

HOUSE BILL No. 4609

May 1, 2003, Introduced by Rep. Julian and referred to the Committee on Agriculture and Resource Management.

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending the title and sections 2, 8, 9, 10, 12, 16, 17, 23, and 25 (MCL 431.302, 431.308, 431.309, 431.310, 431.312, 431.316, 431.317, 431.323, and 431.325), sections 9, 10, and 12 as amended by 2000 PA 164 and section 17 as amended by 1998 PA 408, by adding a heading for article 1 and adding section 20a and articles 2 and 3.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to license and regulate the conducting of horse race meetings in this state with pari-mutuel wagering on the results of horse races and persons involved in horse racing and pari-mutuel gaming activities at such race meetings **and at off-track racing theaters**; to create the office of racing

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

17 **ARTICLE 1**

18 Sec. 2. As used in this act:

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

22 (b) ~~-(a)-~~ "Breaks" means the cents over ~~any~~ a multiple of
 23 10 otherwise payable to a patron on a wager of \$1.00.

24 (c) ~~-(b)-~~ "Certified horsemen's organization" means an
 25 organization registered with the office of racing commissioner in
 26 a manner and form required by the racing commissioner, that can
 27 demonstrate all of the following:

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

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

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

7 (iv) The organization's ability to protect the financial
8 interests of the individuals participating at licensed race
9 meetings.

10 (d) ~~(e)~~ "City area" means a city having a population of
11 750,000 or more, and includes the counties wholly or partly
12 within ~~a distance of~~ 30 miles of the city limits of the city.

13 (e) ~~(d)~~ "Controlled substance" means that term as defined
14 in section 7104 of the public health code, ~~Act No. 368 of the~~
15 ~~Public Acts of 1978, being section 333.7104 of the Michigan~~
16 ~~Compiled Laws~~ **1978 PA 368, MCL 333.7104.**

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

19 (g) ~~(f)~~ "Drug" means any of the following:

20 (i) A substance intended for use in the diagnosis, cure,
21 mitigation, treatment, or prevention of disease in humans or
22 other animals.

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

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

1 **(h)** ~~-(g)-~~ "Fair" means ~~any~~ a county, district, or
2 community fair ~~and any~~ or state fair.

3 **(i)** ~~-(h)-~~ "Foreign substance" means a substance, or its
4 metabolites, ~~which~~ **that** does not exist naturally in an
5 untreated horse or, if natural to an untreated horse, exists at
6 an unnaturally high physiological concentration as a result of
7 having been administered to the horse.

8 **(j)** ~~-(i)-~~ "Full card simulcast" means an entire simulcast
9 racing program of 1 or more race meet licensees located in this
10 state, or an entire simulcast racing program of 1 or more races
11 simulcasted from 1 or more racetracks located outside of this
12 state.

13 **(k)** "Multijurisdictional wagering hub" means a business
14 conducted in more than 1 jurisdiction that conducts pari-mutuel
15 wagering on horse races.

16 **(l)** "Off-track telecasting" means the telecasting of a live
17 horse race to a location other than a racetrack.

18 **(m)** "Off-track wagering" means wagering on the results of a
19 horse race at a location other than a racetrack.

20 **(n)** ~~-(j)-~~ "Person" means an individual, firm, partnership,
21 corporation, association, or other legal entity.

22 **(o)** ~~-(k)-~~ "Purse pool" means an amount of money allocated or
23 apportioned to pay prizes for horse races and from which payments
24 may be made to certified horsemen's organizations pursuant to
25 this act.

26 **(p)** "Racing theater" means an enclosed facility where
27 patrons may view off-track telecasting and engage in off-track

1 wagering on the results of the telecast horse races. A racing
2 theater may provide ancillary facilities, including, but not
3 limited to, parking and food and beverage service provided at the
4 viewing area.

5 (q) "Takeout" means the amount subtracted from a pari-mutuel
6 pool for commissions, fees, taxes, and other deductions before
7 calculating the odds and paying out winning wagers.

8 (r) ~~-(l)-~~ "Veterinarian" means a person licensed to practice
9 veterinary medicine under article 15 of the public health code,
10 ~~Act No. 368 of the Public Acts of 1978, being sections 333.16101~~
11 ~~to 333.18838 of the Michigan Compiled Laws~~ **1978 PA 368, MCL**
12 **333.16101 to 333.18838**, or under a state or federal law
13 applicable to that person.

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

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

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

26 (c) Track licenses issued to a person to maintain or operate
27 a racetrack at which 1 or more race meeting licensees may conduct

1 licensed race meetings in this state.

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

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

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

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

1 incorporation, and any other information required by the rules
2 promulgated under this act by the racing commissioner. Upon the
3 applicant's filing of the application and the payment of the
4 license fee, the racing commissioner shall investigate the
5 applicant and the racetrack or proposed racetrack as the racing
6 commissioner considers necessary. If the racing commissioner
7 determines that the applicant and the racetrack satisfy the
8 requirements of this act and the rules promulgated under this
9 act, the racing commissioner shall grant a license for the
10 racetrack, designating in the license the county or other
11 municipality in which the licensed racetrack shall be or is
12 located. If the racing commissioner determines that the
13 applicant or the racetrack, or both, do not comply with this act
14 and the rules promulgated under this act, the racing commissioner
15 shall deny the license. The action of the racing commissioner in
16 denying a track license may be reviewed by the circuit court
17 pursuant to section 631 of the revised judicature act of 1961,
18 1961 PA 236, MCL 600.631.

