

# HOUSE BILL No. 6465

September 17, 2008, Introduced by Rep. Meisner and referred to the Committee on Regulatory Reform.

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending the title and sections 2, 3, 7, 8, 17, 18, 19a, and 22 (MCL 431.302, 431.303, 431.307, 431.308, 431.317, 431.318, 431.319a, and 431.322), section 2 as amended by 2006 PA 445, section 7 as amended by 2000 PA 164, and sections 17 and 18 as amended and section 19a as added by 1998 PA 408; and to repeal acts and parts of acts.

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

TITLE

An act to license and regulate ~~the conducting of~~ horse race meetings in this state, ~~with~~ pari-mutuel wagering on the results of horse races **AND OTHER GAMBLING GAMES**, and persons involved in horse racing and pari-mutuel gaming activities at ~~such~~ race meetings; to

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1 create the office of racing commissioner; to prescribe the powers  
2 and duties of the racing commissioner; to prescribe certain powers  
3 and duties of the department of agriculture and the director of the  
4 department of agriculture; to provide for the promulgation of  
5 rules; to provide for the imposition of taxes and fees and the  
6 disposition of revenues; to impose certain taxes; to create funds;  
7 to legalize and permit the pari-mutuel method of wagering on the  
8 results of live and simulcast races at licensed race meetings in  
9 this state; to appropriate the funds derived from pari-mutuel  
10 wagering on the results of horse races at licensed race meetings in  
11 this state; to prescribe remedies and penalties; and to repeal acts  
12 and parts of acts.

13 Sec. 2. As used in this act:

14 (a) "Affiliate" means a person who, directly or indirectly,  
15 controls, is controlled by, or is under common control with; is in  
16 a partnership or joint venture relationship with; or is a co-  
17 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 (b) "Breaks" means the cents over any multiple of 10 otherwise  
23 payable to a patron on a wager **ON THE OUTCOME OF A HORSE RACE** of  
24 \$1.00.

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

1 of the following:

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

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

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

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

11 (d) "City area" means a city with a population of 750,000 or  
12 more and every county located wholly or partly within 30 miles of  
13 the city limits of the city.

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

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

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

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

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

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

27 (h) "Fair" means any county, district, or community fair and

1 any state fair.

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

6 (j) "Full card simulcast" means an entire simulcast racing  
7 program of 1 or more race meeting licensees located in this state,  
8 or an entire simulcast racing program of 1 or more races  
9 ~~simuleasted~~**SIMULCAST** from 1 or more racetracks located outside of  
10 this state.

11 (K) **"INTERSTATE SIMULCAST" MEANS A SIMULCAST FROM A RACETRACK  
12 OUTSIDE THIS STATE TO A RACETRACK INSIDE THIS STATE.**

13 (l) **"INTERTRACK SIMULCAST" MEANS A SIMULCAST FROM 1 RACETRACK  
14 IN THIS STATE TO ANOTHER RACETRACK IN THIS STATE.**

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

17 (N) **"PARI-MUTUEL GAMING ACTIVITIES" MEANS A GAME ADOPTED BY  
18 RULES PROMULGATED BY THE RACING COMMISSIONER UNDER SECTION 7 THAT  
19 IS PLAYED USING THE PARI-MUTUEL SYSTEM OF WAGERING.**

20 (O) **"PARI-MUTUEL SYSTEM OF WAGERING" MEANS A SYSTEM OF  
21 WAGERING IN WHICH THE WINNER TAKES OR, IF THERE ARE MULTIPLE  
22 WINNERS, THE WINNERS DIVIDE THE TOTAL AMOUNT BET AFTER A COMMISSION  
23 AND TAXES IMPOSED UNDER THIS ACT ARE DEDUCTED.**

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

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

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

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

6 (S) ~~(n)~~—"Veterinarian" means a person licensed to practice  
7 veterinary medicine under part 188 of the public health code, 1978  
8 PA 368, MCL ~~333.16101~~—**333.18801** to 333.18838, or under a state or  
9 federal law applicable to that person.

