or  
5 residents of this state and that did not serve a mare at a  
6 location outside of this state from February 1 through July 31 of  
7 the calendar year in which the conception occurred. A foal that  
8 is born on or after January 1, 2002 of a mare owned by a  
9 nonresident of this state and that is conceived outside of this  
10 state from transported semen of a stallion registered with the  
11 Michigan department of agriculture is eligible for Michigan  
12 tax-supported races only if, in the year that the foal is  
13 conceived, the Michigan department of agriculture's agent for  
14 receiving funds as the holding agent for stakes and futurities is  
15 paid a transport fee as determined by the Michigan department of  
16 agriculture and administered by the Michigan harness horsemen's  
17 association.

18 (6) The following amounts shall be paid to thoroughbred  
19 programs:

20 (a) A sum to be allotted thoroughbred race meeting licensees  
21 to supplement the purses for races to be conducted exclusively  
22 for Michigan bred horses.

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

26 (c) A sum to pay breeders' awards in an amount not to exceed  
27 ~~10%~~ 30% of the gross purse to the breeders of Michigan bred

1 thoroughbred horses for each time Michigan bred thoroughbred  
2 horses ~~win~~ **finish first, second, or third** at a licensed race  
3 meeting in this state.

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

7 (e) A sum not to exceed 0.25% of all money wagered on live  
8 and simulcast horse races in Michigan shall be placed in a  
9 special thoroughbred sire stakes fund each year, 100% of which  
10 shall be used to provide purses for races run exclusively for  
11 2-year-old and 3-year-old and older Michigan sired thoroughbred  
12 horses at licensed thoroughbred race meetings in this state and  
13 awards for owners of Michigan sired horses or stallions. As used  
14 in this subdivision, "Michigan sired thoroughbred horses" means  
15 thoroughbred horses sired by a stallion registered with the  
16 department of agriculture that was leased or owned exclusively by  
17 a resident or residents of this state and that did not serve a  
18 mare at a location outside of this state during the calendar year  
19 in which the service occurred.

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

24 (7) The following amounts shall be paid for quarter horse  
25 programs:

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

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

3 (c) A sum to pay breeders' awards in an amount not to exceed  
4 10% of a gross purse to breeders of Michigan bred quarter horses  
5 for each time a Michigan bred quarter horse wins at a county fair  
6 or licensed race meeting in this state.

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

12 (e) A sum not to exceed 0.25% of all money wagered on live  
13 and simulcast horse races in Michigan shall be placed in a  
14 special quarter horse sire stakes fund each year, 100% of which  
15 shall be used to provide purses for races run exclusively for  
16 2-year-old and 3-year-old Michigan sired quarter horses at  
17 licensed race meetings in this state. As used in this  
18 subdivision, "Michigan sired quarter horses" means quarter horses  
19 sired by a stallion registered with the Michigan department of  
20 agriculture that was leased or owned by a resident or residents  
21 of this state and that did not serve a mare at a location outside  
22 of this state during the calendar year in which the conception  
23 occurred. Transportation of semen from a quarter horse stallion  
24 registered with the Michigan department of agriculture to a  
25 location outside of this state does not create eligibility for  
26 Michigan tax-supported races, and does not affect the eligibility  
27 of Michigan conceived foals for the purses provided for by this

1 section. A foal conceived outside of this state from transported  
2 semen of a quarter horse stallion registered with the Michigan  
3 department of agriculture is not eligible for Michigan  
4 tax-supported races.

5 (f) ~~(e)~~ As used in this subsection, "Michigan bred quarter  
6 horse" means that term as defined in R 285.817.1(j) of the  
7 Michigan administrative code. Each mare and stallion shall be  
8 registered with the director of the department of agriculture.

9 (8) The following amounts shall be paid for Appaloosa  
10 programs:

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

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

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

19 (d) The department shall also allot sufficient funds from the  
20 revenue received from Appaloosa horse racing to pay for the  
21 collection and laboratory analysis of urine, saliva, blood, or  
22 other samples from horses and licensed persons and the taking of  
23 blood alcohol tests on jockeys for those races described in this  
24 subsection and for the conducting of tests described in section  
25 16(4)(b).

26 (e) As used in this subsection, "Michigan bred Appaloosa  
27 horse" means that term as defined in ~~R 285.817.1(k)~~

1 R 285.819.1(k) of the Michigan administrative code. Each mare  
2 and stallion shall be registered with the director of the  
3 department of agriculture.

