

**SUBSTITUTE FOR  
HOUSE BILL NO. 4347**

A bill to amend 1995 PA 279, entitled  
"Horse racing law of 1995,"  
by amending sections 2, 20, and 26 (MCL 431.302, 431.320, and  
431.326), section 2 as amended by 2016 PA 271 and section 20 as  
amended by 2019 PA 153.

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

1       Sec. 2. As used in this act:

2       (a) "Affiliate" means a person who, directly or indirectly,  
3 controls, is controlled by, or is under common control with; is in  
4 a partnership or joint venture relationship with; or is a co-  
5 shareholder of a corporation, co-member of a limited liability  
6 company, or co-partner in a limited liability partnership with a  
7 person who holds or applies for a race meeting or track license



1 under this act. For purposes of this subdivision, a controlling  
2 interest is a pecuniary interest of more than 15%.

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

5 (c) "Certified horsemen's organization" means an organization  
6 that is registered with the office of racing commissioner in a  
7 manner and form required by the racing commissioner and that can  
8 demonstrate all of the following:

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

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

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

15 (iv) The organization's ability to protect the financial  
16 interests of the individuals participating at licensed race  
17 meetings.

18 (d) "Commissioner" or "racing commissioner" means the  
19 executive director of the Michigan gaming control board appointed  
20 under section 4 of the Michigan ~~gaming control and revenue act,~~  
21 **Gaming Control and Revenue Act**, 1996 IL 1, MCL 432.204, who is  
22 ordered under Executive Reorganization Order No. 2009-31, MCL  
23 324.99919, to perform all the functions and exercise the powers  
24 performed and exercised by the racing commissioner before that  
25 position was abolished.

26 (e) "Controlled substance" means that term as defined in  
27 section 7104 of the public health code, 1978 PA 368, MCL 333.7104.

28 (f) "Day of operation" means a period of 24 hours beginning at  
29 12 noon and ending at 11:59 a.m. the following day.



(g) "Drug" means any of the following:

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

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

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

**(h) "Eligible recipient" means a resident of this state.**

**(i) ~~(h)~~**—"Fair" means a county, district, or community fair or a state fair.

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

**(k) ~~(j)~~**—"Full card simulcast" means an entire simulcast racing program of 1 or more race meeting licensees located in this state, or an entire simulcast racing program of 1 or more races simulcasted from 1 or more racetracks located outside of this state.

**(l) ~~(k)~~**—"Horsemen's simulcast purse account" means an account maintained with a financial institution and managed by a designated agent as described in section 19 to receive and distribute money as provided in this act.

**(m) ~~(l)~~**—"Member of the immediate family" means the spouse, child, parent, or sibling.

**(n) ~~(m)~~**—"Net commission" means the amount determined under



1 section 17(3), after first deducting from the licensee's statutory  
 2 commission the applicable state tax on wagering due and payable  
 3 under section 22 and the actual verified fee paid by the licensee  
 4 to the sending host track to receive the simulcast signal.

5 (o) ~~(n)~~ "Office of the racing commissioner" means the horse  
 6 racing section of the horse racing, audit, and gaming technology  
 7 division of the Michigan gaming control board created by section 4  
 8 of the Michigan ~~gaming control and revenue act~~, **Gaming Control and**  
 9 **Revenue Act**, 1996 IL 1, MCL 432.204, which operates under the  
 10 direction of the executive director of the Michigan gaming control  
 11 board, to which Executive Reorganization Order No. 2009-31, MCL  
 12 324.99919, transferred all of the authority, powers, duties,  
 13 functions, records, personnel, property, unexpended balances of  
 14 appropriations, allocations, or other funds of the office of racing  
 15 commissioner that previously existed under this act and that was  
 16 abolished by that executive reorganization order.

17 (p) ~~(e)~~ "Pari-mutuel" and "pari-mutuel wagering" mean the form  
 18 or system of gambling in which the winner or winners divide the  
 19 total amount of money bet, after deducting the net commission.

20 (q) ~~(p)~~ "Person" means an individual, firm, partnership,  
 21 corporation, association, or other legal entity.

22 (r) ~~(q)~~ "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 as provided in  
 25 this act.

26 (s) ~~(r)~~ "Standardbred" means a horse registered with the  
 27 United States Trotting Association that races on designated gaits  
 28 of pace or trot.