10 Sec. 3. The office of racing commissioner is created within  
11 the department of agriculture. The racing commissioner has the  
12 powers and duties prescribed in this act and shall administer the  
13 provisions of this act relating to licensing, enforcement, and  
14 regulation. The racing commissioner also has those additional  
15 powers necessary and proper to implement and enforce this act and  
16 to regulate and maintain jurisdiction over the conduct of each  
17 licensed race meeting within this state where horse races or pari-  
18 mutuel wagering ~~on the results of horse races~~ is permitted for a  
19 stake, purse, prize, share, or reward.

20 Sec. 7. (1) The racing commissioner may promulgate rules  
21 pursuant to the administrative procedures act of 1969, 1969 PA 306,  
22 MCL 24.201 to 24.328, for conducting horse racing, pari-mutuel  
23 wagering ~~on horse racing results~~ **AT RACE MEETINGS**, and simulcasting.  
24 The rules promulgated under this section shall 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,~~ and simulcasting conducted at licensed race  
6 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 PARI-MUTUEL~~  
9 wagering, and simulcasting at licensed race meetings within this  
10 state.

11 (D) THE GOVERNING, RESTRICTING, APPROVING, OR REGULATING OF  
12 WAGERING AND PARI-MUTUEL GAMING ACTIVITIES THAT ARE NOT PLAYED  
13 USING THE PARI-MUTUEL SYSTEM OF WAGERING CONDUCTED AT LICENSED RACE  
14 MEETINGS IN THIS STATE. THE RACING COMMISSIONER SHALL PROVIDE, FOR  
15 EACH RULE PROMULGATED UNDER THIS SUBDIVISION, THAT THE RULE IS NOT  
16 EFFECTIVE UNLESS AND UNTIL IT IS APPROVED BY THE ELECTORS AS  
17 REQUIRED BY SECTION 41 OF ARTICLE IV OF THE STATE CONSTITUTION OF  
18 1963.

19 (2) Each race meeting licensee shall provide security at all  
20 times so as to reasonably ensure the safety of all persons and  
21 horses, ~~on the grounds,~~ and to protect and preserve the integrity  
22 of horse racing, pari-mutuel wagering, and simulcasting, at  
23 licensed race meetings. If the racing commissioner determines that  
24 additional security is necessary to ensure the safety and integrity  
25 of racing, the racing commissioner shall provide supplemental  
26 security at each race meeting in areas where occupational licenses  
27 are required for admittance.

1           (3) The racing commissioner may issue sanctions including, but  
2 not limited to, revocation or suspension of a license, exclusion  
3 from racetrack grounds, or a fine of not more than \$25,000.00 for  
4 each violation of this act or a rule promulgated under this act  
5 committed by a licensee or other person under this act. A sanction  
6 issued under this section may be appealed to the racing  
7 commissioner. The appeal shall be heard pursuant to the contested  
8 case provisions of the administrative procedures act of 1969, 1969  
9 PA 306, MCL 24.201 to 24.328.

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

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

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

26           (7) The racing commissioner may visit, investigate, and place  
27 auditors and other persons as the racing commissioner considers

1 necessary in the offices, racetracks, or places of business of a  
2 licensee under this act to ensure compliance with this act and the  
3 rules promulgated under this act.

4 (8) The racing commissioner may summon witnesses and  
5 administer oaths or affirmations to exercise and discharge his or  
6 her powers and duties under this act. A person failing to appear  
7 before the racing commissioner at the time and place specified in a  
8 summons from the racing commissioner or refusing to testify,  
9 without just cause, in answer to a summons from the racing  
10 commissioner is guilty of a misdemeanor punishable by a fine of not  
11 more than \$1,000.00, or imprisonment for not more than 6 months, or  
12 both, and may also be sanctioned by the racing commissioner. A  
13 person testifying falsely to the racing commissioner or his or her  
14 authorized representative while under oath is guilty of a felony  
15 punishable by a fine of not more than \$10,000.00 or imprisonment  
16 for not more than 4 years, or both, and may also be sanctioned by  
17 the racing commissioner.