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

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

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

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

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

20 (e) As used in this subsection, "Michigan bred Arabian" means  
21 ~~that term as defined~~ **Michigan bred horse as that term is used**  
22 in R 285.822.1(i) of the Michigan administrative code. Each mare  
23 and stallion shall be registered with the director of the  
24 department of agriculture.

25 (10) The following sums shall be paid for American paint  
26 horse programs:

27 (a) A sum to supplement the ~~purposes~~ **purses** for races to be



1 conducted exclusively for Michigan bred American paint horses.

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

4 (c) A sum to pay breeders' awards in an amount not to exceed  
5 10% of the gross purse to the breeders of Michigan bred American  
6 paint horses for each time a Michigan bred American paint horse  
7 wins at a county fair or licensed race meeting in this state.

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

13 (e) A sum not to exceed 0.25% of all money wagered on live  
14 and simulcast horse races in Michigan shall be placed in a  
15 special American paint horse sire stakes fund each year, 100% of  
16 which shall be used to provide purses for races run exclusively  
17 for 2-year-old and 3-year-old Michigan sired American paint  
18 horses at licensed race meetings in this state. As used in this  
19 subdivision, "Michigan sired American paint horses" means  
20 American paint horses sired by a stallion registered with the  
21 Michigan department of agriculture that was leased or owned by a  
22 resident or residents of this state and that did not serve a mare  
23 at a location outside of this state during the calendar year in  
24 which the conception occurred. Transportation of semen from an  
25 American paint horse stallion registered with the Michigan  
26 department of agriculture to a location outside of this state  
27 does not create eligibility for Michigan tax-supported races, and

1 does not affect the eligibility of Michigan conceived foals for  
2 the purses provided for by this section. A foal conceived  
3 outside of this state from transported semen of an American paint  
4 horse stallion registered with the Michigan department of  
5 agriculture is not eligible for Michigan tax-supported races.

6 (f) ~~-(e)-~~ As used in this subsection, "Michigan bred American  
7 paint horse" means that term as defined by the department of  
8 agriculture by rules promulgated under this section.

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  
14 by the racing commissioner, which are beneficial to the horse  
15 racing and breeding industry in this state.

16 (b) ~~Money appropriated and allotted to this fund shall not~~  
17 ~~revert to the general fund and shall be carried forward from year~~  
18 ~~to year until disbursed to fund grants for research projects~~  
19 ~~beneficial to the industry.~~ A sum to fund the development,  
20 implementation, and administration of new programs that promote  
21 the proper growth and development of the horse racing and  
22 breeding industry in this state and other valuable equine related  
23 commercial and recreational activities in this state.

24 (c) As used in this subsection, "equine research" means the  
25 study, discovery and generation of accurate and reliable  
26 information, findings, conclusions, and recommendations that are  
27 useful or beneficial to the horse racing and breeding industry in

1 this state through improvement of the health of horses;  
2 prevention of equine illness and disease, and performance-related  
3 accidents and injuries; improvement of breeding technique and  
4 racing performance; and compilation and study of valuable and  
5 reliable statistical data regarding the size, organization, and  
6 economics of the industry in this state; and strategic planning  
7 for the effective promotion, growth, and development of the  
8 industry in this state.

9 (12) ~~A sum to fund the development, implementation, and~~  
10 ~~administration of new programs that promote the proper growth and~~  
11 ~~development of the horse racing and breeding industry in this~~  
12 ~~state and other valuable equine related commercial and~~  
13 ~~recreational activities in this state.~~ **Money appropriated and**  
14 **allotted to this fund shall not revert to the general fund and**  
15 **shall be carried forward from year to year until disbursed to**  
16 **fund grants for research projects beneficial to the industry.**

17 (13) A percentage of the Michigan agriculture equine industry  
18 development fund that is equal to 1/100 of 1% of the gross wagers  
19 made each year in each of the racetracks licensed under this act  
20 shall be deposited in the compulsive gaming prevention fund  
21 created in section 3 of the compulsive gaming prevention act,  
22 1997 PA 70, MCL 432.253.

23 (14) The director of the department of agriculture shall  
24 promulgate rules pursuant to the administrative procedures act of  
25 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this  
26 section. The rules promulgated under this subsection shall do  
27 all of the following:

1 (a) Prescribe the conditions under which the Michigan  
2 agriculture equine industry development fund and related programs  
3 described in subsections (1) to (12) shall be funded.

