

**SUBSTITUTE FOR
SENATE BILL NO. 504**

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending sections 2, 7, 8, 9, 10, 12, 14, 17, 18, 19, 19a, 22,
27, and 31 (MCL 431.302, 431.307, 431.308, 431.309, 431.310,
431.312, 431.314, 431.317, 431.318, 431.319, 431.319a, 431.322,
431.327, and 431.331), section 2 as amended by 2006 PA 445,
sections 7, 9, 10, and 12 as amended by 2000 PA 164, and sections
14, 17, and 18 as amended and section 19a as added by 1998 PA 408,
and by adding section 19b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (A) "ADVANCE DEPOSIT ACCOUNT WAGERING" OR "ADW" MEANS A METHOD
3 OF PARI-MUTUEL WAGERING CONDUCTED IN THIS STATE THAT IS PERMISSIBLE
4 UNDER THE INTERSTATE HORSERACING ACT OF 1978, 15 USC 3001 TO 3007,

1 IN WHICH AN INDIVIDUAL MAY ESTABLISH AN ACCOUNT WITH A RACE MEETING
2 LICENSEE AUTHORIZED BY THE COMMISSIONER, TO PLACE PARI-MUTUEL
3 WAGERS IN PERSON, VIA TELEPHONE, OR ELECTRONICALLY.

4 (B) "ADW NET COMMISSION" MEANS BOTH OF THE FOLLOWING:

5 (i) FOR ADW WAGERS OR BETS PLACED ON LIVE RACES CONDUCTED IN
6 THIS STATE, NET COMMISSION CREDITED TO THE RACE MEETING CONDUCTING
7 THE LIVE RACING AFTER FIRST DEDUCTING ALL TAXES, FEES, AND EXPENSES
8 ASSOCIATED WITH THE OPERATION OF ADW ON THOSE SPECIFIC LIVE RACES.

9 (ii) FOR ADW WAGERS AND BETS PLACED ON LIVE RACES CONDUCTED
10 OUTSIDE THIS STATE, THE AMOUNT REMAINING AFTER FIRST DEDUCTING FROM
11 THE COMMISSION WITHHELD ON THOSE RACES ALL TAXES, FEES, AND
12 EXPENSES ASSOCIATED WITH ADW ON THOSE SPECIFIC RACES AND
13 DISTRIBUTED UNDER SECTION 18(6).

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

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

24 (E) ~~(c)~~—"Certified horsemen's organization" means an
25 organization **THAT IS** registered with the office of racing
26 commissioner in a manner and form required by the racing
27 commissioner ~~—~~**AND** that can 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) "City area" means a city with a population of 750,000 or~~
11 ~~more and every county located wholly or partly within 30 miles of~~
12 ~~the city limits of the city.~~

13 (F) "COMMISSIONER" OR "RACING COMMISSIONER" MEANS THE
14 EXECUTIVE DIRECTOR OF THE MICHIGAN GAMING CONTROL BOARD APPOINTED
15 UNDER SECTION 4 OF THE MICHIGAN GAMING CONTROL AND REVENUE ACT,
16 1996 IL 1, MCL 432.204, WHO IS ORDERED UNDER EXECUTIVE
17 REORGANIZATION ORDER NO. 2009-31, MCL 324.99919, TO PERFORM ALL THE
18 FUNCTIONS AND EXERCISE THE POWERS PERFORMED AND EXERCISED BY THE
19 RACING COMMISSIONER BEFORE THAT POSITION WAS ABOLISHED.

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

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

24 (I) ~~(g)~~—"Drug" means any of the following:

25 (i) A substance intended for use in the diagnosis, cure,
26 mitigation, treatment, or prevention of disease in humans or other
27 animals.

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

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

6 (J) ~~(h)~~"Fair" means ~~any~~A county, district, or community fair
7 ~~and any~~OR A state fair.

8 (K) ~~(i)~~"Foreign substance" means a substance, or its
9 metabolites, that does not exist naturally in an untreated horse
10 or, if natural to an untreated horse, exists at an unnaturally high
11 physiological concentration as a result of having been administered
12 to the horse.

13 (L) ~~(j)~~"Full card simulcast" means an entire simulcast racing
14 program of 1 or more race meeting licensees located in this state,
15 or an entire simulcast racing program of 1 or more races
16 simulcasted from 1 or more racetracks located outside of this
17 state.

18 (M) ~~(k)~~"Member of the immediate family" means the spouse,
19 child, parent, or sibling.

20 (N) "OFFICE OF THE RACING COMMISSIONER" MEANS THE HORSE RACING
21 SECTION OF THE HORSE RACING, AUDIT, AND GAMING TECHNOLOGY DIVISION
22 OF THE MICHIGAN GAMING CONTROL BOARD CREATED BY SECTION 4 OF THE
23 MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.204,
24 WHICH OPERATES UNDER THE DIRECTION OF THE EXECUTIVE DIRECTOR OF THE
25 MICHIGAN GAMING CONTROL BOARD, TO WHICH EXECUTIVE REORGANIZATION
26 ORDER NO. 2009-31, MCL 324.99919, TRANSFERRED ALL OF THE AUTHORITY,
27 POWERS, DUTIES, FUNCTIONS, RECORDS, PERSONNEL, PROPERTY, UNEXPENDED

1 BALANCES OF APPROPRIATIONS, ALLOCATIONS, OR OTHER FUNDS OF THE
 2 OFFICE OF RACING COMMISSIONER THAT PREVIOUSLY EXISTED UNDER THIS
 3 ACT AND THAT WAS ABOLISHED BY THAT EXECUTIVE REORGANIZATION ORDER.

4 (O) "PARI-MUTUEL" AND "PARI-MUTUEL WAGERING" MEAN THE FORM OR
 5 SYSTEM OF GAMBLING IN WHICH THE WINNER OR WINNERS DIVIDE THE TOTAL
 6 AMOUNT OF MONEY BET, AFTER DEDUCTING THE NET COMMISSION, AS THAT
 7 TERM IS DEFINED IN SECTION 12.

8 (P) ~~(I)~~ "Person" means an individual, firm, partnership,
 9 corporation, association, or other legal entity.

10 (Q) ~~(m)~~ "Purse pool" means an amount of money allocated or
 11 apportioned to pay prizes for horse races and from which payments
 12 may be made to certified horsemen's organizations pursuant to ~~AS~~
 13 PROVIDED IN this act.

14 (R) "THOROUGHBRED" MEANS A THOROUGHBRED, QUARTER, PAINT,
 15 ARABIAN, OR OTHER BREED HORSE.

16 (S) ~~(n)~~ "Veterinarian" means ~~a person~~ AN INDIVIDUAL licensed
 17 to practice veterinary medicine under part 188 of the public health
 18 code, 1978 PA 368, MCL ~~333.16101~~ 333.18801 to 333.18838, or under a
 19 state or federal law applicable to ~~that person~~. THE INDIVIDUAL.

20 Sec. 7. (1) The racing commissioner may promulgate rules
 21 ~~pursuant to~~ UNDER the administrative procedures act of 1969, 1969
 22 PA 306, MCL 24.201 to 24.328, for conducting horse racing, pari-
 23 mutuel wagering on horse racing results, and simulcasting. The
 24 rules promulgated under this section shall ~~shall~~ MUST be designed to
 25 accomplish all of the following:

26 (a) The governing, restricting, approving, or regulating of
 27 horse racing, pari-mutuel wagering on the results of horse races,

1 and simulcasting conducted at licensed race meetings within this
2 state.