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

21 (5) After a track license is issued under this section, the
22 racing commissioner may impose a fine or suspend or revoke the
23 license if the holder of the license, after reasonable notice
24 from the racing commissioner, does not make necessary
25 improvements, additions, or corrections to the licensed premises,
26 fixtures, or equipment as determined and required by the racing
27 commissioner; if the holder of the license violates or is no

1 longer in compliance with the requirements of this act or the
2 rules promulgated under this act; or if the licensed premises are
3 not utilized to conduct a licensed race meeting for 2 consecutive
4 years. In addition to the suspension or revocation of the
5 license, the racing commissioner may impose a fine or bring an
6 action in circuit court seeking an order of the court requiring
7 the licensee to make reasonable and necessary racetrack
8 improvements or additions as determined by the commissioner if
9 the licensee fails to make improvements or corrections that
10 comply with the applicable construction code or local
11 ordinances. The action of the racing commissioner in suspending
12 or revoking a track license shall comply with the administrative
13 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and
14 ~~shall be~~ **is** subject to appeal.

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

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

21 ~~—— (8) A track license shall not be issued under this section if~~
22 ~~the new license would result in harmful competition among~~
23 ~~existing racetracks.~~

24 Sec. 10. (1) A person desiring to conduct a ~~thoroughbred,~~
25 ~~standardbred, quarter horse, Appaloosa, American paint horse, or~~
26 ~~Arabian race meeting, or a combination of these race meetings~~
27 **race meeting, including a race meeting conducted with a**

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

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

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

22 (c) Specify the horse breed **or breeds** for which the applicant
23 desires to conduct live racing at the proposed race meeting, and
24 the days on which the applicant proposes to conduct live horse
25 racing at the race meeting.

26 (d) Specify the time period during which the applicant
27 requests to be licensed during the calendar year immediately

1 following the date of application.

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

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

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

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

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

16 (2) Upon the filing of the application for a race meeting
17 license, the racing commissioner shall conduct an investigation
18 of the applicant and the application to determine whether the
19 applicant, application, and proposed race meeting comply with the
20 licensing requirements under this act and the rules promulgated
21 under this act. ~~Unless a different agreement is reached by all
22 the race meeting licensees in a city area, a race meeting
23 licensee shall not conduct a live thoroughbred horse race after
24 6:45 p.m. on any day except Sunday. Unless a different agreement
25 is reached by all the race meeting licensees in a city area, a
26 race meeting licensee shall not conduct a live standardbred horse
27 race before 6:45 p.m. on any day except Sunday. Notwithstanding~~

1 ~~the 6:45 p.m. time restrictions, the commissioner, upon request~~
2 ~~by a race meeting licensee, may grant to the race meeting~~
3 ~~licensee a race meeting license authorizing any of the~~
4 ~~following:~~

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

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

13 ~~—— (c) The licensee to conduct live horse racing programs after~~
14 ~~6:45 p.m., if the licensee is not in a city area and is 75 miles~~
15 ~~or more from the nearest race meeting licensee authorized to~~
16 ~~conduct live horse racing.~~

17 Sec. 12. (1) Each applicant for a thoroughbred, quarter
18 horse, Appaloosa, American paint horse, or Arabian license in a
19 county located outside of a city area shall apply to conduct at
20 least 45 days of live thoroughbred, quarter horse, Appaloosa,
21 American paint horse, or Arabian horse racing during its **proposed**
22 race meeting. Except during the opening and closing week of a
23 race meeting, the applicant shall apply to conduct live racing at
24 least 3 days per week, including Saturdays and Sundays, with not
25 less than 9 live horse races programmed, and shall conduct live
26 racing programs on ~~such~~ **the** days ~~allocated by the racing~~
27 ~~commissioner~~ **awarded**.

1 ~~(2) Each applicant for a thoroughbred, quarter horse,~~
2 ~~Appaloosa, American paint horse, or Arabian race meeting license~~
3 ~~in a city area shall apply to conduct at least 160 days of live~~
4 ~~thoroughbred, quarter horse, Appaloosa, American paint horse, or~~
5 ~~Arabian horse racing during its proposed race meeting. Except~~
6 ~~during the opening and closing week of a race meeting, the~~
7 ~~applicant shall apply to conduct live racing at least 5 days per~~
8 ~~week, including Saturdays and Sundays, with not less than 9 live~~
9 ~~horse races programmed, and shall conduct live racing programs on~~
10 ~~such days allocated by the racing commissioner.~~

11 (2) ~~(3)~~ Each applicant for a standardbred race meeting
12 license in a county having a population of less than 250,000 and
13 that is not part of a city area shall apply to conduct at least
14 75 days of live standardbred harness horse racing during its
15 proposed race meeting. Except during the opening and closing
16 week of a race meeting, the applicant shall apply to conduct live
17 horse racing at least 4 days per week, including Saturdays, with
18 not less than 9 live horse races programmed, and shall conduct
19 live racing programs on ~~such~~ **the** days awarded.

20 (3) ~~(4)~~ Each applicant for a standardbred race meeting
21 license in a county having a population greater than 250,000 but
22 less than 750,000 and that is not part of a city area shall apply
23 to conduct at least 100 days of live standardbred harness horse
24 racing during its proposed race meeting. Except during the
25 opening and closing week of a race meeting, the applicant shall
26 apply to conduct live racing at least 4 days per week, including
27 Saturdays, with not less than 9 live horse races programmed, and

1 shall conduct live racing programs on ~~such~~ **the** days awarded.