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

6 (c) Develop and maintain informational programs related to  
7 this section.

8 (15) Funds under the control of the department of agriculture  
9 in this section shall be disbursed under the rules promulgated  
10 pursuant to subsection (14). All funds under the control of the  
11 department of agriculture approved for purse supplements and  
12 breeders' awards shall be paid by the state treasurer not later  
13 than 45 days from the date of the race.

[Sec. 21. Local units of government participating in the  
distribution of funds under section 17(4) shall **use all or a portion of  
the funds to** provide for adequate police, fire, and traffic protection of  
persons and property at and near each race meet, including areas where  
occupational licenses are required. Each local unit of government  
participating in the distribution of funds under this act shall show by a  
statement submitted annually on February 1 of each year to the racing  
commissioner the amounts of funds received and shall detail the  
expenditure of those amounts during the previous calendar year. The  
racing commissioner shall report annually to the governor and the  
legislature regarding these statements.]

14 Sec. 23. (1) The auditing of pari-mutuel operations at each  
15 race meeting, **at racing theaters, and by telephone or electronic**  
16 **account wagering** shall be performed by a private auditing firm  
17 appointed by the state treasurer and approved by the racing  
18 commissioner. The expense of pari-mutuel audits shall be paid by  
19 the state as a part of the state treasurer's budget. Daily audit  
20 reports on each day of pari-mutuel racing shall be forwarded to  
21 the racing commissioner and the holder of the race meeting  
22 license not later than 2 business days after the day for which

23 the report is made. Within 60 days following each race meeting,  
24 at least 3 copies of the pari-mutuel audit report for the entire  
25 race meeting shall be forwarded to the racing commissioner and  
26 additional copies shall be supplied to the state treasurer and  
27 the holder of the race meeting license. The scope of the

1 pari-mutuel audits shall be established in specifications  
2 prepared by the state treasurer and approved by the racing  
3 commissioner.

4 (2) The auditors representing the state shall have free and  
5 full access to ~~the~~ a space or enclosure where ~~the~~ payoff  
6 prices are calculated, to ~~the~~ rooms and enclosures where ~~the~~  
7 totalisator equipment is operated, ~~and~~ to ~~the~~ money rooms and  
8 cashier terminals, and **to areas under the control of a licensee**  
9 **where telephone or electronic account wagering is conducted or**  
10 **equipment used in telephone or electronic account wagering is**  
11 **located. The auditors** shall be responsible for verifying the  
12 accuracy of the calculations on which are based the payoff prices  
13 to the public and amount of racetrack commission, state tax and  
14 breakage, and for **verifying** the amounts withheld by the holder of  
15 the race meeting license for payment of uncashed tickets. The  
16 auditors at all times shall have full and free access to all  
17 pari-mutuel records and all aspects, areas, and functions of  
18 ~~the~~ a totalisator system, including, but not limited to, all  
19 hardware, software, input and output data, documents, and files.  
20 The auditors may audit internally and externally any or all parts  
21 and elements of ~~the~~ a totalisator system whether on or off the  
22 site of ~~the~~ a race meeting grounds **or a racing theater**. If the  
23 records are maintained in a machine-readable form, such as  
24 computer tapes or disks, copies shall be made available to the  
25 auditors on request. The auditors, in addition to their regular  
26 reports, shall make prompt report to the racing commissioner, the  
27 state treasurer, and the holder of the race meeting license of

1 any irregularities or discrepancies which they may encounter  
2 during their auditing.

3 (3) In addition to auditing ~~the~~ pari-mutuel operations  
4 **under this act**, the auditors shall include in their final reports  
5 the daily attendance figures as supplied by the holder of the  
6 race meeting license.

7 Sec. 25. To the extent information is disclosed by any race  
8 meeting licensee, **racing theater licensee, or multijurisdictional**  
9 **wagering hub** under this act regarding the name, address, or any  
10 other personal information, including financial information, of  
11 any patron of the licensee **or multijurisdictional wagering hub**,  
12 neither the office of the racing commissioner nor any other  
13 governmental authority to whom disclosure has been made shall  
14 disclose that information. All information provided to the  
15 office of racing commissioner or any other governmental authority  
16 by a race meeting licensee, **racing theater licensee, or**  
17 **multijurisdictional wagering hub** that in any manner discloses the  
18 name, address, or any other personal information, including  
19 financial information, of any patron of the licensee **or hub** is  
20 considered confidential, and is not subject to disclosure under  
21 the freedom of information act, ~~Act No. 442 of the Public Acts~~  
22 ~~of 1976, being sections 15.231 to 15.246 of the Michigan Compiled~~  
23 ~~Laws~~ **1976 PA 442, MCL 15.231 to 15.246.**

24 **ARTICLE 2**

25 **Sec. 51. As used in this article:**

26 (a) "Account holder" means the race meeting licensee or  
27 multijurisdictional wagering hub that has established a wagering

1 account for an individual.