3 (b) The promoting of the safety, security, growth, and
4 integrity of all horse racing, pari-mutuel wagering on the results
5 of horse races, **PARI-MUTUEL WAGERING AND TECHNOLOGY**, and
6 simulcasting conducted at licensed race meetings within this state.

7 (c) The licensing and regulating of each person participating
8 in, or having to do with, pari-mutuel horse racing and wagering,
9 and simulcasting at licensed race meetings within this state.

10 (2) Each race meeting licensee shall provide security at all
11 times so as to reasonably ensure the safety of all persons and
12 horses on the grounds, and to protect and preserve the integrity of
13 horse racing, pari-mutuel wagering, and simulcasting at licensed
14 race meetings. If the racing commissioner determines that
15 additional security is necessary to ensure the safety and integrity
16 of racing, the racing commissioner shall provide supplemental
17 security at each race meeting in areas where occupational licenses
18 are required for admittance.

19 (3) The racing commissioner may issue sanctions including, but
20 not limited to, revocation or suspension of a license, exclusion
21 from racetrack grounds, or a fine of not more than \$25,000.00 for
22 each violation of this act or a rule promulgated under this act
23 committed by a licensee or other person under this act. A sanction
24 issued under this section may be appealed to the racing
25 commissioner. The appeal shall be heard ~~pursuant to~~ **UNDER** the
26 contested case provisions of the administrative procedures act of
27 1969, 1969 PA 306, MCL 24.201 to 24.328.

1 (4) All proposed extensions, additions, modifications, or
2 improvements to the racecourse, roadways, parking lots, buildings,
3 stables, lighting and electrical service, plumbing, public
4 utilities, drainage, totalisator system and equipment, hardware and
5 software for all approved methods of conducting pari-mutuel
6 wagering, and security on the grounds of a licensed racetrack owned
7 or leased by a person licensed under this act are subject to the
8 approval of the racing commissioner.

9 (5) The racing commissioner may compel the production of
10 books, records, memoranda, electronically retrievable data, or
11 documents that relate to horse racing, simulcasting, and pari-
12 mutuel wagering conducted at a licensed race meeting.

13 (6) The racing commissioner at any time may require for cause
14 the removal of any employee or official involved in or having to do
15 with horse racing, simulcasting, or pari-mutuel wagering conducted
16 at a licensed race meeting.

17 (7) The racing commissioner may visit, investigate, and place
18 auditors and other persons as the racing commissioner considers
19 necessary in the offices, racetracks, or places of business of a
20 licensee under this act to ensure compliance with this act and the
21 rules promulgated under this act.

22 (8) The racing commissioner may summon witnesses and
23 administer oaths or affirmations to exercise and discharge his or
24 her powers and duties under this act. A person ~~failing~~**WHO FAILS** to
25 appear before the racing commissioner at the time and place
26 specified in a summons from the racing commissioner or ~~refusing~~**WHO**
27 **REFUSES** to testify, without just cause, in answer to a summons from

1 the racing commissioner is guilty of a misdemeanor punishable by a
2 fine of not more than \$1,000.00, or imprisonment for not more than
3 6 months, or both, and may also be sanctioned by the racing
4 commissioner. A person ~~testifying~~ **WHO TESTIFIES** falsely to the
5 racing commissioner or his or her authorized representative while
6 under oath is guilty of a felony punishable by a fine of not more
7 than \$10,000.00 or imprisonment for not more than 4 years, or both,
8 and may also be sanctioned by the racing commissioner.

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

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

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

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

24 (2) The racing commissioner shall not issue a race meeting
25 license to a person if the person is licensed to conduct a licensed
26 race meeting at another licensed racetrack ~~within a city area~~ **IN**
27 **THIS STATE** and the person has a controlling interest in or co-

1 ownership of the other licensed racetrack. ~~within the city area.~~

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

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

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

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

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

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

1 seeking an order of the court requiring the licensee to make
 2 reasonable and necessary racetrack improvements or additions as
 3 determined by the commissioner if the licensee fails to make
 4 improvements or corrections that comply with the applicable
 5 construction code or local ordinances. ~~The action of the racing~~
 6 ~~commissioner in~~ **IN** suspending or revoking a track license, **THE**
 7 **RACING COMMISSIONER** shall comply with the administrative procedures
 8 act of 1969, 1969 PA 306, MCL 24.201 to 24.328. ~~, and shall be~~ **THE**
 9 **ACTION OF THE RACING COMMISSIONER IS** subject to appeal.

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

13 (6) ~~(7) A person~~ **THE RACING COMMISSIONER** shall not be issued
 14 **ISSUE A PERSON** more than 1 track license. Controlling ownership and
 15 interlocking directorates among the holders of track licenses are
 16 prohibited.

17 (7) ~~(8) A~~ **THE RACING COMMISSIONER SHALL NOT ISSUE A** track
 18 license ~~shall not be issued~~ under this section if the new license
 19 would result in harmful competition among existing racetracks.

20 Sec. 10. (1) A person ~~desiring~~ **THAT DESIRES** to conduct a
 21 thoroughbred ~~, OR~~ standardbred ~~, quarter horse, Appaloosa, American~~
 22 ~~paint horse, or Arabian~~ race meeting, or a combination of these
 23 race meetings, with pari-mutuel wagering on the results of live and
 24 simulcast horse races ~~pursuant to~~ **UNDER** this act shall apply each
 25 year to the racing commissioner for a race meeting license in the
 26 manner and form required by the racing commissioner. The
 27 application ~~shall~~ **MUST** be filed with the racing commissioner before

1 September 1 of the preceding year. ~~except that applications for~~
2 ~~1999 racing dates may be filed at any time.~~ The **RACING COMMISSIONER**
3 **SHALL MAKE AN** application, after ~~being~~ **IT IS** filed, ~~shall be made~~
4 available for public inspection during regular business hours. The
5 application ~~shall~~ **MUST** be in writing and ~~shall~~ give the name and
6 address of the applicant, and, if the applicant is a corporation or
7 partnership, ~~shall~~ state the place of the applicant's incorporation
8 or partnership and the names and addresses of all corporate
9 directors, officers, shareholders, and partners. The application
10 ~~shall~~ **MUST** also do all of the following:

11 (a) Specify the licensed racetrack at which the proposed race
12 meeting will be held. **THE RACETRACK SPECIFIED MUST HAVE HOSTED LIVE**
13 **HORSE RACING WITH PARI-MUTUEL WAGERING IN THE YEAR BEFORE THE YEAR**
14 **IN WHICH THE AMENDATORY ACT THAT ADDED THIS SENTENCE TAKES EFFECT.**

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

19 (c) Specify the horse breed for which the applicant desires to
20 conduct live racing at the proposed race meeting, and the days on
21 which the applicant proposes to conduct live horse racing at the
22 race meeting.

23 (d) Specify the time period during which the applicant
24 requests to be licensed during the calendar year immediately
25 following the date of application.

26 (e) Demonstrate to the racing commissioner that the applicant
27 and all persons associated with the applicant who hold any

1 beneficial or ownership interest in the business activities of the
2 applicant or who have power or ability to influence or control the
3 business decisions or actions of the applicant satisfy all of the
4 following requirements:

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

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

8 (iii) Do not pose a threat to the public interest of ~~the~~**THIS**
9 state or to the security and integrity of horse racing or pari-
10 mutuel wagering on the results of horse races in ~~the~~**THIS** state.