2 **(4)** ~~(5)~~ Each applicant for a ~~standardbred~~ race meeting
3 license in a city area shall apply to conduct during its race
4 meeting ~~no less than the following number of live racing days:~~

5 ~~—— (a) The race meeting applicant with the highest pari-mutuel~~
6 ~~handle in the previous calendar year shall apply for no less than~~
7 ~~140 days of live racing and the applicant shall apply to conduct~~
8 ~~live racing at least 5 days per week, including Saturdays, with~~
9 ~~not less than 9 live horse races programmed and shall conduct~~
10 ~~live racing programs on the days awarded.~~

11 ~~—— (b) All other applicants shall apply for not less than an~~
12 ~~aggregate total of~~ at least 120 days of live racing ~~and the~~
13 ~~applicants~~ **during its proposed race meeting. The applicant**
14 shall apply to conduct live racing at least 5 days per week,
15 including Saturdays, with not less than 9 live horse races
16 programmed and shall conduct live racing programs on the days
17 awarded.

18 **(5) Each applicant for a license to conduct races of a**
19 **combination of horse breeds shall apply to conduct at least 160**
20 **days of live horse racing during its proposed race meeting. The**
21 **applicant shall apply to conduct live racing at least 5 days per**
22 **week, including Saturdays and Sundays, with not less than 9 live**
23 **horse races programmed, and shall conduct live racing programs on**
24 **the days awarded.**

25 **(6) If a race meeting licensee is unable to program and**
26 **conduct 9 live horse races on** ~~any~~ **a racing date** ~~that the~~
27 ~~commissioner allocates~~ **awarded** to the licensee because there are

1 ~~less~~ **fewer** than 5 entries in any race, the licensee shall not
2 conduct any simulcasting on that day without the written consent
3 of the certified horsemen's organization with which it has a
4 contract.

5 (7) If a race meeting licensee is unable to conduct racing
6 on ~~any~~ **a** live racing ~~dates allocated~~ **date awarded** to the
7 licensee ~~by the racing commissioner or less~~ **or fewer** than 9
8 live horse races on ~~any allocated~~ **an awarded** live racing
9 ~~dates~~ **date** because of a labor dispute, fire, adverse weather
10 conditions, or other ~~causes~~ **cause** beyond the race meeting
11 licensee's control, then the race meeting licensee is considered
12 to have conducted those races or race days for purposes of this
13 act and is not precluded from conducting any simulcasts because
14 of the licensee's inability to conduct those live races or race
15 dates.

16 (8) Intertrack simulcast races that a race meeting licensee
17 contracts to receive from other racetracks that are canceled for
18 any of the reasons described in subsection (7) shall be
19 considered to be offered to the public for purposes of this act.

20 (9) If an entire race meeting or the balance of a race
21 meeting and racing dates allocated to a licensee cannot be raced
22 due to an act of God or significant physical damage to the
23 licensed racetrack at which the race meeting was licensed to be
24 conducted caused by fire or some other catastrophe, the racing
25 commissioner may transfer those dates to another race meeting
26 licensee upon application of the substitute licensee if the
27 substitute licensee satisfies the requirements for licensure

1 under this act and demonstrates that it has or will have a legal
2 or contractual right to the use of a different licensed racetrack
3 facility on the racing dates in question, and all race meeting
4 licensees that will be conducting live racing on ~~such~~ **those**
5 dates within 50 miles of the substitute racetrack consent to the
6 transfer.

7 Sec. 16. (1) Each person participating in or having to do
8 with pari-mutuel horse racing or pari-mutuel wagering on the
9 results of horse races at a licensed race meeting **or at a race**
10 **theater**, including, but not limited to, all racing officials,
11 veterinarians, pari-mutuel clerks or tellers, totalisator company
12 employees, security guards, timers, horse owners, jockeys,
13 drivers, apprentices, exercise riders, authorized agents,
14 trainers, grooms, valets, owners of stables operating under an
15 assumed name, jockey agents, pony riders, hot walkers,
16 blacksmiths, starting gate employees, owners and operators of
17 off-track training centers, farms or stables where racehorses are
18 kept, and vendors operating within the barn area of a licensed
19 racetrack or off-track training center, farm, or stable where
20 racehorses are kept may be licensed by the racing commissioner
21 pursuant to rules promulgated by the racing commissioner under
22 this act. The racing commissioner shall not issue an
23 occupational license to a person who, within the 6 years
24 immediately preceding the date of the person's application for
25 the occupational license, was convicted of a felony involving
26 theft, dishonesty, misrepresentation, fraud, corruption, drug
27 possession, delivery, or use, or other criminal misconduct that

1 is related to the person's ability **to** and likelihood ~~to~~ **that**
2 **the person will** perform the functions and duties of the racing
3 related occupation for which the person seeks to be licensed and
4 participate in pari-mutuel horse racing in that licensed
5 occupation in a fair, honest, open, and lawful manner. The
6 racing commissioner shall not issue a pari-mutuel occupational
7 license to a person who, within 2 years immediately preceding the
8 date of the person's application for the occupational license,
9 was convicted of a misdemeanor involving theft, dishonesty,
10 misrepresentation, fraud, corruption, drug possession, delivery,
11 or use, or other criminal misconduct that is related to the
12 person's ability **to** and likelihood ~~to~~ **that the person will**
13 perform the functions and duties of the racing related occupation
14 for which the person seeks to be licensed and participate in
15 pari-mutuel horse racing in that licensed occupation in a fair,
16 honest, open, and lawful manner.

