

SENATE BILL No. 634

October 22, 2013, Introduced by Senators KAHN, KOWALL, PAPPAGEORGE, BRANDENBURG, NOFS, JONES, EMMONS, HUNE, GREGORY, ANANICH and MARLEAU and referred to the Committee on Agriculture.

A bill to amend 1995 PA 279, entitled
"Horse racing law of 1995,"
by amending the title and sections 2, 8, and 17 (MCL 431.302,
431.308, and 431.317), section 2 as amended by 2006 PA 445 and
section 17 as amended by 1998 PA 408, and by adding sections 15a,
15b, 17a, and 17b.

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, **INCLUDING ADVANCE DEPOSIT ACCOUNT WAGERING**, and
persons involved in horse racing and pari-mutuel gaming activities;
~~at such race meetings; to create the office of racing commissioner;~~
~~to prescribe~~ **PROVIDE FOR** the powers and duties of ~~the racing~~

~~commissioner; to prescribe certain powers and duties of the~~
~~department of agriculture and the director of the department of~~
~~agriculture; CERTAIN STATE GOVERNMENTAL OFFICERS AND ENTITIES; to~~
 provide for the promulgation of rules; to ~~provide for the~~
~~imposition of IMPOSE~~ taxes and fees and ~~the disposition DISPOSE~~ of
 revenues; to ~~impose certain taxes;~~ to create funds; to legalize and
 permit the pari-mutuel method of wagering on the results of live
 and simulcast races at licensed race meetings in this state; to
 appropriate the ~~funds MONEY~~ derived from pari-mutuel wagering on
 the results of horse races at licensed race meetings in this state;
 to prescribe remedies and penalties; and to repeal acts and parts
 of acts.

Sec. 2. As used in this act:

(A) "ADVANCE DEPOSIT ACCOUNT WAGERING" MEANS A METHOD OF PARI-
 MUTUEL WAGERING CONDUCTED IN THIS STATE THAT IS PERMISSIBLE UNDER
 THE INTERSTATE HORSERACING ACT OF 1978, 15 USC 3001 TO 3007, IN
 WHICH A RESIDENT OF THIS STATE MAY ESTABLISH AN ACCOUNT WITH A
 PERSON, LICENSED BY THE DIRECTOR, TO PLACE PARI-MUTUEL WAGERS IN
 PERSON, VIA TELEPHONE, OR ELECTRONICALLY.

(B) "ADVANCE DEPOSIT ACCOUNT WAGERING SERVICES" MEANS SERVICES
 PROVIDED BY A PERSON LOCATED IN OR OUTSIDE OF THIS STATE THAT ALLOW
 RESIDENTS OF THIS STATE TO ESTABLISH AN ACCOUNT AND THAT ACCEPT
 PARI-MUTUEL WAGERS FROM RESIDENTS OF THIS STATE IN PERSON, VIA
 TELEPHONE, OR ELECTRONICALLY. ADVANCE DEPOSIT ACCOUNT WAGERING
 SERVICES DO NOT INCLUDE PARI-MUTUEL WAGERS PLACED ON LIVE OR
 SIMULCAST HORSE RACES AT LICENSED RACETRACKS IN THIS STATE UNDER
 SECTION 17 OR 18.

1 (C) ~~(a)~~-"Affiliate" means a person who, directly or
2 indirectly, controls, is controlled by, or is under common control
3 with; is in a partnership or joint venture relationship with; or is
4 a co-shareholder of a corporation, co-member of a limited liability
5 company, or co-partner in a limited liability partnership with a
6 person who holds or applies for a race meeting or track license
7 under this act. For purposes of this subdivision, a controlling
8 interest is a pecuniary interest of more than 15%.

9 (D) **"BOARD" MEANS THE MICHIGAN GAMING CONTROL BOARD CREATED BY**
10 **SECTION 4 OF THE MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL**
11 **1, MCL 432.204, TO WHICH CERTAIN POWERS AND DUTIES UNDER THIS ACT**
12 **WERE TRANSFERRED BY EXECUTIVE REORGANIZATION ORDER NO. 2009-31, MCL**
13 **324.99919.**

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

16 (F) ~~(c)~~-"Certified horsemen's organization" means an
17 organization **THAT IS** registered with the ~~office of racing~~
18 ~~commissioner~~**BOARD** in a manner and form required by the ~~racing~~
19 ~~commissioner~~**, DIRECTOR AND** that can demonstrate all of the
20 following:

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

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

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

27 (iv) The organization's ability to protect the financial

1 interests of the individuals participating at licensed race
2 meetings.

3 (G) ~~(d)~~—"City area" means a city with a population of 750,000
4 or more and every county located wholly or partly within 30 miles
5 of the city limits of the city.