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

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

1 following:

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

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

9 ~~—— (c) The licensee to conduct live horse racing programs after~~
 10 ~~6:45 p.m., if the licensee is not in a city area and is 75 miles or~~
 11 ~~more from the nearest race meeting licensee authorized to conduct~~
 12 ~~live horse racing.~~

13 Sec. 12. (1) Each ~~AN~~ applicant for **A LICENSE TO CONDUCT** a
 14 thoroughbred, ~~quarter horse, Appaloosa, American paint horse, or~~
 15 Arabian license in a county located outside of a city area ~~RACE~~
 16 **MEETING** shall apply to conduct at least ~~45-30~~ days of live
 17 thoroughbred, ~~quarter horse, Appaloosa, American paint horse, or~~
 18 Arabian horse racing during its **PROPOSED** race meeting. Except
 19 during the opening and closing week of a race meeting, the
 20 applicant shall apply to conduct live racing at least ~~3-2~~ days per
 21 week, including Saturdays and Sundays, with ~~not less than 9~~ **AT**
 22 **LEAST 8** live horse races programmed, and shall conduct live racing
 23 programs on ~~such~~ **THE** days allocated by the racing commissioner.

24 ~~—— (2) Each applicant for a thoroughbred, quarter horse,~~
 25 ~~Appaloosa, American paint horse, or Arabian race meeting license in~~
 26 ~~a city area shall apply to conduct at least 160 days of live~~
 27 ~~thoroughbred, quarter horse, Appaloosa, American paint horse, or~~

1 ~~Arabian horse racing during its proposed race meeting. Except~~
2 ~~during the opening and closing week of a race meeting, the~~
3 ~~applicant shall apply to conduct live racing at least 5 days per~~
4 ~~week, including Saturdays and Sundays, with not less than 9 live~~
5 ~~horse races programmed, and shall conduct live racing programs on~~
6 ~~such days allocated by the racing commissioner.~~

7 (2) ~~(3) Each AN applicant for A LICENSE TO CONDUCT a~~
8 ~~standardbred race meeting license in a county having a population~~
9 ~~of less than 250,000 and that is not part of a city area shall~~
10 ~~apply to conduct at least 75-30 days of live standardbred harness~~
11 ~~horse racing during its proposed race meeting. Except during the~~
12 ~~opening and closing week of a race meeting, the applicant shall~~
13 ~~apply to conduct live horse racing at least 4-2 days per week,~~
14 ~~including Saturdays, with not less than 9 AT LEAST 8 live horse~~
15 ~~races programmed, and shall conduct live racing programs on such~~
16 ~~THE days awarded.~~

17 ~~—— (4) Each applicant for a standardbred race meeting license in~~
18 ~~a county having a population greater than 250,000 but less than~~
19 ~~750,000 and that is not part of a city area shall apply to conduct~~
20 ~~at least 100 days of live standardbred harness horse racing during~~
21 ~~its proposed race meeting. Except during the opening and closing~~
22 ~~week of a race meeting, the applicant shall apply to conduct live~~
23 ~~racing at least 4 days per week, including Saturdays, with not less~~
24 ~~than 9 live horse races programmed, and shall conduct live racing~~
25 ~~programs on such days awarded.~~

26 ~~—— (5) Each applicant for a standardbred race meeting license in~~
27 ~~a city area shall apply to conduct during its race meeting no less~~

1 ~~than the following number of live racing days:~~

2 ~~—— (a) The race meeting applicant with the highest pari mutuel~~
3 ~~handle in the previous calendar year shall apply for no less than~~
4 ~~140 days of live racing and the applicant shall apply to conduct~~
5 ~~live racing at least 5 days per week, including Saturdays, with not~~
6 ~~less than 9 live horse races programmed and shall conduct live~~
7 ~~racing programs on the days awarded.~~

8 ~~—— (b) All other applicants shall apply for not less than an~~
9 ~~aggregate total of at least 120 days of live racing and the~~
10 ~~applicants shall apply to conduct live racing at least 5 days per~~
11 ~~week, including Saturdays, with not less than 9 live horse races~~
12 ~~programmed and shall conduct live racing programs on the days~~
13 ~~awarded.~~

14 (3) ~~(6)~~—If a race meeting licensee is unable to program and
15 conduct ~~9-8~~ live horse races on ~~any-A~~ racing date ~~that the~~
16 ~~commissioner allocates~~ **AWARDED** to the licensee because there are
17 ~~less~~ **FEWER** than 5 entries in ~~any-A~~ race, the licensee shall not
18 conduct any simulcasting on that day without the written consent of
19 the certified horsemen's organization with which it has a contract.

20 (4) ~~(7)~~—If a race meeting licensee is unable to conduct racing
21 on ~~any-A~~ live racing ~~dates allocated~~ **DATE AWARDED** to the licensee
22 ~~by the racing commissioner or less~~ **FEWER** than ~~9-8~~ live horse races
23 on ~~any allocated~~ **AN AWARDED** live racing ~~dates~~ **DATE** because of a
24 labor dispute, fire, adverse weather conditions, or other causes
25 beyond the race meeting licensee's control, ~~then~~ the race meeting
26 licensee is considered to have conducted those races or **THAT** race
27 ~~days~~ **DATE** for purposes of this act and is not precluded from

1 conducting any simulcasts because of the licensee's inability to
2 conduct those live races or ~~THAT~~ ~~race dates~~ **DATE**.

3 (5) ~~(8)~~—Intertrack simulcast races that a race meeting
4 licensee contracts to receive from other racetracks that are
5 canceled for any of the reasons described in subsection ~~(7)~~ ~~shall~~
6 ~~be considered to be~~ **(4) ARE** offered to the public for purposes of
7 this act.

8 (6) ~~(9)~~—If an entire race meeting or the balance of a race
9 meeting and racing dates allocated ~~AWARDED~~ to a licensee cannot be
10 raced ~~due to~~ **BECAUSE OF** an act of God or significant physical
11 damage to the licensed racetrack at which the race meeting was
12 licensed to be conducted caused by fire or some other catastrophe,
13 the racing commissioner may transfer those dates to another race
14 meeting licensee upon application of the substitute licensee if the
15 substitute licensee satisfies the requirements for licensure under
16 this act and demonstrates that it has or will have a legal or
17 contractual right to the use of a different licensed racetrack
18 facility on the racing dates in question, and all race meeting
19 licensees that will be conducting live racing on ~~such~~ **THOSE** dates
20 within 50 miles of the substitute racetrack consent to the
21 transfer.

22 (7) **NOTWITHSTANDING ANYTHING IN THIS ACT TO THE CONTRARY, IF**
23 **THE RACING COMMISSIONER DETERMINES THAT 1 OR MORE OF THE CONDITIONS**
24 **LISTED IN SUBSECTION (8) APPLY AND THE CONTRACTED CERTIFIED**
25 **HORSEMAN'S ORGANIZATION IS IN AGREEMENT, THE RACING COMMISSIONER**
26 **MAY AMEND AN EXISTING RACE MEETING LICENSE AND SIMULCAST PERMIT TO**
27 **ALLOW THE LICENSEE TO CONTINUE SIMULCASTING DURING THE REMAINING**

1 PERIOD OF THE RACE MEETING LICENSE. AN AMENDED LICENSE UNDER THIS
2 SECTION MAY BE ISSUED BY THE RACING COMMISSIONER AT ANY TIME,
3 INCLUDING AT THE TIME OF THE INITIAL ISSUANCE OF THE RACE MEETING
4 LICENSE FOR THE UPCOMING YEAR DURING WHICH IT IS VALID.