2 (b) "Account owner" means the individual who has established  
3 a wagering account with a race meeting licensee or  
4 multijurisdictional wagering hub.

5 (c) "Wagering account" means an account established for an  
6 individual in which the individual deposits money for use to  
7 place telephone or electronic wagers on horse races as authorized  
8 by this article.

9 Sec. 52. A person shall not conduct or participate in  
10 account wagering in this state unless the account wagering is  
11 conducted in accordance with this act.

12 Sec. 53. (1) The racing commissioner may authorize a race  
13 meeting licensee to conduct account wagering. The licensee shall  
14 submit to the racing commissioner a full description of how its  
15 proposed account wagering system will operate. If a race meeting  
16 licensee is authorized to conduct account wagering under this  
17 subsection, a licensee shall not change the operation of its  
18 account wagering system without approval from the racing  
19 commissioner. The racing commissioner may conduct investigations  
20 or inspections or request additional information from the  
21 licensee as the racing commissioner determines necessary to  
22 determine whether to approve an application.

23 (2) The racing commissioner may authorize a race meeting  
24 licensee to contract with 1 or more persons to operate the  
25 licensee's account wagering. The prohibitions and obligations  
26 imposed on a race meeting licensee by this article and rules  
27 promulgated under this article apply to a person that contracts



1 with the licensee under this subsection. A licensee that  
2 contracts with a person under this subsection remains responsible  
3 for all obligations and duties under this article and rules  
4 promulgated under this article.

5 (3) A race meeting licensee that is first licensed to conduct  
6 race meetings after the effective date of this article shall not  
7 conduct account wagering until 90 days after the first day of  
8 horse racing is completed by the licensee.

9 (4) Authorization under subsection (1) is valid for the  
10 remainder of the licensee's race meeting license. The  
11 authorization may be extended for a succeeding year in  
12 conjunction with the licensee's race meeting license. If the  
13 authorization is extended, subsection (3) does not apply.

14 (5) A race meeting licensee shall not make a contract or  
15 agree to a change in a contract related to the licensee's  
16 authorized conduct of account wagering unless the contract or the  
17 change is approved in advance by the racing commissioner.

18 (6) A race meeting licensee's authority to conduct account  
19 wagering may be suspended or revoked if the racing commissioner  
20 determines that the licensee or its employees or agents have  
21 violated this act or rules promulgated under this act. A race  
22 meeting licensee's authority to conduct account wagering shall be  
23 revoked if the licensee stops conducting its race meeting as  
24 allocated by the racing commissioner.

25 Sec. 54. (1) The racing commissioner may license 1 or more  
26 multijurisdictional wagering hubs to conduct account wagering in  
27 this state.

1           (2) The racing commissioner shall not license a  
2 multijurisdictional wagering hub to conduct account wagering in  
3 this state unless the racing commissioner determines that the  
4 multijurisdictional wagering hub has established satisfactory  
5 security access policies and safeguards, including, but not  
6 limited to, all of the following:

7           (a) The multijurisdictional wagering hub shall use an  
8 independent third party that has been approved by the racing  
9 commissioner to perform identity, residence, and age verification  
10 services with respect to individuals applying to establish a  
11 wagering account.

12           (b) The multijurisdictional wagering hub shall use personal  
13 identification numbers and other technologies to assure that only  
14 the account owner has access to the wagering account.

15           (c) The multijurisdictional wagering hub shall provide for  
16 withdrawals from the wagering account only by 1 or more of the  
17 following ways:

18           (i) A check made payable to the account owner and sent to the  
19 address of the account owner as identified in the application to  
20 establish the account.

21           (ii) An electronic transfer to an account held by the account  
22 owner as identified in the application to establish the account.

23           (iii) Withdrawal of money from the wagering account by the  
24 account owner at a facility approved by the racing commissioner  
25 by presenting verifiable personal and account identification  
26 information.