17 (2) A veterinarian is not required to be licensed under this
18 act to provide necessary and appropriate emergency veterinary
19 care or treatment to any horse that is intended to be entered, is
20 entered, or participates in a race with wagering by pari-mutuel
21 methods or a nonbetting race or workout conducted at a licensed
22 race meeting in this state. For purposes of this section,
23 "emergency veterinary care or treatment" means care or treatment
24 necessary and appropriate to save the life of a horse or prevent
25 permanent physical injury or damage to a horse in a situation
26 requiring immediate veterinary action. Only veterinarians
27 licensed under this act may provide nonemergency veterinary care

1 or treatment to a horse in this state that is intended to be
2 entered, is entered, or participates in races at licensed race
3 meetings in this state. Only persons licensed under this act or
4 otherwise authorized by the racing commissioner may enter the
5 restricted grounds of a licensed race meeting where horses are
6 kept that are eligible to race at the race meeting. For the
7 purposes of this section and sections 30 and 31, a horse that is
8 intended to be entered is a horse that has its name put into the
9 draw for a specific race, and a horse that is entered in a race
10 is a horse that has been drawn into a specific race.

11 (3) As conditions precedent to being issued and holding a
12 valid pari-mutuel occupational license, a license applicant shall
13 disclose, in writing, any ownership interest that the applicant
14 has in a racehorse ~~in addition to~~ **and provide any** other
15 information the racing commissioner considers necessary and
16 proper, including fingerprints of occupational license applicants
17 and proof of compliance with the worker's disability compensation
18 act of 1969, ~~Act No. 317 of the Public Acts of 1969, being~~
19 ~~sections 418.101 to 418.941 of the Michigan Compiled Laws 1969~~
20 **PA 317, MCL 418.101 to 418.941**, except that **the** proof of
21 compliance requirement does not apply to horse owners and
22 trainers not covered under section 115 of ~~Act No. 317 of the~~
23 ~~Public Acts of 1969, being section 418.115 of the Michigan~~
24 ~~Compiled Laws~~ **the worker's disability compensation act of 1969,**
25 **1969 PA 317, MCL 418.115.**

26 (4) In addition to the requirements of subsection (3), an
27 applicant for a pari-mutuel occupational license shall consent,

1 upon application and for the duration of the occupational
2 license, if issued, to all of the following:

3 (a) Personal inspections, inspections of the applicant's
4 personal property, and inspections of premises and property
5 related to his or her participation in a race meeting by persons
6 authorized by the racing commissioner.

7 (b) If the applicant is applying for a racing official,
8 jockey, driver, trainer, or groom license, or for any other
9 license for an occupation that involves contact with or access to
10 the racehorses or the barn areas or stables where racehorses are
11 kept, ~~then the applicant shall agree as a condition of licensure~~
12 ~~to submit for the duration of the license period to a~~
13 ~~breathalyzer test, urine test, or other noninvasive fluid test to~~
14 ~~detect the presence of alcohol or a controlled substance, as~~
15 ~~defined in section 7104 of the public health code, Act No. 368 of~~
16 ~~the Public Acts of 1978, being section 333.7104 of the Michigan~~
17 ~~Compiled Laws,~~ if directed to do so by the racing commissioner
18 or his or her representative. If the results of a test show that
19 an occupational licensee has more than .05% of alcohol in his or
20 her blood, or has present in his or her body a controlled
21 substance, the person shall not be permitted to continue in his
22 or her duties or participate in horse racing until he or she can
23 produce, at his or her own expense, a negative test result. The
24 licensee may be penalized by the racing commissioner for his or
25 her positive test results, which may include any disciplinary
26 action authorized by this act or rules promulgated under this
27 act. This subsection does not apply to a controlled substance

1 obtained directly from, or pursuant to a valid prescription from,
2 a licensed health care provider, except that the racing
3 commissioner may consider the person's medical need for
4 prescribed controlled substances in determining the person's
5 fitness to be licensed to participate in pari-mutuel horse
6 racing. The racing commissioner shall suspend for not less than
7 1 year the license of a person who for the third time in a period
8 of not more than 6 consecutive years is relieved of his or her
9 duties ~~for the reasons prescribed in~~ **because of** this
10 subsection.

11 (5) A person who is issued a pari-mutuel occupational license
12 as a trainer is responsible for and absolute insurer of the
13 condition, fitness, eligibility, and qualification of the horses
14 entered to race for the person by whom the trainer is employed,
15 except as prescribed by the rules promulgated by the racing
16 commissioner under this act. This subsection shall not be
17 construed or interpreted to determine civil tort liability of any
18 racehorse owner or trainer but shall be for purposes of
19 enforcement of this act only. A trainer shall not start a horse
20 that has in its body a drug or foreign substance unless permitted
21 pursuant to section 30 and the rules promulgated under that
22 section. A trainer is strictly liable and subject to
23 disciplinary action if a horse under the trainer's actual or
24 apparent care and control as trainer has a drug or foreign
25 substance in its body, in violation of section 30 and the rules
26 promulgated under that section.

27 (6) Upon the filing of a written complaint, under oath, in

1 the office of the racing commissioner, or upon the written motion
2 of the racing commissioner regarding the actions or omissions of
3 a person issued a pari-mutuel occupational license, the racing
4 commissioner may summarily suspend the occupational license of
5 the person for a period of not more than 90 days pending a
6 hearing and final determination by the racing commissioner
7 regarding the acts or omissions complained of in the written
8 complaint or motion, if the commissioner determines from the
9 complaint or motion that the public health, safety, or welfare
10 requires emergency action. The racing commissioner shall
11 schedule the complaint or motion to be heard within 14 business
12 days after the occupational license is summarily suspended and
13 notify the holder of the occupational license of the date, time,
14 and place of the hearing not less than 5 days before the date of
15 the hearing. The hearing shall be conducted in accordance with
16 the contested case provisions of the administrative procedures
17 act of 1969, ~~Act No. 306 of the Public Acts of 1969, being~~
18 ~~sections 24.201 to 24.328 of the Michigan Compiled Laws 1969 PA~~
19 **306, MCL 24.201 to 24.328.** The action of the racing commissioner
20 in revoking or suspending a pari-mutuel occupational license may
21 be appealed to the circuit court pursuant to ~~Act No. 306 of the~~
22 ~~Public Acts of 1969~~ **the administrative procedures act of 1969,**
23 **1969 PA 306, MCL 24.201 to 24.328.** If the racing commissioner's
24 order is predicated upon a series of acts, the review by the
25 circuit court may be in the county in which any of the alleged
26 acts or failures to act took place.