5 (8) THE RACING COMMISSIONER MAY ISSUE AN ORDER AMENDING A RACE
6 MEETING LICENSE UNDER SUBSECTION (7) IF HE OR SHE DETERMINES THAT
7 THE LICENSEE IS CAPABLE OF CONDUCTING SIMULCAST HORSE RACING IN
8 ACCORDANCE WITH THIS ACT AND THAT 1 OR MORE OF THE FOLLOWING
9 CONDITIONS EXIST:

10 (A) THERE IS INADEQUATE HORSE SUPPLY FOR THE LICENSEE TO
11 CONDUCT A LIVE RACE MEETING OF AT LEAST 10 DAYS WITH 8 RACES PER
12 DAY.

13 (B) THERE IS INADEQUATE FUNDING OF LIVE RACING PURSES TO
14 SUPPORT THE LICENSEE'S CONDUCTING OF A LIVE RACE MEETING OF AT
15 LEAST 10 DAYS WITH 8 RACES PER DAY.

16 (C) THERE IS NO CERTIFIED HORSEMEN'S ORGANIZATION OPERATING IN
17 THIS STATE.

18 (9) IN ORDER TO OBTAIN AN AMENDED LICENSE ISSUED UNDER
19 SUBSECTION (7) AND SATISFY THE LIVE RACING REQUIREMENTS OF THIS
20 ACT, THE LICENSEE MUST HAVE A WRITTEN CONTRACT WITH A CERTIFIED
21 HORSEMEN'S ORGANIZATION TO PAY A PERCENTAGE OF ITS NET COMMISSION
22 FROM SIMULCASTING TO THE LIVE RACING PURSE POOL AT ANOTHER
23 RACETRACK LICENSED UNDER THIS ACT DURING THE PERIOD WHEN THE
24 AMENDED LICENSE ISSUED UNDER SUBSECTION (7) IS IN EFFECT. UNLESS
25 OTHERWISE PROVIDED IN THE WRITTEN CONTRACT BETWEEN THE LICENSEE AND
26 THE CERTIFIED HORSEMEN'S ORGANIZATION, THE PAYMENT MUST BE NOT LESS
27 THAN 25% OF NET COMMISSION FROM SIMULCASTING IF ONLY 1 CERTIFIED

1 HORSEMEN'S ORGANIZATION HAS A CONTRACT FOR LIVE RACE DAYS IN THIS
2 STATE FOR THE CALENDAR YEAR. IF BOTH CERTIFIED HORSEMEN'S
3 ORGANIZATIONS HAVE A CONTRACT FOR LIVE RACE DATES IN THIS STATE FOR
4 THE CALENDAR YEAR, THE PAYMENT MUST BE NOT MORE THAN 40% OF THE NET
5 COMMISSION FROM SIMULCASTING.

6 (10) SUBSECTIONS (7) TO (9) APPLY ONLY TO AMENDMENTS TO A RACE
7 MEETING LICENSE FOR THE PURPOSE OF ALLOWING SIMULCAST-ONLY
8 OPERATIONS AND ARE NOT LIMITATIONS ON OR REQUIREMENTS FOR OTHER
9 RACE MEETING LICENSE AMENDMENTS THE RACING COMMISSIONER MAY APPROVE
10 OR DENY.

11 (11) NOTWITHSTANDING ANYTHING IN THIS ACT TO THE CONTRARY, IF
12 A RACE MEETING LICENSEE AND THE CERTIFIED HORSEMEN'S ORGANIZATION
13 WITH WHICH THE LICENSEE HAS A CONTRACT JOINTLY REQUEST THAT THE
14 LICENSEE BE ALLOWED TO CONDUCT A LIVE RACE MEETING WITH FEWER THAN
15 8 RACES PER DAY, THE RACING COMMISSIONER SHALL APPROVE THE REQUEST
16 AND ISSUE AN ORDER AMENDING THE LICENSE ACCORDINGLY.

17 (12) AS USED IN THIS SECTION, "NET COMMISSION" MEANS THE
18 AMOUNT DETERMINED UNDER SECTION 17(3), AFTER FIRST DEDUCTING FROM
19 THE LICENSEE'S STATUTORY COMMISSION THE APPLICABLE STATE TAX ON
20 WAGERING DUE AND PAYABLE UNDER SECTION 22, THE ACTUAL VERIFIED FEE
21 PAID BY THE LICENSEE TO THE SENDING HOST TRACK TO RECEIVE THE
22 SIMULCAST SIGNAL.

23 Sec. 14. (1) ~~Except as provided in subsection (8), before~~
24 **BEFORE** November 1 of the year preceding the year for which
25 applications are made, the racing commissioner shall grant or deny
26 each application for a race meeting license, allocate or deny the
27 dates, for which application has been made, on which pari-mutuel

1 wagering on live races may be conducted at each licensed race
2 meeting in this state, and shall also determine whether the
3 applicant may simulcast under section 18 during the calendar year
4 for which the license is issued. The racing commissioner may grant
5 a race meeting license for any time period up to 1 year during
6 which the licensee may conduct live and simulcast horse races with
7 pari-mutuel wagering on the results of ~~such~~**THE** races.

8 (2) Subject to section ~~12(7)~~,**12(4)**, all simulcasting
9 authorized by the racing commissioner ~~shall~~**MUST** be conditioned
10 ~~upon~~**ON** the holder of the license conducting at least ~~9~~**8** live
11 horse races on each live racing date allocated in the holder's race
12 meeting license, unless this requirement is waived in writing by
13 both the racing commissioner and the certified horsemen's
14 organization with which the licensee has contracted.

15 (3) The racing commissioner shall not issue a race meeting
16 license to an organization organized for a charitable purpose or
17 organized for the purpose of distributing its profits or income to
18 charitable organizations.

19 (4) Except as provided in section ~~12(7)~~, ~~(8)~~, ~~and (9)~~,**12(4)**,
20 **(5)**, **AND (6)**, if after the issuance of a race meeting license ~~,~~the
21 racing commissioner determines ~~upon~~**ON** further investigation that
22 the holder of a race meeting license has not met, or will be unable
23 to meet, the requirements of the license, the racing commissioner
24 may impose a fine or suspend or revoke the race meeting license, or
25 both, for all or part of the remainder of the time period for which
26 the license was granted. Before making the required determination
27 to impose a fine or suspend or revoke a race meeting license under

1 this subsection, the racing commissioner shall consider whether the
2 race meeting licensee's inability or failure to meet the
3 requirements of its license is due to a cause beyond the control of
4 the race meeting licensee.

5 (5) Any action taken by the racing commissioner under
6 subsection (4) ~~shall become~~**BECOMES** effective 10 days after the
7 holder of the race meeting license ~~has received~~**RECEIVES** written
8 notice unless the commissioner finds that the public health,
9 safety, or welfare requires emergency action and immediate effect
10 of the commissioner's order.