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

20 (a) Occupational licenses issued to individuals participating  
21 in, involved in, or otherwise having to do with horse racing, pari-  
22 mutuel wagering, or simulcasting at a licensed race meeting in this  
23 state.

24 (b) Race meeting licenses issued annually for the succeeding  
25 year to a person to conduct live horse racing, simulcasting, and  
26 pari-mutuel wagering ~~on the results of live and simulcast horse~~  
27 ~~raees~~ at a licensed race meeting in this state pursuant to and in

1 accordance with the provisions of this act.

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

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

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

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

25 (3) Subject to section 18(3), each holder of a race meeting  
26 license shall retain as his or her commission on all forms of  
27 straight wagering 17% of all money wagered involving straight

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

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

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

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

22 (5) Payoff prices of tickets of a higher denomination shall be  
23 calculated as even multiples of the payoff price for a \$1.00 wager.  
24 Each holder of a race meeting license shall distribute to the  
25 persons holding winning tickets, as a minimum, a sum not less than  
26 \$1.10 calculated on the basis of each \$1.00 deposited in a pool,  
27 except that each race meeting licensee may distribute a sum of not

1 less than \$1.05 to persons holding winning tickets for each \$1.00  
2 deposited in a minus pool. ~~As used in this subsection, "minus pool"~~  
3 ~~means any win, place, or show pool in which the payout would exceed~~  
4 ~~the total value of the pool.~~

5 (6) EACH HOLDER OF A RACE MEETING LICENSE SHALL RETAIN AS HIS  
6 OR HER COMMISSION ON PARI-MUTUEL GAMING ACTIVITIES OTHER THAN PARI-  
7 MUTUEL WAGERS ON HORSE RACES NOT MORE THAN 15% OF THE AMOUNT  
8 WAGERED IN ANY SINGLE GAME OR ACTIVITY.

9 (7) ~~(6)~~A holder of a race meeting license shall not knowingly  
10 permit a person less than 18 years of age to be a patron of the  
11 pari-mutuel wagering conducted or supervised by the holder.

12 (8) ~~(7)~~Any act or transaction relative to pari-mutuel  
13 wagering on the results of live or simulcast horse races shall only  
14 occur or be permitted to occur within the enclosure of a licensed  
15 race meeting. A person shall not participate **IN** or be a party to  
16 any act or transaction relative to placing a wager or carrying a  
17 wager for placement outside of a race meeting ground. A person  
18 shall not provide messenger service for the placing of a bet for  
19 another person who is not a patron. However, this subsection does  
20 not prevent simulcasting or intertrack or interstate common pool  
21 wagering inside or outside this state as permitted by this act or  
22 the rules promulgated under this act.

23 (9) AS USED IN THIS SECTION:

24 (A) "MINUS POOL" MEANS ANY WIN, PLACE, OR SHOW POOL IN WHICH  
25 THE PAYOUT WOULD EXCEED THE TOTAL VALUE OF THE POOL.

26 (B) "MULTIPLE WAGERING" MEANS WAGERING ON THE FINISHING  
27 POSITIONS OF MORE THAN 1 HORSE IN A SPECIFIED RACE OR THE FINISHING

1 POSITIONS OF 1 OR MORE HORSES IN MORE THAN 1 SPECIFIED RACE.

2 (C) "STRAIGHT WAGERING" MEANS WAGERING ON THE FINISHING  
3 POSITION OF A SINGLE SPECIFIED HORSE IN A SINGLE SPECIFIED RACE.

4 Sec. 18. (1) Simulcasting by race meeting licensees may be  
5 authorized by the racing commissioner subject to the limitations of  
6 this section. ~~As used in this section, "simulcast" means the live~~  
7 ~~transmission of video and audio signals conveying a horse race held~~  
8 ~~either inside or outside this state to a licensed race meeting in~~  
9 ~~this state. A simulcast from 1 racetrack in this state to another~~  
10 ~~racetrack in this state shall be called an "intertrack simulcast".~~  
11 ~~A simulcast from a racetrack outside this state to a racetrack~~  
12 ~~inside this state shall be called an "interstate simulcast".~~

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

24 (a) The applicant shall have a current contract with a  
25 certified horsemen's organization.