27 (7) A decision by the racing commissioner or ~~his or her~~

1 ~~deputies or appointed state stewards~~ **a deputy commissioner or**
2 **state steward** of racing to deny an application for an
3 occupational license may be appealed to the circuit court and
4 reviewed pursuant to section 631 of the revised judicature act of
5 1961, ~~Act No. 236 of the Public Acts of 1961, being section~~
6 ~~600.631 of the Michigan Compiled Laws~~ **1961 PA 236, MCL 600.631.**

7 A suspension or revocation of an occupational license may be
8 appealed and reviewed pursuant to the administrative procedures
9 act of 1969, ~~Act No. 306 of the Public Acts of 1969, being~~
10 ~~sections 24.201 to 24.328 of the Michigan Compiled Laws~~ **1969 PA**
11 **306, MCL 24.201 to 24.328.**

12 (8) Each pari-mutuel occupational licensee shall pay a
13 license fee of not less than \$10.00 or more than \$100.00 as
14 determined by the racing commissioner.

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

21 (2) A holder of a race meeting license may provide a place in
22 the race meeting grounds or enclosure at which he or she may
23 conduct and supervise the pari-mutuel system of wagering on the
24 results of horse races as permitted by this act. If the
25 pari-mutuel system of wagering is used at a race meeting, a
26 totalisator or other device that is equal in accuracy and
27 clearness to a totalisator and approved by the racing

1 commissioner shall be used. The odds display of the totalisator
2 or other device shall be placed in full view of the patrons.

3 (3) Subject to section 18(3), each holder of a race meeting
4 license shall retain as his or her commission on all forms of
5 straight wagering 17% of all money wagered involving straight
6 wagers on the results of live and simulcast horse races conducted
7 at the licensee's race meetings. Subject to section 18(3), each
8 holder of a race meeting license shall retain as his or her
9 commission on all forms of multiple wagering, without the written
10 permission of the racing commissioner not more than 28% and with
11 the written permission of the racing commissioner not more than
12 35% of all money wagered involving any form of multiple wager on
13 the results of live and simulcast horse races conducted at the
14 licensee's race meeting. Except as otherwise provided by
15 contract, 50% of all commissions from wagering on the results of
16 live racing at the racetrack where the live racing was conducted
17 shall be paid to the horsemen's purse pool at the racetrack where
18 the live racing was conducted. As used in this subsection:

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

21 (b) "Multiple wagering" means a wager made on the finishing
22 positions of more than 1 horse in a specified race or the
23 finishing positions of 1 or more horses in more than 1 specified
24 race.

25 (4) All breaks shall be retained by the race meeting licensee
26 and paid directly to the city or township in which the racetrack
27 is located as a fee for services provided pursuant to section

1 21.

2 (5) Payoff prices of tickets of a higher denomination shall
3 be calculated as even multiples of the payoff price for a \$1.00
4 wager. Each holder of a race meeting license shall distribute to
5 the persons holding winning tickets, as a minimum, a sum not less
6 than \$1.10 calculated on the basis of each \$1.00 deposited in a
7 pool, except that each race meeting licensee may distribute a sum
8 of not less than \$1.05 to persons holding winning tickets for
9 each \$1.00 deposited in a minus pool. As used in this
10 subsection, "minus pool" means any win, place, or show pool in
11 which the payout would exceed the total value of the pool.

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

15 (7) ~~Any~~ **Except as authorized under article 2 or 3, an** act
16 or transaction relative to pari-mutuel wagering on the results of
17 live or simulcast horse races shall only occur or be permitted to
18 occur within the enclosure of a licensed race meeting. ~~A~~
19 **Except as authorized under article 2 or 3, a** person shall not
20 participate or be a party to any act or transaction relative to
21 placing a wager or carrying a wager for placement outside of a
22 race meeting ground. A person shall not provide messenger
23 service for the placing of a bet for another person who is not a
24 patron. However, this subsection does not prevent simulcasting,
25 **wagering at racing theaters, telephone or other electronic**
26 **account wagering,** or intertrack or interstate common pool
27 wagering inside or outside this state as permitted by this act or

1 the rules promulgated under this act.

2 Sec. 20a. Money paid to the racing commissioner under
3 sections 57 and 91 of the McCauley-Traxler-Law-Bowman-McNeeley
4 lottery act, 1972 PA 239, MCL 432.57 and 432.91, shall be
5 distributed by the racing commissioner as follows:

6 (a) Fifty-four percent to race meeting licensees, the portion
7 paid to a licensee being equal to the percentage of the total
8 amount wagered in video lottery and keno games in this state for
9 the previous year that was wagered in video lottery and keno
10 games conducted by the licensee.

11 (b) Twenty-three percent to pay regular purses at race
12 meetings in this state, the portion paid to a race meeting
13 licensee being equal to the percentage of the total amount
14 wagered under this act on horse races held in this state that was
15 wagered on horse races held by the licensee.