11 (6) A denial of a race meeting license under subsection (3)
12 may be appealed to the circuit court for judicial review ~~pursuant~~
13 ~~to~~**UNDER** section 631 of the revised judicature act of 1961, 1961 PA
14 236, MCL 600.631. A suspension or revocation of a race meeting
15 license may be appealed ~~pursuant to~~**UNDER** the administrative
16 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

17 (7) Each applicant issued a race meeting license shall
18 maintain an interest bearing account used exclusively ~~for~~**TO**
19 deposit ~~of all funds~~**MONEY** due **TO** horsemen's purse pools under this
20 act. All ~~funds~~**MONEY** due to this account ~~shall~~**MUST** be deposited
21 within a reasonable time after receipt by the race meeting
22 licensee. The name of the depository and the identification number
23 of the account ~~shall~~**MUST** be designated in each race meeting
24 license application and all interest earned by the account ~~shall~~
25 **MUST** be credited to the purse pool and deposited in the account.

26 ~~—— (8) The November 1 deadline provided in subsection (1) does~~
27 ~~not apply to 1999 thoroughbred race meeting dates. The racing~~

1 ~~commissioner may issue 1999 thoroughbred race meeting dates at any~~
2 ~~time.~~

3 (8) THE RACING COMMISSIONER MAY AUTHORIZE THE RACE MEETING
4 LICENSEE WITH THE HIGHEST TOTAL HANDLE FROM ALL SOURCES FOR THE
5 PREVIOUS 5 YEARS TO OPERATE ADVANCE DEPOSIT ACCOUNT WAGERING AND
6 ACCEPT PARI-MUTUEL WAGERING ON THE RESULTS OF LIVE AND SIMULCAST
7 RACES FROM PERSONS 18 YEARS OF AGE AND OLDER, FROM ANY LOCATION
8 INCLUDING OUTSIDE OF A LICENSED TRACK LOCATION. THE RACING
9 COMMISSIONER MAY PROMULGATE RULES PURSUANT TO THE ADMINISTRATIVE
10 PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, TO
11 REGULATE ADVANCE DEPOSIT ACCOUNT WAGERING.

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

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

27 (3) Subject to section 18(3), each holder of a race meeting

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

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

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

21 (4) All breaks shall be retained by the race meeting licensee
22 and paid directly to the city or township in which the racetrack is
23 located as a fee for services provided ~~pursuant to~~ **UNDER** section
24 21.

25 (5) Payoff prices of tickets of a higher denomination ~~shall~~
26 **MUST** be calculated as even multiples of the payoff price for a
27 \$1.00 wager. Each holder of a race meeting license shall distribute

1 to the persons holding winning tickets, as a minimum, a sum not
2 less than \$1.10 calculated on the basis of each \$1.00 deposited in
3 a pool, except that each race meeting licensee may distribute a sum
4 of not less than \$1.05 to persons holding winning tickets for each
5 \$1.00 deposited in a minus pool. As used in this subsection, "minus
6 pool" means any win, place, or show pool in which the payout would
7 exceed the total value of the pool.

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

11 (7) Any act or transaction relative to pari-mutuel wagering on
12 the results of live or simulcast horse races ~~shall only occur or be~~
13 ~~permitted to occur within the enclosure of a licensed race meeting.~~
14 ~~A person shall not participate or be a party to any act or~~
15 ~~transaction relative to placing a wager or carrying a wager for~~
16 ~~placement outside of a race meeting ground.~~ **MAY BE CONDUCTED BY A**
17 **RACE MEETING LICENSEE UNDER THIS ACT FOR THE RACE MEETING LICENSEE**
18 **TO COMPLY WITH THE AUDITING REQUIREMENTS OF SECTION 23.** A person
19 shall not provide messenger service for the placing of a bet for
20 another person who is not a patron. However, this subsection does
21 not prevent simulcasting or intertrack or interstate common pool
22 wagering inside or outside this state as permitted by this act or
23 the rules promulgated under this act.

24 **(8) ANY FORM OF PARI-MUTUEL WAGERING ON THE RESULTS OF LIVE OR**
25 **SIMULCAST HORSE RACES MUST ONLY OCCUR OR BE PERMITTED TO OCCUR AT A**
26 **LICENSED RACE MEETING. A PERSON SHALL NOT PARTICIPATE OR BE A PARTY**
27 **TO ANY ACT OR TRANSACTION RELATIVE TO PLACING A WAGER OR CARRYING A**

1 WAGER FOR PLACEMENT OUTSIDE OF A RACE MEETING GROUND EXCEPT AS
2 PERMITTED BY ADVANCED DEPOSIT ACCOUNT WAGERING AS AUTHORIZED BY
3 WRITTEN ORDER OF THE RACING COMMISSIONER. A PERSON SHALL NOT
4 PROVIDE MESSENGER SERVICE FOR THE PLACING OF A BET FOR ANOTHER
5 PERSON WHO IS NOT A PATRON OR HAS AN ADVANCED DEPOSIT WAGERING
6 ACCOUNT. HOWEVER, THIS SUBSECTION DOES NOT PREVENT SIMULCASTING,
7 ADVANCE DEPOSIT ACCOUNT WAGERING AT A LICENSED RACE MEETING AS
8 AUTHORIZED BY WRITTEN ORDER OF THE RACING COMMISSIONER, OR
9 INTRASTATE OR INTERSTATE COMMON POOL WAGERING INSIDE OR OUTSIDE
10 THIS STATE AS PERMITTED BY THIS ACT OR THE RULES PROMULGATED UNDER
11 THIS ACT.

12 (9) A PERSON THAT DOES NOT HOLD A RACE MEETING LICENSE THAT
13 SOLICITS OR ACCEPTS WAGERS ON THE RESULTS OF LIVE OR SIMULCAST
14 HORSE RACES FROM INDIVIDUALS IN THIS STATE IS GUILTY OF A FELONY
15 PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 5 YEARS OR A FINE OF
16 NOT MORE THAN \$10,000.00, OR BOTH. EACH ACT OF SOLICITATION OR
17 WAGER THAT IS ACCEPTED IN VIOLATION OF THIS SECTION IS A SEPARATE
18 OFFENSE.

19 (10) AS USED IN THIS SECTION, "ACT OR TRANSACTION RELATIVE TO
20 PARI-MUTUEL WAGERING ON THE RESULTS OF LIVE OR SIMULCAST HORSE
21 RACES" MEANS THOSE STEPS TAKEN BY A RACE MEETING LICENSEE TO ACCEPT
22 A WAGER AND PROCESS IT WITHIN THE ORDINARY COURSE OF ITS BUSINESS
23 AND IN ACCORDANCE WITH THIS ACT.