26 (b) The applicant shall have applied for and been allocated  
27 the minimum number of live racing dates required by section 12(1)

1 to (5), subject to the availability of adequate horse supply as  
2 determined by the racing commissioner.

3 (c) The applicant shall make a continuing good faith effort  
4 throughout the duration of its race meeting to program and conduct  
5 not less than 9 live horse races on each live racing date allocated  
6 to the applicant.

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

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

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

26 (g) Except as otherwise agreed by the race meeting licensees  
27 in a city area and the respective certified horsemen's

1 organizations with which they contract, a licensee in a city area  
2 shall receive all available intertrack simulcasts from licensed  
3 race meetings in the city area located more than 12 miles from the  
4 licensee's race meeting.

5 (h) A licensed race meeting outside a city area shall not  
6 conduct interstate simulcasts unless it also receives all  
7 intertrack simulcasts from licensed race meetings in a city area  
8 that are available.

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

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

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

27 (l) All authorized interstate simulcasts shall also comply with

1 the interstate horse racing act of 1978, ~~Public Law 95-15, 15~~  
2 ~~U.S.C. USC~~ 3001 to 3007.

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

1 the sending track under the laws of its jurisdiction. If the  
2 simulcast is an intertrack simulcast, the money wagered on that  
3 simulcast at the receiving racetrack shall be added to the pari-  
4 mutuel pool at the sending racetrack.

5 (4) Each race meeting licensee that receives an interstate  
6 simulcast shall pay to the horsemen's ~~simulcast~~ purse pool  
7 ~~established under section 19~~ **AT THE RACETRACK WHERE THE LICENSEE**  
8 **CONDUCTS ITS RACE MEETING** a sum equal to ~~40%~~ **20%** of the licensee's  
9 net commission from all money wagered on the interstate simulcast,  
10 as determined by section 17(3) after first deducting from the  
11 licensee's statutory commission the applicable state tax on  
12 wagering due and payable under section 22 and the actual verified  
13 fee paid by the licensee to the sending host track to receive the  
14 interstate simulcast signal. The licensee shall retain the  
15 remaining balance of its net commission and shall be responsible  
16 for paying all other capital and operational expenses related to  
17 receiving interstate simulcasts at its race meeting. ~~Any subsequent~~  
18 ~~rebate of a fee paid by a licensee to receive interstate simulcast~~  
19 ~~signals shall be shared equally by the licensee and the horsemen's~~  
20 ~~simulcast purse pool established under section 19.~~

21 (5) A race meeting licensee licensed to conduct pari-mutuel  
22 horse racing in a city area shall provide the necessary equipment  
23 to send intertrack simulcasts of the live horse races conducted at  
24 its race meeting to all other race meeting licensees in this state,  
25 and shall send its intertrack simulcast signals to those licensees  
26 upon request for an agreed fee, which shall not exceed 3% of the  
27 total amount wagered on the race at the receiving track. Race

1 meeting licensees that send or receive intertrack simulcasts shall  
2 make the following payments to the horsemen's purse pools:

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

7 (b) Each race meeting licensee that receives an intertrack  
8 simulcast shall pay to the horsemen's ~~simulcast~~ purse pool  
9 ~~established pursuant to section 19~~ **AT THE RACETRACK WHERE THE**  
10 **LICENSEE CONDUCTS ITS RACE MEETING** a sum equal to ~~40%~~ **20%** of the  
11 receiving track's net commission from wagering on the intertrack  
12 simulcast under section 17(3) after first deducting from the  
13 licensee's statutory commission the applicable state tax on  
14 wagering due and owing under section 22 and the actual verified fee  
15 paid by the receiving track to the sending host track to receive  
16 the intertrack simulcast signal.

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

1 signal to the horsemen's purse pool at the sending track after  
2 first deducting the actual verified cost of sending the signal out  
3 of state.