16 (c) Three percent to pay breeders awards at race meetings in
17 this state, the portion paid to a race meeting licensee being
18 equal to the percentage of the total amount wagered under this
19 act on horse races held in this state that was wagered on horse
20 races held by the licensee.

21 (d) Twenty percent to the department of agriculture, to be
22 expended as appropriated by the legislature.

23 Sec. 23. (1) The auditing of pari-mutuel operations at each
24 race meeting, at racing theaters, and by telephone or electronic
25 account wagering shall be performed by a private auditing firm
26 appointed by the state treasurer and approved by the racing
27 commissioner. The expense of pari-mutuel audits shall be paid by

1 the state as a part of the state treasurer's budget. Daily audit
2 reports on each day of pari-mutuel racing shall be forwarded to
3 the racing commissioner and the holder of the race meeting
4 license not later than 2 business days after the day for which
5 the report is made. Within 60 days following each race meeting,
6 at least 3 copies of the pari-mutuel audit report for the entire
7 race meeting shall be forwarded to the racing commissioner and
8 additional copies shall be supplied to the state treasurer and
9 the holder of the race meeting license. The scope of the
10 pari-mutuel audits shall be established in specifications
11 prepared by the state treasurer and approved by the racing
12 commissioner.

13 (2) The auditors representing the state shall have free and
14 full access to ~~the~~ a space or enclosure where ~~the~~ payoff
15 prices are calculated, to ~~the~~ rooms and enclosures where ~~the~~
16 totalisator equipment is operated, ~~and~~ to ~~the~~ money rooms and
17 cashier terminals, and **to areas under the control of a licensee**
18 **where telephone or electronic account wagering is conducted or**
19 **equipment used in telephone or electronic account wagering is**
20 **located. The auditors** shall be responsible for verifying the
21 accuracy of the calculations on which are based the payoff prices
22 to the public and amount of racetrack commission, state tax and
23 breakage, and for **verifying** the amounts withheld by the holder of
24 the race meeting license for payment of uncashed tickets. The
25 auditors at all times shall have full and free access to all
26 pari-mutuel records and all aspects, areas, and functions of
27 ~~the~~ a totalisator system, including, but not limited to, all

1 hardware, software, input and output data, documents, and files.
2 The auditors may audit internally and externally any or all parts
3 and elements of ~~the~~ a totalisator system whether on or off the
4 site of ~~the~~ a race meeting grounds **or a racing theater**. If the
5 records are maintained in a machine-readable form, such as
6 computer tapes or disks, copies shall be made available to the
7 auditors on request. The auditors, in addition to their regular
8 reports, shall make prompt report to the racing commissioner, the
9 state treasurer, and the holder of the race meeting license of
10 any irregularities or discrepancies which they may encounter
11 during their auditing.

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

16 Sec. 25. To the extent information is disclosed by any race
17 meeting licensee **or multijurisdictional wagering hub** under this
18 act regarding the name, address, or any other personal
19 information, including financial information, of any patron of
20 the licensee **or multijurisdictional wagering hub**, neither the
21 office of the racing commissioner nor any other governmental
22 authority to whom disclosure has been made shall disclose that
23 information. All information provided to the office of racing
24 commissioner or any other governmental authority by a race
25 meeting licensee, **racing theater licensee, or multijurisdictional**
26 **wagering hub** that in any manner discloses the name, address, or
27 any other personal information, including financial information,

1 of any patron of the licensee **or hub** is considered confidential,
2 and is not subject to disclosure under the freedom of information
3 act, ~~Act No. 442 of the Public Acts of 1976, being sections~~
4 ~~15.231 to 15.246 of the Michigan Compiled Laws~~ 1976 PA 442, MCL
5 15.231 to 15.246.

6 ARTICLE 2

7 Sec. 51. As used in this article:

8 (a) "Account holder" means the race meeting licensee or
9 multijurisdictional wagering hub that has established a wagering
10 account for an individual.

11 (b) "Account owner" means the individual who has established
12 a wagering account with a race meeting licensee or
13 multijurisdictional wagering hub.

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

18 Sec. 52. A person shall not conduct or participate in
19 account wagering in this state unless the account wagering is
20 conducted in accordance with this act.

21 Sec. 53. (1) The racing commissioner may authorize a race
22 meeting licensee to conduct account wagering. The licensee shall
23 submit to the racing commissioner a full description of how its
24 proposed account wagering system will operate. If authorized, a
25 licensee shall not change the operation of its account wagering
26 system without approval from the racing commissioner. The racing
27 commissioner may conduct investigations or inspections or request

1 additional information from the licensee as the racing
2 commissioner determines necessary to determine whether to approve
3 an application.

4 (2) The racing commissioner may authorize a race meeting
5 licensee to contract with 1 or more persons to operate the
6 licensee's account wagering. The prohibitions and obligations
7 imposed on a race meeting licensee by this article and rules
8 promulgated under this article apply to a person that contracts
9 with the licensee under this subsection. A licensee that
10 contracts with a person under this subsection remains responsible
11 for all obligations and duties under this article and rules
12 promulgated under this article.

13 (3) A race meeting licensee that has been authorized to
14 conduct account wagering may begin to conduct account wagering 90
15 days after the first day of horse racing completed by the
16 licensee after the authority is granted.

17 (4) Authorization under this section is valid for the
18 remainder of the licensee's race meeting license. The
19 authorization may be extended for a succeeding year in
20 conjunction with the licensee's race meeting license. If the
21 authorization is extended, subsection (3) does not apply.