24 Sec. 18. (1) Simulcasting by race meeting licensees may be
25 authorized by the racing commissioner subject to the limitations of
26 this section. ~~As used in this section, "simulcast" means the live~~
27 ~~transmission of video and audio signals conveying a horse race held~~

1 ~~either inside or outside this state to a licensed race meeting in~~
 2 ~~this state. A simulcast from 1 racetrack in this state to another~~
 3 ~~racetrack in this state shall be called an "intertrack simulcast".~~
 4 ~~A simulcast from a racetrack outside this state to a racetrack~~
 5 ~~inside this state shall be called an "interstate simulcast".~~ **FOR**
 6 **SIMULCAST WAGERING TO OCCUR AT ANY LICENSED TRACK IN THIS STATE, A**
 7 **MINIMUM OF 30 LIVE RACING DAYS MUST OCCUR IN THAT CALENDAR YEAR**
 8 **UNLESS OTHERWISE APPROVED BY ALL OF THE CERTIFIED HORSEMEN'S**
 9 **ORGANIZATIONS IN THIS STATE.**

10 (2) The holder of a race meeting license may apply to the
 11 racing commissioner, in the manner and form required by the
 12 commissioner, for a permit to televise simulcasts of horse races to
 13 viewing areas within the enclosure of the licensed racetrack at
 14 which the applicant is licensed to conduct its race meeting. The
 15 commissioner may issue a permit for individual race and full card
 16 simulcasts televised during, between, before, or after programmed
 17 live horse races on any day that live racing is conducted by the
 18 applicant, and also on other days during the term of the
 19 applicant's license when the applicant does not conduct live horse
 20 racing, subject to the following conditions:

21 (a) The applicant ~~shall~~ **MUST** have a current contract with a
 22 certified horsemen's organization.

23 (b) The applicant ~~shall~~ **MUST** have applied for ~~and been~~
 24 ~~allocated~~ the minimum number of live racing dates required by
 25 section 12(1) to ~~(5),~~ **(3)**, subject to the availability of adequate
 26 horse supply as determined by the racing commissioner.

27 (c) The applicant ~~shall~~ **MUST** make a continuing good faith

1 effort throughout the duration of its race meeting to program and
2 conduct ~~not less than 9~~ **AT LEAST 8** live horse races on each live
3 racing date allocated to the applicant.

4 (d) The certified horsemen's organization with which the
5 applicant has contracted ~~shall~~ **MUST** have consented to the requested
6 simulcasts on any live racing day when the applicant is unable to
7 program and conduct ~~not less than 9~~ **AT LEAST 8** live horse races, if
8 required by section ~~12(6)~~ **12(3)**.

9 (e) If the requested simulcasts are interstate, the applicant
10 ~~shall~~ **MUST** waive in writing any right that the applicant may have
11 under the interstate horse racing act of 1978, ~~Public Law 95-515,~~
12 ~~15 U.S.C. USC~~ 3001 to 3007, to restrict interstate simulcasts by
13 other race meeting licensees in this state.

14 (f) ~~If the applicant conducts its race meeting in a city area,~~
15 ~~the~~ **THE** applicant ~~shall~~ **MUST** make the video and audio signals of
16 its live horse races available for intertrack simulcasting to all
17 licensed race meetings in this state located more than 12 miles
18 from the applicant's race meeting. The applicant ~~shall~~ **MUST** charge
19 each race meeting licensee the same fee to receive its live signals
20 for intertrack simulcasting. ~~The fee shall not exceed 3% of the~~
21 ~~total amount wagered on the intertrack simulcast at each race~~
22 ~~meeting that receives the simulcast.~~

23 (g) Except as otherwise agreed by the **OTHER** race meeting
24 licensees ~~in a city area~~ and the respective certified horsemen's
25 organizations with which they contract, ~~a licensee in a city area~~
26 ~~shall~~ **THE APPLICANT MUST** receive all available intertrack
27 simulcasts from licensed race meetings ~~in the city area~~ located

1 more than 12 miles from the ~~licensee's~~ **APPLICANT'S** race meeting.

2 (h) ~~A licensed race meeting outside a city area shall~~ **THE**
3 **APPLICANT MUST** not conduct interstate simulcasts unless it also
4 receives all intertrack simulcasts from **OTHER** licensed race
5 meetings ~~in a city area~~ that are available.

6 (i) All applicants conducting licensed race meetings ~~in a city~~
7 ~~area shall~~ **MUST** authorize all other race meeting licensees in ~~the~~
8 **THIS** state to conduct simulcasts of the breed for which the
9 applicant is licensed to conduct live horse racing. An applicant
10 may not conduct interstate simulcasts unless authorization to do so
11 is given by the applicant, in accordance with subdivision (j),
12 permitting all other race meeting licensees to receive interstate
13 simulcasts of a different breed than they are licensed to race
14 live.

15 (j) A race meeting licensee shall not conduct an interstate
16 simulcast of a different breed than it is licensed to race live at
17 its race meeting, unless the licensee has the written permission of
18 all **OTHER** race meeting licensees ~~in a city area~~ that are licensed
19 to race that breed live at their race meetings.

20 (k) All authorized simulcasts ~~shall~~ **MUST** be conducted in
21 compliance with the written permit and related orders issued by the
22 racing commissioner and all other requirements and conditions of
23 this act and the rules of the racing commissioner promulgated under
24 this act.

25 (l) All authorized interstate simulcasts ~~shall~~ **MUST** also
26 comply with the interstate horse racing act of 1978, ~~Public Law 95-~~
27 ~~15,~~ 15 U.S.C. **USC** 3001 to 3007.

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

1 **THE** simulcast at the receiving racetrack shall ~~shall~~ **MUST** be added to the
2 pari-mutuel pool at the sending racetrack.

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

18 (4) ~~(5)~~—A race meeting licensee licensed to conduct pari-
19 mutuel horse racing in a city area shall provide the necessary
20 equipment to send intertrack simulcasts of the live horse races
21 conducted at its race meeting to all other race meeting licensees
22 in this state, and shall send its intertrack simulcast signals to
23 those licensees upon request for an agreed fee, which shall not
24 exceed 3% of the total amount wagered on the race at the receiving
25 track. ~~Race meeting licensees that send or receive intertrack
26 simulcasts shall make the following payments to the horsemen's
27 purse pools:~~

1 ~~—— (a) Each race meeting licensee that sends an intertrack~~
2 ~~simulcast shall pay 50% of the simulcast fee that it receives for~~
3 ~~sending the simulcast signal to the horsemen's purse pool at the~~
4 ~~sending track.~~

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

14 (5) ~~(6)~~—The racing commissioner may authorize a race meeting
15 licensee to transmit simulcasts of live horse races conducted at
16 its racetrack to locations outside of this state in accordance with
17 the interstate horse racing act of 1978, ~~Public Law 95-515,~~ 15
18 ~~U.S.C.—USC~~ 3001 to 3007, or any other applicable laws, and may
19 permit pari-mutuel pools on such simulcast races created under the
20 laws of the jurisdiction in which the receiving track is located to
21 be combined in a common pool with pari-mutuel pools on the same
22 races created in this state. A race meeting licensee that transmits
23 simulcasts of its races to locations outside this state shall pay
24 50% of the fee that it receives for sending the simulcast signal to
25 the horsemen's purse pool at the sending track after first
26 deducting the actual verified cost of sending the signal out of
27 state.

1 (6) A RACE MEETING LICENSEE AUTHORIZED BY THE RACING
2 COMMISSIONER TO OPERATE ADVANCE DEPOSIT ACCOUNT WAGERING SHALL
3 DISTRIBUTE ADW NET COMMISSION AS FOLLOWS:

4 (A) TEN PERCENT TO THE RACE MEETING LICENSEE.