27           (d) The multijurisdictional wagering hub shall allow the

1 racing commissioner access to its premises to visit, investigate,  
2 and place expert accountants and other persons the racing  
3 commissioner determines necessary to ensure that this act and  
4 rules promulgated under this act are strictly complied with.

5 (3) A multijurisdictional wagering hub shall not conduct  
6 account wagering in this state unless it is covered by a surety  
7 or, if required by the racing commissioner, fidelity bond in the  
8 amount determined by the racing commissioner with a company  
9 approved by the racing commissioner.

10 (4) A multijurisdictional wagering hub that is licensed to  
11 conduct account wagering in this state shall not conduct account  
12 wagering until 90 days after the license is issued.

13 (5) A license issued under this section is valid for the  
14 remainder of the calendar year. The license, and any subsequent  
15 extensions of the license, may be extended for a succeeding  
16 year. Subsection (4) does not apply to an extension of a  
17 license. The license may be suspended or revoked if the racing  
18 commissioner determines that the multijurisdictional wagering hub  
19 or its employees or agents have violated this act or rules  
20 promulgated under this act.

21 Sec. 55. (1) An individual shall not place an account wager  
22 in this state unless the individual has established a wagering  
23 account with a race meeting licensee authorized or  
24 multijurisdictional wagering hub licensed by the racing  
25 commissioner to conduct account wagering under this article.

26 (2) An individual shall not apply for or establish a wagering  
27 account unless the individual is 18 years of age or older. A

1 race meeting licensee or multijurisdictional wagering hub shall  
2 not knowingly establish a wagering account for an individual who  
3 is less than 18 years of age.

4 (3) An individual may apply to a race meeting licensee that  
5 is authorized or multijurisdictional wagering hub that is  
6 licensed by the racing commissioner to conduct account wagering  
7 to establish a wagering account by completing a written form or  
8 an online facsimile of a written form approved by the racing  
9 commissioner, signing the form, either manually or  
10 electronically, and submitting the form to the race meeting  
11 licensee or the multijurisdictional wagering hub. The form shall  
12 include the principal residence address of the applicant.

13 (4) A race meeting licensee authorized or a  
14 multijurisdictional wagering hub licensed by the racing  
15 commissioner to conduct account wagering that receives an  
16 application to establish a wagering account may accept the  
17 application and establish the account if the application complies  
18 with this article and applicable rules promulgated under this  
19 article.

20 (5) On establishing a wagering account, an account holder  
21 shall assign a unique personal identification number to the  
22 account and disclose that number only to the account owner.

23 Sec. 56. (1) Deposits to a wagering account by the account  
24 owner shall be submitted or mailed by the account owner directly  
25 to the account holder and shall be in 1 of the following forms:

26 (a) Cash given to a pari-mutuel clerk or teller employed by  
27 the account holder within the racetrack enclosure where the

1 account holder conducts race meetings or, if the account holder  
2 is a multijurisdictional wagering hub, in the racetrack enclosure  
3 of a race meeting licensee with whom the account holder has a  
4 written contract.

5 (b) A negotiable instrument drawn on an account as "account"  
6 is defined in section 4104 of the uniform commercial code, 1962  
7 PA 174, MCL 440.4104.

8 (c) If approved by the racing commissioner as part of a  
9 licensee's or multijurisdictional wagering hub's account wagering  
10 system, a charge to an account owner's debit or credit card at  
11 the owner's direct and personal instruction in a manner approved  
12 by the commissioner, which may include instructions given by  
13 telephone or the internet.

14 (2) Credit for winnings from wagers placed with funds in a  
15 wagering account and credit for account wagers on horses that are  
16 scratched shall be posted to the account by the account holder.

17 Sec. 57. (1) On receipt by an account holder of a wager  
18 placed with funds from a wagering account held by the account  
19 holder, the account holder shall debit the account in the amount  
20 of the wager.

21 (2) An account holder that is a race meeting licensee may  
22 authorize a withdrawal from a wagering account that it holds  
23 under 1 of the following circumstances:

24 (a) The account owner is present at the racetrack where the  
25 licensee conducts its race meetings and provides all of the  
26 following:

27 (i) Proper identification.

1           (ii) The correct personal identification number assigned  
2 under section 55.

3           (iii) A properly completed and executed withdrawal slip on a  
4 form approved by the racing commissioner.