29 (t) ~~(s)~~ "Thoroughbred" means a thoroughbred, quarter, paint,



1 Arabian, or other breed horse. Thoroughbred does not include a  
2 standardbred.

3 (u) ~~(t)~~ "Veterinarian" means an individual licensed to  
4 practice veterinary medicine under part 188 of the public health  
5 code, 1978 PA 368, MCL 333.18801 to 333.18838, or under a state or  
6 federal law applicable to the individual.

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

21 (2) Except for money generated from the tax on wagers  
22 processed through licensed third-party facilitators operating under  
23 ~~this act under~~ section 22, money received by the racing  
24 commissioner and the state treasurer under this act must be paid  
25 promptly into the state treasury and placed in the Michigan  
26 agriculture equine industry development fund created in subsection  
27 (3).

28 (3) The Michigan agriculture equine industry development fund  
29 is created in the department of treasury. The Michigan agriculture



equine industry development fund must be administered by the director of the department of agriculture and rural development with the assistance and advice of the racing commissioner.

(4) Money must not be expended from the Michigan agriculture equine industry development fund except as appropriated by the legislature. Money appropriated by the legislature from the Michigan agriculture equine industry development fund must be expended by the director of the department of agriculture and rural development with the advice and assistance of the racing commissioner to provide funding for agriculture and equine industry development programs **only** as provided in subsections (5) to (11), **(13), (15), and (18)**.

(5) ~~The Subject to subsection (18), the~~ following amounts, **as a percentage of the prior fiscal year end balance of Michigan agriculture equine industry development fund**, must be paid to standardbred and fair programs:

(a) ~~A sum not to exceed 75% of the~~ **Sixteen percent for** purses for standardbred harness horse races offered by fairs and races at licensed pari-mutuel racetracks. ~~Purse supplements paid under this subdivision for overnight races at fairs for which Michigan sired, Michigan bred, or Michigan owned harness horses are eligible must be \$1,000.00. However, if the average purse offered for maiden overnight races of the same breed at any licensed race meeting in this state during the previous year as calculated by the department of agriculture and rural development was less than \$1,000.00, purse supplements for overnight races at fairs paid under this subdivision must not exceed that average purse.~~

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



~~equipment rental during fairs; ground improvement; constructing, maintaining, and repairing buildings; and making the racetrack more suitable and safe for racing at fairs.~~ **Except for a program under subdivision (f), 6% to be distributed in equal amounts by the state treasurer to every county fair in this state.**

(c) ~~A sum to be allotted~~ **Twenty-five percent** for paying special purses at fairs ~~on~~ **in this state for** 2-year-old and 3-year-old standardbred harness horses conceived after January 1, 1992, that ~~is~~ **are** Michigan bred, or that ~~is~~ **were** sired by a standardbred stallion registered with the department of agriculture and rural development, that was leased or owned by a resident or residents of this state, and that did not serve a mare at a location outside of this state from February 1 through July 31 of the calendar year in which the conception occurred. A foal that is born on or after January 1, 2002 of a mare owned by a nonresident of this state and that is conceived outside of this state from transported semen of a stallion registered with the department of agriculture and rural development is eligible for Michigan tax-supported races only if, in the year that the foal is conceived, the department of agriculture and rural development's agent for receiving funds as the holding agent for stakes and futurities is paid a transport fee as determined by the department of agriculture and rural development and administered by the Michigan Harness Horsemen's Association.

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



1           (d) ~~(e) A sum~~ **Twelve percent** to pay breeders' awards in an  
 2 amount not to exceed ~~10%~~ **20%** of the gross purse to breeders of  
 3 ~~Michigan-bred~~ **Michigan-bred** standardbred harness horses for each  
 4 time the horse wins a race at a licensed race meeting or fair in **or**  
 5 **outside of** this state. As used in this subdivision, ~~"Michigan-bred~~  
 6 **"Michigan-bred** standardbred harness horse" means a horse from a  
 7 mare owned by a resident or residents of this state at the time of  
 8 conception, that was conceived after January 1, 1992, and sired by  
 9 a standardbred stallion registered with the department of  
 10 agriculture and rural development that was leased or owned by ~~a~~  
 11 ~~resident or residents of this state~~ **an eligible recipient** and that  
 12 did not serve a mare at a location outside of this state from  
 13 February 1 through July 31 of the calendar year in which the  
 14 conception occurred. To be eligible, each mare must be registered  
 15 with the department of agriculture and rural development. A foal  
 16 that is born on or after January 1, 2002 of a mare owned by a  
 17 nonresident of this state and that is conceived outside of this  
 18 state from transported semen of a stallion registered with the  
 19 department of agriculture and rural development is eligible for  
 20 Michigan tax-supported races only if, in the year that the foal is  
 21 conceived, the department of agriculture and rural development's  
 22 agent for receiving funds as the holding agent for stakes and  
 23 futurities is paid a transport fee as determined by the department  
 24 of agriculture and rural development and administered by the  
 25 Michigan Harness Horsemen's Association.