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

26 (6) A race meeting licensee's authority to conduct account
27 wagering may be suspended or revoked if the racing commissioner

1 determines that the licensee or its employees or agents have
2 violated this act or rules promulgated under this act. A race
3 meeting licensee's authority to conduct account wagering shall be
4 revoked if the licensee stops conducting its race meeting as
5 allocated by the racing commissioner.

6 Sec. 54. (1) The racing commissioner may license 1 or more
7 multijurisdictional wagering hubs to conduct account wagering in
8 this state.

9 (2) The racing commissioner shall not license a
10 multijurisdictional wagering hub to conduct account wagering in
11 this state unless the racing commissioner determines that the
12 multijurisdictional wagering hub has established satisfactory
13 security access policies and safeguards, including, but not
14 limited to, all of the following:

15 (a) The multijurisdictional wagering hub shall use an
16 independent third party that has been approved by the racing
17 commissioner to perform identity, residence, and age verification
18 services with respect to individuals applying to establish a
19 wagering account.

20 (b) The multijurisdictional wagering hub shall use personal
21 identification numbers and other technologies to assure that only
22 the account holder has access to the wagering account.

23 (c) The multijurisdictional wagering hub shall provide for
24 withdrawals from the wagering account only by a check made
25 payable to the account holder and sent to the address of the
26 account holder, by an electronic transfer to an account held by
27 the account holder, or by withdrawal of money from the wagering

1 account by the account holder at a facility approved by the
2 racing commissioner by presenting verifiable personal and account
3 identification information.

4 (d) The multijurisdictional wagering hub shall allow the
5 racing commissioner access to its premises to visit, investigate,
6 and place expert accountants and other persons the racing
7 commissioner determines necessary to ensure that this act and
8 rules promulgated under this act are strictly complied with.

9 (3) A multijurisdictional wagering hub that has been licensed
10 to conduct account wagering in this state shall not conduct
11 account wagering less than 90 days after the license is issued.

12 (4) A license issued under this section is valid for the
13 remainder of the calendar year. The license, and any subsequent
14 extensions of the license, may be extended for a succeeding
15 year. The license may be suspended or revoked if the racing
16 commissioner determines that the multijurisdictional wagering hub
17 or its employees or agents have violated this act or rules
18 promulgated under this act.

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

24 (2) An individual shall not apply for or establish a wagering
25 account unless the individual is 18 years of age. A race meeting
26 licensee or multijurisdictional wagering hub shall not knowingly
27 establish a wagering account for an individual who is less than

1 18 years of age.

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

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

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

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

24 (a) Cash given to a pari-mutuel clerk or teller employed by
25 the account holder within the racetrack enclosure where the
26 account holder conducts race meetings.

27 (b) A negotiable instrument drawn on an account as "account"

1 is defined in section 4104 of the uniform commercial code, 1962
2 PA 174, MCL 440.4104.

3 (c) A charge to an account holder's debit or credit card at
4 the holder's direct and personal instruction, which may be given
5 by telephone or the internet to the licensee by the holder if the
6 use of the card has been approved by the racing commissioner.

7 (2) Credit for winnings from wagers placed with funds in a
8 wagering account and credit for account wagers on horses that are
9 scratched shall be posted to the account by the race meeting
10 licensee.

11 Sec. 57. (1) On receipt by an account holder of a wager
12 placed with funds from a wagering account held by the account
13 holder, the account holder shall debit the account in the amount
14 of the wager.

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

18 (a) The account owner is present at the racetrack where the
19 licensee conducts its race meetings and provides all of the
20 following:

21 (i) Proper identification.

22 (ii) The correct personal identification number assigned
23 under section 55.

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

26 (b) The account owner sends a properly completed and executed
27 withdrawal slip on a form approved by the racing commissioner to

1 the licensee at the racetrack where the licensee conducts its
2 race meetings. On receipt of a properly completed and executed
3 withdrawal slip, and if there are sufficient funds in the account
4 to cover the withdrawal, the licensee shall, within 2 business
5 days of receipt, send a check to the holder at the address
6 specified in the application for the wagering account. The check
7 shall be payable to the account owner and in the amount of the
8 requested withdrawal.

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

11 (2) An account owner placing an account wager shall provide
12 the account holder with the correct personal identification
13 number assigned under section 55.

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

18 (4) A race meeting licensee authorized to conduct account
19 wagering shall not accept an account wager at a site that is not
20 within the enclosure of the racetrack where the licensee conducts
21 its race meetings.

22 (5) Only employees of a race meeting licensee who are
23 authorized to conduct account wagering and licensed under section
24 16 may operate the licensee's authorized account wagering.

25 (6) An individual shall not directly or indirectly make an
26 account wager as an intermediary, transmitter, or agent for an
27 account owner, including, but not limited to, placing a wager

1 using a system, sometimes referred to as a transfer account or
2 master account, whereby funds are deposited to a wagering account
3 from another wagering account or other account. This subsection
4 does not prohibit the use of credit or debit cards specifically
5 approved by the racing commissioner, checks, money orders, or
6 negotiable orders of withdrawal.

7 (7) A race meeting licensee or multijurisdictional wagering
8 hub that conducts account wagering by the internet or other
9 electronic method that involves a visual display of information
10 shall display a toll-free compulsive gaming helpline number at
11 its website in a conspicuous manner approved by the racing
12 commissioner and shall include that number on all advertisement
13 and promotional materials.