5           (b) The account owner sends a properly completed and executed  
6 withdrawal slip on a form approved by the racing commissioner to  
7 the licensee at the racetrack where the licensee conducts its  
8 race meetings. On receipt of a properly completed and executed  
9 withdrawal slip, and if there are sufficient funds in the account  
10 to cover the withdrawal, the licensee shall, not more than 2  
11 business days after receipt of the withdrawal slip, send a check  
12 to the owner at the address specified in the application for the  
13 wagering account. The check shall be payable to the account  
14 owner and in the amount of the requested withdrawal.

15           Sec. 58. (1) An account holder shall not accept an account  
16 wager unless it is placed directly by the account owner.

17           (2) An account owner placing an account wager shall provide  
18 the account holder with the correct personal identification  
19 number assigned under section 55.

20           (3) An account holder shall not accept an account wager or  
21 series of account wagers that exceeds the amount in the wagering  
22 account, including amounts credited under section 56, at the time  
23 the wager is placed.

24           (4) A race meeting licensee authorized to conduct account  
25 wagering shall not accept an account wager at a site that is not  
26 within the enclosure of the racetrack where the licensee conducts  
27 it race meetings.

1 (5) Only employees of a race meeting licensee or of a person  
2 that is authorized to conduct the race meeting licensee's account  
3 wagering under section 53 who are licensed under section 16 may  
4 operate the licensee's or authorized person's account wagering.

5 (6) An individual shall not directly or indirectly make an  
6 account wager as an intermediary, transmitter, or agent for an  
7 account owner, including, but not limited to, placing a wager  
8 using a system, sometimes referred to as a transfer account or  
9 master account, whereby funds are deposited to a wagering account  
10 from another wagering account or other account. This subsection  
11 does not prohibit the use of credit or debit cards specifically  
12 approved by the racing commissioner, checks, money orders, or  
13 negotiable orders of withdrawal.

14 (7) A race meeting licensee or multijurisdictional wagering  
15 hub that conducts account wagering by the internet or other  
16 electronic method that involves a visual display of information  
17 shall display a toll-free compulsive gaming helpline number at  
18 its website in a conspicuous manner approved by the racing  
19 commissioner and shall include that number on all advertisement  
20 and promotional materials.

21 Sec. 59. (1) A race meeting licensee authorized or a  
22 multijurisdictional wagering hub licensed to conduct account  
23 wagering under this act shall, as required by the racing  
24 commissioner, comply with applicable auditing requirements of  
25 section 23 and provide a full accounting and verification of the  
26 source of wagers made, in the form of a daily download of data to  
27 a database designated by the racing commissioner.

1           (2) A race meeting licensee authorized or a  
2 multijurisdictional wagering hub licensed to conduct account  
3 wagering under this act shall only conduct account wagering with  
4 communications systems or other equipment that has been approved  
5 by the racing commissioner.

6           (3) The racing commissioner may promulgate rules as  
7 authorized in section 7 to implement this article. The rules  
8 promulgated under this section shall do all of the following:

9           (a) Establish application requirements and standards for  
10 authorizing race meeting licensees and licensing  
11 multijurisdictional wagering hubs to conduct account wagering.

12           (b) Establish procedures for suspending or revoking  
13 authorization granted and licenses issued under this article.

14           (c) Establish application or license fees, or both.

15           (d) Anything else that the racing commissioner, in his or her  
16 discretion, determines is necessary to the proper administration  
17 of this article.

18           Sec. 60. (1) An account wager shall be included in the  
19 appropriate pari-mutuel pool of 1 of the following:

20           (a) If the wager is on a live race, the race meeting licensee  
21 that conducts the race.

22           (b) If the wager is on a simulcast race under section 18, the  
23 appropriate race meeting licensee as determined by section  
24 18(3).

25           (2) A race meeting licensee or multijurisdictional wagering  
26 hub that conducts account wagering shall retain a commission  
27 equal to the commission allowed under section 17. The race



1 meeting licensee or multijurisdictional wagering hub shall pay  
2 all breaks as required by section 17. The race meeting licensee  
3 or multijurisdictional wagering hub shall pay the following from  
4 its commission:

5 (a) If the race wagered on is a live race held by the race  
6 meeting licensee, 43.1% of the commission to the agricultural  
7 enhancement purse pool and 6.9% of the commission to be  
8 distributed to breeders' awards under section 19b.