5 (B) FORTY-FIVE PERCENT TO RACE MEETING LICENSEES IN THIS
6 STATE, WITH EACH LICENSEE RECEIVING AN AMOUNT EQUAL TO THE
7 LICENSEE'S PRO RATA SHARE OF ALL MONEY WAGERED AT RACE MEETINGS
8 HELD IN THIS STATE FOR THE PREVIOUS CALENDAR YEAR, EXCLUSIVE OF ANY
9 WAGERS MADE AS PART OF ADVANCE DEPOSIT ACCOUNT WAGERING.

10 (C) FORTY-FIVE PERCENT TO THE CERTIFIED HORSEMEN'S
11 ORGANIZATIONS OPERATING AT RACE MEETINGS IN THIS STATE, WITH EACH
12 ORGANIZATION RECEIVING AN AMOUNT EQUAL TO THE PRO RATA SHARE FOR
13 THE ORGANIZATION'S BREED, STANDARD BRED OR THOROUGHBRED, OF ALL
14 MONEY WAGERED AT RACE MEETINGS HELD IN THIS STATE FOR THE PREVIOUS
15 CALENDAR YEAR, EXCLUSIVE OF ANY WAGERS MADE AS PART OF ADVANCE
16 DEPOSIT ACCOUNT WAGERING. IF THERE IS MORE THAN 1 LICENSED
17 HORSEMEN'S ORGANIZATION FOR A BREED, THE TOTAL AMOUNT FOR THE BREED
18 MUST BE DISTRIBUTED EQUALLY BETWEEN THE ORGANIZATIONS.

19 (7) A PERSON THAT OFFERS THE SIGNAL OF AN INTERSTATE SIMULCAST
20 TO A RACE MEETING LICENSEE IN THIS STATE SHALL TRANSMIT THE SIGNAL
21 TO ALL RACE MEETING LICENSEES IN THIS STATE AT AN EQUAL RATE.

22 (8) ~~(7)~~—Simulcasting of events other than horse races for
23 purposes of pari-mutuel wagering is prohibited.

24 (9) AS USED IN THIS SECTION:

25 (A) "INTERSTATE SIMULCAST" MEANS A SIMULCAST FROM A RACETRACK
26 OUTSIDE OF THIS STATE TO A RACETRACK INSIDE THIS STATE.

27 (B) "INTERTRACK SIMULCAST" MEANS A SIMULCAST FROM 1 RACETRACK

1 IN THIS STATE TO ANOTHER RACETRACK IN THIS STATE.

2 (C) "SIMULCAST" MEANS THE TRANSMISSION OF VIDEO AND AUDIO
3 SIGNALS CONVEYING A HORSE RACE HELD EITHER INSIDE OR OUTSIDE OF
4 THIS STATE TO A LICENSED RACE MEETING IN THIS STATE.

5 Sec. 19. ~~(1) All money designated by this act to be paid into~~
6 ~~the horsemen's simulcast purse pool, shall be deposited in a~~
7 ~~depository designated by all participating certified horsemen's~~
8 ~~organizations and distributed by their designated escrow agent as~~
9 ~~follows:~~

10 ~~—— (a) 50% of the funds generated from thoroughbred simulcasts~~
11 ~~for horsemen's purses and 35% of the funds generated from~~
12 ~~standardbred simulcasts for horsemen's purses shall be divided~~
13 ~~between all thoroughbred purse pools. The division shall be on a~~
14 ~~pro rata basis between all thoroughbred race meeting licensees~~
15 ~~based upon the percentage of total thoroughbred handle, from all~~
16 ~~sources, for the previous calendar year.~~

17 ~~—— (b) 50% of the funds generated from thoroughbred simulcasts~~
18 ~~for horsemen's purses and 65% of the funds generated from~~
19 ~~standardbred simulcasts for horsemen's purses shall be divided~~
20 ~~between all standardbred purse pools. The division shall be on a~~
21 ~~pro rata basis between all standardbred race meeting licensees~~
22 ~~based upon the percentage of total standardbred handle, from all~~
23 ~~sources, for the previous calendar year.~~

24 ~~—— (2) The certified horsemen's organizations and race meeting~~
25 ~~licensees shall have audit rights of the funds set forth in this~~
26 ~~section.~~ A RACE MEETING LICENSEE SHALL PAY AN AMOUNT NOT LESS THAN
27 25% AND NOT MORE THAN 40% OF NET COMMISSION REVENUE, AFTER

1 DEDUCTING TAXES AND EXPENSES DIRECTLY ASSOCIATED WITH RECEIVING THE
2 SIMULCAST, GENERATED AT THE LICENSEE'S RACE MEETING FOR PURSES FOR
3 THE LIVE HORSE RACES AT THE RACE MEETING.

4 Sec. 19a. If a ~~thoroughbred~~-track license is surrendered,
5 revoked, or escrowed, or ~~after January 1, 1998,~~ a licensed
6 ~~thoroughbred~~-track is closed, the racing commissioner shall order
7 the ~~deposit of~~ horsemen's purse pool money ~~deposited and~~
8 ~~distributed pursuant to section 19~~ **FROM THE TRACK BE TRANSFERRED** to
9 a depository designated by a race meeting licensee ~~upon~~ **ON** written
10 direction of the affected certified horsemen's organization
11 regardless of whether there was racing at the race meeting
12 licensee's location during the previous year. **THE MONEY SHALL BE**
13 **TRANSFERRED TO THE HORSEMEN'S PURSE POOL AT ANY LICENSED RACETRACK**
14 **IN THIS STATE WHERE THE AFFECTED CERTIFIED HORSEMEN'S ORGANIZATION**
15 **SUBSEQUENTLY OBTAINS A WRITTEN CONTRACT FOR LIVE HORSE RACING WITH**
16 **PARI-MUTUEL WAGERING. IF THE AFFECTED CERTIFIED HORSEMEN'S**
17 **ORGANIZATION DOES NOT ENTER INTO A WRITTEN CONTRACT FOR LIVE HORSE**
18 **RACING WITH PARI-MUTUEL WAGERING AT A TRACK IN THIS STATE WITHIN 9**
19 **MONTHS AFTER THE DATE WHEN THE HORSEMEN'S PURSE POOL MONEY CAN BE**
20 **TRANSFERRED UNDER THIS SECTION, THE MONEY MUST BE EQUALLY DIVIDED**
21 **BETWEEN THE HORSEMEN'S PURSE POOLS AT THE LICENSED TRACKS IN THIS**
22 **STATE CONDUCTING PARI-MUTUEL WAGERING ON THE RESULTS OF HORSE**
23 **RACES. THE RACING COMMISSIONER MAY RESCIND OR MODIFY ANY EXISTING**
24 **ESCROW ORDERS TO CARRY OUT THIS SECTION.**

25 SEC. 19B. MONEY THAT WAS TO BE DISTRIBUTED TO A CERTIFIED
26 HORSEMEN'S ORGANIZATION BUT THAT WAS PLACED AND REMAINS IN ESCROW
27 UNDER AN ESCROW ORDER OF THE RACING COMMISSIONER BEFORE THE

1 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION MUST
2 BE USED BY DECEMBER 31, 2018 FOR A RACE MEETING CONDUCTED BY THE
3 RACE MEETING LICENSEE THAT WAS THE SUBJECT OF THE ORDER IN
4 ACCORDANCE WITH A CONTRACTUAL AGREEMENT BETWEEN THE RACE MEETING
5 LICENSEE AND THE CERTIFIED HORSEMEN'S ORGANIZATION THAT WAS THE
6 SUBJECT OF THE ORDER. IF A CONTRACTUAL AGREEMENT IS NOT REACHED
7 UNDER THIS SECTION BEFORE SEPTEMBER 1, 2017, THE RACING
8 COMMISSIONER SHALL ORDER DISTRIBUTION OF THE ESCROWED MONEY, WITH
9 50% BEING DISTRIBUTED FOR THOROUGHBRED HORSES AND 50% BEING
10 DISTRIBUTED FOR STANDARD BRED HORSES.