26           (e) ~~(f) A sum not to exceed \$4,000.00 each year to be allotted~~  
 27 ~~to fairs to provide training and stabling facilities for~~  
 28 ~~standardbred harness horses.~~ **Two percent to be distributed in equal**  
 29 **amounts by the state treasurer to each fair that held standardbred**



1 **harness racing in the previous calendar year and that will hold**  
 2 **standardbred harness racing in the current calendar year.**

3 ~~(f) (g) A sum~~ **Eight percent** to be allotted to pay ~~distributed~~  
 4 **by the director of the department of agriculture and rural**  
 5 **development to fairs for some or all of the following, as**  
 6 **determined by each fair receiving money under this subdivision:**

7 **(i) The payment of** the presiding judges and clerks of the  
 8 course at fairs. Presiding judges and clerks of the course must be  
 9 hired by the fair's administrative body with the advice ~~and~~  
 10 ~~approval of the racing commissioner. The director of the department~~  
 11 ~~of agriculture and rural development may allot funds for a horse~~  
 12 **racing advisory commission.**

13 **(ii) A photo finish system, and a mobile starting gate, a water**  
 14 **truck, track maintenance vehicles, an announcer, an ambulance, an**  
 15 **outrider, and advertising.**

16 **(iii) An on-site veterinarian to ensure animal health and the**  
 17 **soundness of participating horses.** ~~The director of the department~~  
 18 ~~of agriculture and rural development shall allot funds for the~~

19 **(iv) The** conducting of tests, the collection and laboratory  
 20 analysis of urine, saliva, blood, and other samples from horses,  
 21 and the taking of blood alcohol tests on drivers, jockeys, and  
 22 starting gate employees, for those races described in this  
 23 subdivision. The department may require a driver, jockey, or  
 24 starting gate employee to submit to a breathalyzer test, urine  
 25 test, or other noninvasive fluid test to detect the presence of  
 26 alcohol or a controlled substance. If the results of a test show  
 27 ~~that a person~~ **an individual** has more than .05% of alcohol in ~~his or~~  
 28 ~~her~~ **the individual's** blood, or has present in ~~his or her~~ **the**  
 29 **individual's** body a controlled substance, the ~~person~~ **individual** is



1 not permitted to continue in ~~his or her~~ **the individual's** duties on  
 2 that race day and until ~~he or she~~ **the individual** can produce, at  
 3 ~~his or her~~ **the individual's** own expense, a negative test result.

4 **(g)** ~~(h) A sum~~ **Five percent** to pay purse supplements to  
 5 licensed pari-mutuel harness race meetings **or fairs** for special 4-  
 6 year-old filly and colt horse races.

7 **(h)** ~~(i) A sum not to exceed 0.25% of all money wagered on live~~  
 8 ~~and simulcast horse races in this state~~ **Fifteen percent** must be  
 9 placed in a special standardbred sire stakes fund each year, 100%  
 10 of which must be used to provide purses for races run exclusively  
 11 for 2-year-old and 3-year-old ~~Michigan sired~~ **Michigan-sired**  
 12 standardbred horses at **a county fair or** licensed harness race  
 13 ~~meetings~~ **meeting** in this state. As used in this subdivision,  
 14 ~~"Michigan sired"~~ **"Michigan-sired** standardbred horses" means  
 15 standardbred horses conceived after January 1, 1992 and sired by a  
 16 standardbred stallion registered with the department of agriculture  
 17 and rural development that was leased or owned by a resident or  
 18 residents of this state and that did not serve a mare at a location  
 19 outside of this state from February 1 through July 31 of the  
 20 calendar year in which the conception occurred. A foal that is born  
 21 on or after January 1, 2002 of a mare owned by a nonresident of  
 22 this state and that is conceived outside of this state from  
 23 transported semen of a stallion registered with the department of  
 24 agriculture and rural development is eligible for Michigan tax-  
 25 supported races only if, in the year that the foal is conceived,  
 26 the department of agriculture and rural development's agent for  
 27 receiving funds as the holding agent for stakes and futurities is  
 28 paid a transport fee as determined by the department of agriculture  
 29 and rural development and administered by the Michigan Harness