9 (b) If the race wagered on is a simulcast race, the state tax  
10 on wagering under section 22, the fee paid to the sending host  
11 track under section 18, 34.5% of the balance of the commission to  
12 the agricultural enhancement purse pool, and 5.5% of the balance  
13 of the commission to be distributed to breeders' awards under  
14 section 19b.

15 Sec. 61. A multijurisdictional wagering hub licensed to  
16 conduct account wagering under this article shall comply with the  
17 requirements of sections 14(7) and 15(2).

### 18 ARTICLE 3

19 Sec. 101. (1) The racing commissioner shall promulgate  
20 rules under the administrative procedures act of 1969, 1969  
21 PA 306, MCL 24.201 to 24.328, as necessary to implement this  
22 article.

23 (2) The rules authorized under this section may include, but  
24 are not limited to, all of the following:

25 (a) The method of application for and conditions of issuing a  
26 racing theater license.

27 (b) The procedure for suspending or revoking a racing theater

## House Bill No. 4609 (H-2) as amended May 22, 2003

1 license.

2 (c) The establishment of application fees, license fees, or  
3 both.

4 (d) Standards and requirements for commissioner approval of  
5 racing theater facilities.

6 (e) The conditions under which off-track wagering shall be  
7 conducted in this state.

8 (f) Specifications concerning the scope of audits performed  
9 under section 108.

10 Sec. 102. (1) The racing commissioner may issue not more  
11 than 15 racing theater licenses [ ]. A racing theater  
12 license is valid for 1 year. If a race meeting licensee or a  
13 race meeting licensee that is part of a racing corporation is  
14 first licensed to conduct race meetings after the effective date  
15 of this article, the licensee or corporation of which the  
16 licensee is a part shall not begin to operate a racing theater  
17 until 90 days after the first day of horse racing completed by  
18 the licensee.

19 (2) A racing theater license shall only be issued to a race  
20 meeting licensee, to a racing corporation formed under section  
21 104, or to a person licensed to conduct casino gaming under the  
22 Michigan gaming control and revenue act, the Initiated Law of  
23 1996, MCL 432.201 to 432.226. A racing theater license does not  
24 entitle the racing theater licensee to conduct account wagering.

25 (3) The racing commissioner shall give preference to a race  
26 meeting licensee that is, or a racing corporation comprised of  
27 race meeting licensees that are, performing ongoing racing

## House Bill No. 4609 (H-2) as amended May 22, 2003

1 operations in determining which applicants shall receive a racing  
2 theater license. In deciding whether to issue a racing theater  
3 license for a subsequent year, the racing commissioner shall give  
4 preference to a current racing theater licensee that has not  
5 violated this act or any other law or ordinance related to the  
6 operation of the racing theater, including, but not limited to,  
7 laws relating to serving food or beverages or local zoning or  
8 other ordinances.

9 (4) The racing commissioner shall conduct an additional  
10 investigation of an applicant for a racing theater license that  
11 the racing commissioner determines is necessary.

12 (5) Before issuing a racing theater license, the racing  
13 commissioner shall inspect the facility where an applicant  
14 proposes to conduct off-track telecasting and off-track wagering  
15 and the equipment, including, but not limited to, the  
16 communication systems, the applicant proposes to use in  
17 conducting off-track telecasting and off-track wagering. If the  
18 license is approved, the license shall state the address at which  
19 the licensee will conduct off-track telecasting and off-track  
20 wagering. A racing theater licensee shall only conduct off-track  
21 telecasting and off-track wagering at the address stated in the  
22 license and shall only use equipment and communication systems  
23 approved by the racing commissioner.

24 Sec. 103. A racing theater shall not be located less than  
25 [25] miles from a licensed racetrack or another racing theater  
26 unless all race meeting licensees that conduct race meetings at  
27 the other racetrack or the other racing theater licensee waives

1 this restriction.

2       Sec. 104. A racing corporation may be formed by 2 or more  
3 race meeting licensees for the operation of 1 or more racing  
4 theaters.

5       Sec. 105. (1) A racing theater licensee may conduct  
6 pari-mutuel wagering by patrons on the results of horse races  
7 held in this state under this act or, if approved by the racing  
8 commissioner, on the results of horse races held in other  
9 states. No other method of betting, pool making, wagering, or  
10 gaming shall be used or permitted at licensed racing theaters.