11 Sec. 22. (1) ~~Each~~ **A** licensed racetrack located in a city area
12 shall pay a license fee to the racing commissioner of \$1,000.00
13 annually. ~~, and any other licensed racetrack shall pay a license~~
14 ~~fee of \$200.00 annually.~~

15 (2) ~~During calendar year 1996, each~~ **EACH** holder of a race
16 meeting license shall pay to the state treasurer, from the holder's
17 commission, a tax in the amount of ~~2.5%~~ **3.5%** of all money wagered
18 on interstate and intertrack simulcast races conducted at the
19 holder's licensed race meetings. ~~in 1996 in a manner and time as~~
20 ~~the racing commissioner requires. For calendar year 1997 and each~~
21 ~~year thereafter, the tax rate shall increase to 3.5% of all money~~
22 ~~wagered on interstate and intertrack simulcast races conducted at~~
23 ~~the holder's licensed race meetings each calendar year. Not later~~
24 ~~than 4 years after the effective date of this act, the racing~~
25 ~~commissioner shall report to the chairpersons of the senate and~~
26 ~~house committees responsible for legislation concerning horse~~
27 ~~racing as to the effect on the horse racing industry of the~~

1 ~~reduction in the tax pursuant to subsection (2).~~

2 (3) By eliminating the pari-mutuel wagering tax on live racing
3 programs **AND ALTERING THE CALCULATION OF THE TAX ON SIMULCAST HORSE**
4 **RACING**, it is not the intent of the legislature to diminish the
5 funding and appropriations for the Michigan agriculture equine
6 industry fund and related programs described in section 20. The
7 pari-mutuel tax ~~reduction~~ **ALTERATION** effected by this section is
8 intended to generally allow for the improvement of the pari-mutuel
9 horse racing and breeding industry in this state by increasing
10 purses at licensed race meetings and making additional pari-mutuel
11 revenues available for capital improvements at licensed racetracks
12 in this state.

13 Sec. 27. (1) A person shall not participate in racing
14 involving wagering of any kind except as permitted under this act.

15 (2) **A PERSON SHALL NOT HOLD OR CONDUCT, OR ASSIST, AID, OR**
16 **ABET IN HOLDING OR CONDUCTING, A RACE MEETING IN THIS STATE AT**
17 **WHICH LIVE OR SIMULCAST HORSE RACES WITH PARI-MUTUEL WAGERING ON**
18 **THE RESULTS OF THE HORSE RACES FOR A STAKE, PURSE, PRIZE, SHARE, OR**
19 **REWARD IS CONDUCTED, UNLESS THE PERSON AND THE RACETRACK AT WHICH**
20 **THE PARI-MUTUEL WAGERING IS CONDUCTED ARE LICENSED BY THE RACING**
21 **COMMISSIONER.**

22 Sec. 31. (1) Except as provided in subsection ~~(3)~~, **(4)**, a
23 person who does any of the following, or who aids or abets another
24 in doing any of the following, is guilty of a misdemeanor
25 punishable by a fine of not more than \$10,000.00 or by imprisonment
26 for not more than 1 year, or both:

27 (a) Introduces an object or foreign substance into the

1 nostrils or windpipe of a horse that is entered or intended to be
2 entered in a race or workout at a licensed race meeting in this
3 state for the purpose of affecting the racing condition or
4 performance of the horse in a race or workout, without
5 authorization of the racing commissioner.

6 (b) Has in his or her possession within the confines of a
7 racetrack, stable, shed, building, or grounds of a licensed race
8 meeting, or within the confines of an off-track stable, shed,
9 building, or grounds where horses are kept ~~which~~**THAT** are eligible
10 to race over the racetrack of the holder of a race meeting license,
11 any drug not authorized by the racing commissioner for use at those
12 locations, or **A** battery or buzzer, electrical or mechanical, or
13 syringe, hypodermic needle, or other appliance device, other than
14 the ordinary whip, ~~which~~**THAT** may or can be used for the purpose of
15 affecting a horse's racing condition or performance in a race or
16 workout at a licensed race meeting in this state.

17 (c) Has in his or her possession within the confines of a
18 racetrack, stable, shed, building, or grounds of a licensed race
19 meeting or within the confines of an off-track stable, shed,
20 building, or grounds where horses are kept that are eligible to
21 race over the racetrack of the holder of a race meeting license a
22 controlled substance ~~as defined in section 7104 of the public~~
23 ~~health code, Act No. 368 of the Public Acts of 1978, being section~~
24 ~~333.7104 of the Michigan Compiled Laws,~~ or a hypodermic needle or
25 other instrument that can be used to administer a controlled
26 substance, unless the controlled substance was obtained directly
27 from or pursuant to a prescription from ~~—~~a licensed physician ~~—~~

1 and the person notifies the racing commissioner or racing
2 commissioner's designee that the person possesses the controlled
3 substance or instrument.

4 (2) In addition to the penalties prescribed in subsection (1),
5 **THE RACING COMMISSIONER SHALL SUSPEND THE LICENSE OF** a person who
6 is a licensee under this act and who does any of the acts described
7 in subsection (1) ~~shall have his or her license suspended by the~~
8 ~~racing commission~~ for a period of not less than 5 years after being
9 **THE PERSON IS** convicted.

10 (3) **A PERSON THAT IS NOT AUTHORIZED TO CONDUCT ADVANCE DEPOSIT**
11 **ACCOUNT WAGERING UNDER THIS ACT AND THAT SOLICITS AN ADVANCE**
12 **DEPOSIT ACCOUNT WAGER FROM ANOTHER PERSON IS GUILTY OF A FELONY AND**
13 **SUBJECT TO IMPRISONMENT FOR NOT MORE THAN 3 YEARS OR A FINE OF NOT**
14 **MORE THAN \$25,000.00, OR BOTH. EACH ACT OF SOLICITATION OR WAGER**
15 **THAT IS ACCEPTED IN VIOLATION OF THIS SUBSECTION IS A SEPARATE**
16 **OFFENSE.**

17 (4) ~~(3)~~ Subsections (1) and (2) do not prohibit the possession
18 and use of drugs, foreign substances, controlled substances,
19 hypodermic needles and syringes, nasogastric tubes, endotracheal
20 tubes, endoscopes, or other instruments or equipment by a
21 veterinarian within the confines of a racetrack, stable, shed,
22 building, or grounds of a licensed race meeting or within the
23 confines of an off-track stable, shed, building, or grounds where
24 horses are kept that are eligible to race over the racetrack of the
25 holder of a race meeting license, if the drugs and equipment are
26 recognized and accepted in veterinary medicine for use in the care
27 and treatment of horses and are possessed and used by the

1 veterinarian in accordance with accepted standards of veterinary
2 practice in this state and applicable state and federal laws and
3 not in violation of other provisions of this act.

4 Enacting section 1. This amendatory act takes effect 90 days
5 after the date it is enacted into law.