1 Horsemen's Association.

2 (6) ~~The Subject to subsection (18), the~~ following amounts, as  
3 a percentage of the prior fiscal year end balance of the Michigan  
4 agriculture equine industry development fund, must be paid to  
5 thoroughbred programs:

6 ~~(a) A sum to be allotted thoroughbred race meeting licensees~~  
7 ~~to supplement the purses for races to be conducted exclusively for~~  
8 ~~Michigan bred horses.~~

9 (a) ~~(b) A sum~~ **Three percent** to pay awards in an amount not to  
10 exceed 30% of the gross purse to owners of Michigan-bred Michigan-  
11 sired horses that finish first, second, or third in races open to  
12 non-Michigan-bred non-Michigan sired horses in and outside of this  
13 state. Owner awards under this subdivision may be paid only if the  
14 owner is an eligible recipient.

15 (b) ~~(c) A sum~~ **Three percent** to pay breeders' awards in an  
16 amount not to exceed ~~10%~~ **30%** of the gross purse to the breeders of  
17 Michigan-bred Michigan-sired thoroughbred horses for each time  
18 Michigan-bred Michigan-sired thoroughbred horses win at a licensed  
19 race meeting in and outside of this state. Breeders' awards under  
20 this subdivision may be paid only if the owner is an eligible  
21 recipient.

22 (c) ~~(d) A sum~~ **One percent** to pay purse supplements to licensed  
23 thoroughbred race meetings for special 4-year-old and older  
24 Michigan-sired filly and colt horse races. If there is no  
25 thoroughbred race meeting in the state, or the race meeting is  
26 unable to conduct the races under this subdivision, the director of  
27 the department of agriculture and rural development shall allot a  
28 special thoroughbred sires stakes fund for 4-year-olds to provide  
29 an award to the owners of the top 5 highest earning Michigan-sired



1 4-year-olds by sex and distribute money as follows: 50% of the fund  
 2 to the top earning 4-year-old horse and mare; 25% of the fund to  
 3 the second top earning 4-year-old horse and mare; 12% of the fund  
 4 to the third top earning 4-year-old horse and mare; 8% of the fund  
 5 to the fourth top earning 4-year-old horse and mare; and 5% of the  
 6 fund to the fifth top earning 4-year-old horse and mare. Awards  
 7 under this subdivision may be paid only if the owner is an eligible  
 8 recipient and submits an annual supplemental purse/award  
 9 eligibility form to the department of agriculture and rural  
 10 development not later than January 15 for the horse's earnings for  
 11 the previous calendar year. The department of agriculture and rural  
 12 development shall verify eligibility and that the owner is an  
 13 eligible recipient and submit results to the state treasurer not  
 14 later than February 15.

15 (d) ~~(e) A sum not to exceed 0.25% of all money wagered on live~~  
 16 ~~and simulcast horse races in this state~~ **Three percent** must be  
 17 placed in a special thoroughbred sire stakes fund each year, 100%  
 18 of which must be used to provide purses for races run exclusively  
 19 for 2-year-old and 3-year-old ~~and older Michigan-sired~~ **Michigan-**  
 20 **sired** thoroughbred horses at licensed thoroughbred race meetings in  
 21 this state and awards for owners of ~~Michigan-sired~~ **Michigan-sired**  
 22 horses or stallions. As used in this subdivision, "~~Michigan-sired~~  
 23 **Michigan-sired** thoroughbred horses" means thoroughbred horses  
 24 sired by a stallion registered with the department of agriculture  
 25 and rural development that was leased or owned ~~exclusively by a~~  
 26 ~~resident or residents of this state~~ **an eligible recipient** and that  
 27 did not serve a mare at a location outside of this state during the  
 28 calendar year in which the service occurred. **If there is no**  
 29 **thoroughbred race meeting in the state, or the race meeting is**



1 unable to conduct the races under this subdivision, the director of  
 2 the department of agriculture and rural development shall allot a  
 3 special thoroughbred sires stakes fund for 2-year-olds and 3-year-  
 4 olds to provide an award to the owners of the top 5 highest earning  
 5 Michigan-sired 2-year-old and 3-year-old colts and fillies by age  
 6 and sex and distribute money as follows: 50% of the fund to the top  
 7 earning 2-year-old and 3-year-old colt and filly; 25% of the fund  
 8 to the second top earning 2-year-old and 3-year-old colt and filly;  
 9 12% of the fund to the third top earning 2-year-old and 3-year-old  
 10 colt and filly; 8% of the fund to the fourth top earning 2-year-old  
 11 and 3-year-old colt and filly; and 5% of the fund to the fifth top  
 12 earning 2-year-old and 3-year-old colt and filly. Awards under this  
 13 subdivision may be paid only if the owner is an eligible recipient  
 14 and submits an annual supplemental purse/award eligibility form to  
 15 the department of agriculture and rural development not later than  
 16 January 15 for the horse's earnings for the previous calendar year.  
 17 The department of agriculture and rural development shall verify  
 18 eligibility and that the owner is an eligible recipient and submit  
 19 results to the state treasurer not later than February 15.