11       (2) A racing theater licensee shall not knowingly accept a  
12 wager from an individual less than 18 years of age. An  
13 individual who is less than 18 years of age shall not place or  
14 attempt to place a wager at a racing theater.

15       (3) A racing theater licensee shall post a toll-free  
16 compulsive gaming helpline telephone number at each entrance and  
17 exit of the racing theater and at each location at the racing  
18 theater where wagers are accepted and shall include that number  
19 on all advertisement and promotional materials.

20       Sec. 106. A racing theater licensee shall televise and  
21 conduct off-track wagering on all horse races held in this state  
22 for which a televised signal is available. The licensee may use  
23 any racing information about the race available from the race  
24 meeting licensee conducting the horse race that is necessary to  
25 conduct off-track wagering. The racing theater licensee shall  
26 pay compensation to the race meeting licensee holding the race  
27 for the off-track telecast and the information. Compensation

1 under this subsection shall be a percentage of the money wagered  
2 on the horse race at the racing theater as approved by the racing  
3 commissioner.

4       Sec. 107. (1) The pari-mutuel system of wagering at a  
5 racing theater shall result in the combination of all off-track  
6 wagers placed at a racing theater on a horse race held in this  
7 state and all wagers included in the pari-mutuel wagering pool  
8 for the horse race at the race meeting where the race is held as  
9 required or allowed by this act so as to produce a common  
10 pari-mutuel wagering pool for the calculation of odds and the  
11 determination of payouts from the pool. The payout shall be the  
12 same for all winning tickets, regardless of where the wager is  
13 placed.

14       (2) With the approval of the racing commissioner, wagers on  
15 horse races conducted in other states may be pooled in 1 of the  
16 following manners:

17       (a) With other wagers on the race pooled at the racetrack  
18 where the race is held.

19       (b) With other wagers on the race pooled at the racetrack  
20 where the racing theater licensee conducts its race meeting.

21       (c) With other wagers on the race placed at other racing  
22 theaters.

23       (3) Wagers accepted by a racing theater licensee shall  
24 conform in denomination, character, terms, conditions, and all  
25 other respects to wagers accepted for the same race at the race  
26 meeting where the race is held. A racing theater may, with  
27 approval of the racing commissioner, establish and accept other

1 wager types on out-of-state races.

2 (4) A racing theater licensee shall retain a commission equal  
3 to the commission allowed under section 17. The racing theater  
4 licensee shall pay all breaks as required by section 17. The  
5 racing theater licensee shall pay the following from its  
6 commission:

7 (a) If the race wagered on is a live race held by the race  
8 meeting licensee, 43.1% of the commission to the agricultural  
9 enhancement purse pool and 6.9% of the commission to be  
10 distributed to breeders' awards under section 19b.

11 (b) If the race wagered on is a simulcast race, the state tax  
12 on wagering under section 22, the fee paid to the sending host  
13 track under section 18, 34.5% of the balance of the commission to  
14 the agricultural enhancement purse pool, and 5.5% of the balance  
15 of the commission to be distributed to breeders' awards under  
16 section 19b.

17 Sec. 108. (1) In addition to audits required by section 23,  
18 the racing commissioner shall audit racing theater operations.  
19 The expense of the audits shall be paid by the state as a part of  
20 the racing commissioner's budget. Daily audit reports on each  
21 day's off-track wagering shall be forwarded by the racing  
22 commissioner to the racing theater licensee on the day for which  
23 the report is made. The scope of the audits shall be established  
24 by the racing commissioner.

25 (2) An auditor conducting an audit required by subsection (1)  
26 shall have free and full access to all of the following:

27 (a) A facility, space, or enclosure where off-track wagering

1 is conducted.

2 (b) A calculating room where pay-off prices are calculated.

3 (c) A room or enclosure where totalisator equipment is  
4 operated.

5 (d) A money room and cashier terminals.

6 (e) All off-track wagering records.

7 (3) An auditor conducting an audit required by subsection (1)  
8 is responsible for all of the following:

9 (a) The accuracy of the calculations on which the pay-off  
10 prices to the public are based.

11 (b) The amount of racetrack commission, state tax, and  
12 breaks.

13 (c) The amount withheld for payment of uncashed tickets.

14 Enacting section 1. This amendatory act does not take  
15 effect unless all of the following bills of the 92nd Legislature  
16 are enacted into law:

17 (a) House Bill No. 4610.

18 (b) House Bill No. 4611.