14 Sec. 59. (1) A race meeting licensee authorized or a
15 multijurisdictional wagering hub licensed to conduct account
16 wagering in this state shall, as required by the racing
17 commissioner, comply with applicable auditing requirements of
18 section 23 and provide a full accounting and verification of the
19 source of wagers made, in the form of a daily download of data to
20 a database designated by the racing commissioner.

21 (2) A race meeting licensee authorized or a
22 multijurisdictional wagering hub licensed to conduct account
23 wagering in this state shall only conduct account wagering with
24 communications systems or other equipment that has been approved
25 by the racing commissioner.

26 (3) The racing commissioner may promulgate rules as
27 authorized in section 7 to implement this article. The rules

1 promulgated under this section shall do all of the following:

2 (a) Establish standards for authorizing race meeting
3 licensees and licensing multijurisdictional wagering hubs to
4 conduct account wagering.

5 (b) Procedures for suspending or revoking authorization
6 granted and licenses issued under this article.

7 (c) Establishing application or license fees, or both.

8 (d) Anything else that the racing commissioner, in his or her
9 discretion, determines is necessary.

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

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

14 (b) If the wager is on a simulcast race under section 18, the
15 appropriate race meeting licensee as determined by section
16 18(3).

17 (2) Money placed in a pari-mutuel pool from account wagers is
18 subject to the same takeout as the takeout of a race meeting
19 licensee under article 1.

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

23 ARTICLE 3

24 Sec. 101. (1) The racing commissioner shall promulgate
25 rules under the administrative procedures act of 1969, 1969
26 PA 306, MCL 24.201 to 24.328, as necessary to implement this
27 article.

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

3 (a) The method of application for and conditions of issuing a
4 racing theater license.

5 (b) The procedure for suspending or revoking a racing theater
6 license.

7 (c) The establishment of application fees, license fees, or
8 both.

9 (d) Standards and requirements for commissioner approval of
10 racing theater facilities.

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

13 (f) Specifications concerning the scope of audits performed
14 under section 108.

15 Sec. 102. (1) The racing commissioner may issue not more
16 than 15 racing theater licenses each year. A racing theater
17 license is valid for 1 year. For the first year that a race
18 meeting licensee or racing corporation is licensed to operate a
19 racing theater, the licensee or corporation may begin to operate
20 the racing theater 90 days after the first day of horse racing
21 completed by the licensee or, if the racing theater licensee is a
22 racing corporation, by all licensees that make up the corporation
23 after the racing theater license is granted.

24 (2) A racing theater license shall only be issued to a race
25 meeting licensee, to a racing corporation formed under section
26 104, or to a person licensed to conduct casino gaming under the
27 Michigan gaming control and revenue act, the Initiated Law of

1 1996, MCL 432.201 to 432.226.

2 (3) The racing commissioner shall give preference to a race
3 meeting licensee that is, or a racing corporation comprised of
4 race meeting licensees that are, performing ongoing racing
5 operations in determining which applicants shall receive a racing
6 theater license. In deciding whether to issue a racing theater
7 license for a subsequent year, the racing commissioner shall give
8 preference to current racing theater licensees that have not
9 violated this act or any other law or ordinance related to the
10 operation of the racing theater, including, but not limited to,
11 laws relating to serving food or beverages or local zoning or
12 other ordinances.

13 (4) The racing commissioner shall conduct an additional
14 investigation of an applicant for a racing theater license that
15 the racing commissioner determines is necessary.

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

1 Sec. 103. A racing theater shall not be located less than
2 10 miles from a licensed racetrack or another racing theater
3 unless all race meeting licensees that conduct race meetings at
4 the other racetrack or the other racing theater licensee waives
5 this restriction.

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

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

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

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

24 Sec. 106. A racing theater licensee shall televise and
25 conduct off-track wagering on all horse races held in this state
26 for which a televised signal is available. The licensee may use
27 any racing information about the race available from the race

1 meeting licensee conducting the horse race that is necessary to
2 conduct off-track wagering. The racing theater licensee shall
3 pay compensation to the race meeting licensee holding the race
4 for the off-track telecast and the information. Compensation
5 under this subsection shall be a percentage of the money wagered
6 on the horse race at the racing theater as approved by the racing
7 commissioner.

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

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

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

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

25 (c) With other wagers on the race placed at other racing
26 theaters.

27 (3) Wagers accepted by a racing theater licensee shall

1 conform in denomination, character, terms, conditions, and all
2 other respects to wagers accepted for the same race at the race
3 meeting where the race is held. A racing theater may, with
4 approval of the racing commissioner, establish and accept other
5 wager types on out-of-state races.

6 (4) The takeout at a racing theater shall be the same as the
7 takeout of a race meeting licensee under article 1.

8 Sec. 108. (1) The racing commissioner shall audit racing
9 theater operations. The expense of the audits shall be paid by
10 the state as a part of the racing commissioner's budget. Daily
11 audit reports on each day's off-track wagering shall be forwarded
12 by the racing commissioner to the racing theater licensee on the
13 day for which the report is made. The scope of the audits shall
14 be established by the racing commissioner.

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

17 (a) A facility, space, or enclosure where off-track wagering
18 is conducted.

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

20 (c) A room or enclosure where totalisator equipment is
21 operated.

22 (d) A money room and cashier terminals.

23 (e) All off-track wagering records.

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

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

1 **(b) The amount of racetrack commission, state tax, and**
2 **breaks.**

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

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

7 (a) Senate Bill No. _____ or House Bill No. 4610
8 (request no. 02855'03).

9 (b) Senate Bill No. _____ or House Bill No. 4611
10 (request no. 02855'03 a).

11 (c) Senate Bill No. _____ or House Bill No. _____
12 (request no. 03040'03).