20 (7) The following amounts must be paid for quarter horse  
 21 programs:

22 (a) A sum to supplement the purses for races to be conducted  
 23 exclusively for ~~Michigan-bred~~ **Michigan-bred** quarter horses.

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

26 (c) A sum to pay breeders' awards in an amount not to exceed  
 27 10% of a gross purse to breeders of ~~Michigan-bred~~ **Michigan-bred**  
 28 quarter horses for each time a ~~Michigan-bred~~ **Michigan-bred** quarter  
 29 horse wins at a county fair or licensed race meeting in this state.



(d) As used in this subsection, ~~"Michigan-bred"~~**Michigan-bred** quarter horse" means ~~Michigan-bred~~**Michigan-bred** quarter horse as that term is defined in R 285.817.1 of the Michigan Administrative Code. Each mare and stallion must be registered with the director of the department of agriculture and rural development.

(8) The following amounts must be paid for Appaloosa programs:

(a) A sum to supplement the purses for races to be conducted exclusively for ~~Michigan-bred~~**Michigan-bred** Appaloosa horses.

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

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

(d) As used in this subsection, ~~"Michigan-bred"~~**Michigan-bred** Appaloosa horse" means a ~~Michigan-bred~~**Michigan-bred** Appaloosa horse as that term is defined in R 285.819.1 of the Michigan Administrative Code. Each mare and stallion must be registered with the director of the department of agriculture and rural development.

(9) The following amounts must be paid for Arabian programs:

(a) A sum to supplement the purses for races to be conducted exclusively for ~~Michigan-bred~~**Michigan-bred** Arabian horses.

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

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



(d) As used in this subsection, ~~"Michigan-bred"~~**Michigan-bred** Arabian horse" means a ~~Michigan-bred~~**Michigan-bred** horse as that term is defined in R 285.822.1(i) of the Michigan Administrative Code. Each mare and stallion shall be registered with the director of the department of agriculture and rural development.

(10) The following sums must be paid for American paint horse programs:

(a) A sum to supplement the purses for races to be conducted exclusively for ~~Michigan-bred~~**Michigan-bred** American paint horses.

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

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

(d) As used in this subsection, ~~"Michigan-bred"~~**Michigan-bred** American paint horse" means a ~~Michigan-bred~~**Michigan-bred** paint horse as that term is defined in R 285.823.1 of the Michigan Administrative Code.

(11) ~~The~~**Subject to subsection (18), the** following amounts, **as a percentage of the prior fiscal year end balance of the Michigan agriculture equine industry development fund,** must be paid for the equine industry research, planning, and development grant fund program:

(a) ~~A sum~~**0.5%** to fund grants for research projects conducted by persons affiliated with a university or governmental research agency or institution or other private research entity approved by the racing commissioner, which are beneficial to the horse racing



1 and breeding industry in this state.

2 (b) ~~A sum of 0.5%~~ to fund the development, implementation, and  
3 administration of new programs that promote the proper growth and  
4 development of the horse racing and breeding industry in this state  
5 and other valuable equine-related commercial and recreational  
6 activities in this state.

7 (12) As used in subsection (11), "equine industry research"  
8 means the study, discovery and generation of accurate and reliable  
9 information, findings, conclusions, and recommendations that are  
10 useful or beneficial to the horse racing and breeding industry in  
11 this state through improvement of the health of horses; prevention  
12 of equine illness and disease, and performance-related accidents  
13 and injuries; improvement of breeding technique and racing  
14 performance; and compilation and study of valuable and reliable  
15 statistical data regarding the size, organization, and economics of  
16 the industry in this state; and strategic planning for the  
17 effective promotion, growth, and development of the industry in  
18 this state.

19 (13) An amount must be allotted annually to the racing  
20 commissioner that is sufficient to pay for the collection and  
21 laboratory analysis of urine, saliva, blood, and other samples from  
22 horses and licensed individuals involved in horse racing on which  
23 pari-mutuel wagers are made and for the conducting of tests  
24 described in section 16(4).