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

6 Sec. 19a. If a thoroughbred track license is surrendered,  
7 revoked, ~~or escrowed, or after January 1, 1998, a licensed~~  
8 ~~thoroughbred track is closed,~~ the racing commissioner shall order  
9 ~~the deposit of~~ **THAT MONEY DESIGNATED BY THIS ACT TO BE DEPOSITED**  
10 **INTO THE** horsemen's purse pool ~~money deposited and distributed~~  
11 ~~pursuant to section 19 to~~ **AT THE LICENSED THOROUGHBRED TRACK SHALL**  
12 **INSTEAD BE DEPOSITED INTO** a depository designated by a race meeting  
13 licensee upon written direction of the affected certified  
14 horsemen's organization regardless of whether there was racing at  
15 the race meeting licensee's location during the previous year.

16 Sec. 22. (1) Each licensed racetrack located in a city area  
17 shall pay a license fee to the racing commissioner of \$1,000.00  
18 annually, and any other licensed racetrack shall pay a license fee  
19 of \$200.00 annually.

20 ~~—— (2) During calendar year 1996, each holder of a race meeting~~  
21 ~~license shall pay to the state treasurer, from the holder's~~  
22 ~~commission, a tax in the amount of 2.5% of all money wagered on~~  
23 ~~interstate and intertrack simulcast races conducted at the holder's~~  
24 ~~licensed race meetings in 1996 in a manner and time as the racing~~  
25 ~~commissioner requires. For calendar year 1997 and each year~~  
26 ~~thereafter, the tax rate shall increase to 3.5% of all money~~  
27 ~~wagered on interstate and intertrack simulcast races conducted at~~

1 ~~the holder's licensed race meetings each calendar year. Not later~~  
2 ~~than 4 years after the effective date of this act, the racing~~  
3 ~~commissioner shall report to the chairpersons of the senate and~~  
4 ~~house committees responsible for legislation concerning horse~~  
5 ~~racing as to the effect on the horse racing industry of the~~  
6 ~~reduction in the tax pursuant to subsection (2).~~

7 ~~—— (3) By eliminating the pari-mutuel wagering tax on live racing~~  
8 ~~programs, it is not the intent of the legislature to diminish the~~  
9 ~~funding and appropriations for the Michigan agriculture equine~~  
10 ~~industry fund and related programs described in section 20. The~~  
11 ~~pari-mutuel tax reduction effected by this section is intended to~~  
12 ~~generally allow for the improvement of the pari-mutuel horse racing~~  
13 ~~and breeding industry in this state by increasing purses at~~  
14 ~~licensed race meetings and making additional pari-mutuel revenues~~  
15 ~~available for capital improvements at licensed racetracks in this~~  
16 ~~state.~~

17 (2) IN ADDITION TO THE LICENSE FEE IMPOSED BY SUBSECTION (1),  
18 A RACE MEETING LICENSEE SHALL PAY TO THE STATE TREASURER A TAX  
19 EQUAL TO THE SUM OF BOTH OF THE FOLLOWING:

20 (A) 1.5% OF ALL MONEY WAGERED ON INTERSTATE AND INTERTRACK  
21 SIMULCASTS OF PARI-MUTUEL GAMING ACTIVITIES CONDUCTED AT RACE  
22 MEETINGS CONDUCTED BY THE RACE MEETING LICENSEE.

23 (B) 5% OF THE COMMISSIONS WITHHELD FROM MONEY WAGERED ON PARI-  
24 MUTUEL GAMING ACTIVITIES CONDUCTED AT RACE MEETINGS CONDUCTED BY  
25 THE RACE MEETING LICENSEE.

26 (3) A RACE MEETING LICENSEE SHALL PAY THE TAX IMPOSED BY  
27 SUBSECTION (2) IN THE MANNER AND AT THE TIME REQUIRED BY THE RACING

1 **COMMISSIONER.**

2 Enacting section 1. Section 19 of the horse racing law of  
3 1995, 1995 PA 279, MCL 431.319, is repealed.

4 Enacting section 2. This amendatory act does not take effect  
5 unless Senate Joint Resolution \_\_\_\_ or House Joint Resolution MMM  
6 (request no. 08143'08) of the 94th Legislature becomes a part of  
7 the state constitution of 1963 as provided in section 1 of article  
8 XII of the state constitution of 1963.