25 (14) Money appropriated and allotted to the Michigan  
26 agriculture equine industry development fund must not revert to the  
27 general fund and must be carried forward from year to year until  
28 disbursed to fund grants for research projects beneficial to the  
29 industry.



1 (15) A percentage of the Michigan agriculture equine industry  
2 development fund that is equal to 1/15 of 1% of the gross wagers  
3 made each year in each of the racetracks licensed under this act  
4 must be deposited in the compulsive gaming prevention fund created  
5 in section 3 of the compulsive gaming prevention act, 1997 PA 70,  
6 MCL 432.253.

7 (16) The director of the department of agriculture and rural  
8 development shall promulgate rules pursuant to the administrative  
9 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to  
10 implement this section. The rules promulgated under this subsection  
11 must do all of the following:

12 (a) Prescribe the conditions under which the Michigan  
13 agriculture equine industry development fund and related programs  
14 described in subsections (1) to (14) must be funded.

15 (b) Establish conditions and penalties regarding the programs  
16 described in subsections (5) to ~~(12)~~. **(11)**.

17 (c) Develop and maintain informational programs related to  
18 this section.

19 (17) Funds under the control of the department of agriculture  
20 and rural development in this section must be disbursed under the  
21 rules promulgated under subsection (16). All funds under the  
22 control of the department of agriculture and rural development  
23 approved for purse supplements and breeders' awards must be paid by  
24 the state treasurer not later than 45 days from the date of the  
25 race.

26 **(18) The prior fiscal year end balance used to calculate the**  
27 **money received as a percentage of the Michigan agriculture equine**  
28 **industry development fund under subsections (5), (6), and (11) is**  
29 **determined after all of the following from the fund occur:**



1 (a) \$1,500,000.00 is allotted to the Michigan gaming control  
2 board.

3 (b) The department of agriculture and rural development pays  
4 the department's costs to administer this act.

5 (c) The sum under subsection (13) is allotted to the racing  
6 commissioner.

7 (d) The sum under subsection (15) is deposited into the  
8 compulsive gaming prevention fund created in section 3 of the  
9 compulsive gaming prevention act, 1997 PA 70, MCL 432.253.

10 (19) ~~(18)~~ Purses paid under this section must be based on  
11 actual purses awarded in a race. If the actual purses awarded are  
12 less than the purse supplement amount requested by a fair or  
13 licensed pari-mutuel racetrack at the time they applied to the  
14 department of agriculture and rural development for the purse  
15 supplement, the purse supplement paid must be the lesser amount.

16 ~~(19) If the amount allocated to the Michigan agriculture~~  
17 ~~equine industry development fund under this act or any other source~~  
18 ~~exceeds \$8,000,000.00 in a fiscal year, the amount in excess of~~  
19 ~~\$8,000,000.00 must be allocated to the pari-mutuel horse racing~~  
20 ~~disbursement account under section 19.~~

21 Sec. 26. (1) Except as provided for in section 20, this act  
22 applies to county or state fairs or to agricultural or livestock  
23 exhibitions only if the pari-mutuel system of wagering ~~upon~~ **on** the  
24 result of horse racing is conducted.

25 (2) This act does not permit the pari-mutuel system of  
26 wagering ~~upon a racetrack~~ **on live or simulcast horse races** unless  
27 the racetrack, ~~is licensed as provided by~~ **including any racetrack**  
28 **at a fairground, fair, or agricultural or livestock exhibition, at**  
29 **which the live horse races occur and the simulcast horse races are**



1   televised holds a current track license under this act. Wagering on  
2   a live or simulcast horse race, whether in person or through a  
3   third-party facilitator, may be offered only by a race meeting  
4   licensee and only if all licenses, permits, and other approvals  
5   required under this act have been issued by the racing commissioner  
6   and are in effect. A race meeting licensee shall not simulcast  
7   horse races or offer pari-mutuel wagering on live or simulcast  
8   horse races except at the licensed racetrack identified in the race  
9   meeting license.

10       (3) A person shall not permit, conduct, or supervise ~~upon~~  
11   ~~racetrack grounds,~~ the pari-mutuel system of wagering **on live or**  
12   **simulcast horse races**, except in accordance with this act.

13       Enacting section 1. This amendatory act does not take effect  
14   unless Senate Bill No. \_\_\_\_ (request no. S01228'25) or House Bill  
15   No. 4346 of the 103rd Legislature is enacted into law.