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

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

10 (J) "DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE MICHIGAN
11 GAMING CONTROL BOARD APPOINTED UNDER SECTION 4 OF THE MICHIGAN
12 GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.204, TO WHOM
13 DUTIES OF THE RACING COMMISSIONER WERE TRANSFERRED UNDER EXECUTIVE
14 REORGANIZATION ORDER NO. 2009-31, MCL 324.99919.

15 (K) ~~(g)~~—"Drug" means any of the following:

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

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

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

24 (L) ~~(h)~~—"Fair" means ~~any~~ A county, district, or community fair
25 and ~~any~~ OR A state fair.

26 (M) ~~(i)~~—"Foreign substance" means a substance, or its
27 metabolites, that does not exist naturally in an untreated horse

1 or, if natural to an untreated horse, exists at an unnaturally high
 2 physiological concentration as a result of having been administered
 3 to the horse.

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

9 (O) ~~(k)~~—"Member of the immediate family" means the spouse,
 10 child, parent, or sibling.

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

13 (Q) ~~(m)~~—"Purse pool" means an amount of money allocated or
 14 apportioned to pay prizes for horse races and from which payments
 15 may be made to certified horsemen's organizations ~~pursuant to~~ **UNDER**
 16 this act.

17 (R) ~~(n)~~—"Veterinarian" means ~~a person~~ **AN INDIVIDUAL** licensed
 18 **OR OTHERWISE AUTHORIZED** to **ENGAGE IN THE** practice **OF** veterinary
 19 medicine under part 188 of the public health code, 1978 PA 368, MCL
 20 ~~333.16101-333.18801~~ to 333.18838, or under a state or federal law
 21 applicable to that ~~person~~ **INDIVIDUAL**.

22 Sec. 8. (1) The ~~racing commissioner~~ **DIRECTOR** may issue the
 23 following general classes of licenses:

24 (a) Occupational licenses issued to individuals participating
 25 in, involved in, or otherwise having to do with horse racing, pari-
 26 mutuel wagering, or simulcasting at a licensed race meeting in this
 27 state.

1 (b) Race meeting licenses issued annually for the succeeding
2 year to ~~a person~~ **PERSONS** to conduct live horse racing,
3 simulcasting, and pari-mutuel wagering on the results of live and
4 simulcast horse races at a licensed race meeting in this state
5 ~~pursuant to and in accordance with the provisions of~~ **UNDER** this
6 act.

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

10 (D) **ADVANCE DEPOSIT ACCOUNT WAGERING LICENSES ISSUED TO**
11 **PERSONS TO PROVIDE ADVANCE DEPOSIT ACCOUNT WAGERING SERVICES IN**
12 **THIS STATE.**

13 (2) The ~~racing commissioner~~ **DIRECTOR** shall not issue a race
14 meeting license to a person if the person is licensed to conduct a
15 licensed race meeting at another licensed racetrack within a city
16 area and the person has a controlling interest in or co-ownership
17 of the other licensed racetrack. ~~within the city area.~~

18 **SEC. 15A. (1) A PERSON MAY APPLY TO THE BOARD FOR AN ADVANCE**
19 **DEPOSIT ACCOUNT WAGERING LICENSE TO CONDUCT ADVANCE DEPOSIT ACCOUNT**
20 **WAGERING AS PROVIDED IN THIS ACT. THE APPLICATION MUST BE MADE**
21 **UNDER OATH ON FORMS PROVIDED BY THE DIRECTOR AND MUST CONTAIN**
22 **INFORMATION AS PRESCRIBED BY THE DIRECTOR, INCLUDING, BUT NOT**
23 **LIMITED TO, ALL OF THE FOLLOWING:**

24 (A) **THE NAME, BUSINESS ADDRESS, BUSINESS TELEPHONE NUMBER,**
25 **SOCIAL SECURITY NUMBER, AND, IF APPLICABLE, THE FEDERAL TAX**
26 **IDENTIFICATION NUMBER OF THE APPLICANT AND ANY PERSON DESCRIBED IN**
27 **SUBSECTION (2).**

1 (B) THE IDENTITY OF EVERY PERSON WHO HAS A GREATER THAN 1%
2 DIRECT OR INDIRECT PECUNIARY INTEREST IN THE APPLICANT. IF THE
3 PERSON DISCLOSED IS A TRUST, THE APPLICATION MUST DISCLOSE THE
4 NAMES AND ADDRESSES OF THE BENEFICIARIES; IF A CORPORATION, THE
5 NAMES AND ADDRESSES OF ALL STOCKHOLDERS AND DIRECTORS; IF A
6 PARTNERSHIP, THE NAMES AND ADDRESSES OF ALL PARTNERS, BOTH GENERAL
7 AND LIMITED; AND IF A LIMITED LIABILITY COMPANY, THE NAMES AND
8 ADDRESSES OF ALL MEMBERS.

9 (C) AN IDENTIFICATION OF ANY BUSINESS, INCLUDING, IF
10 APPLICABLE, THE STATE OF INCORPORATION OR REGISTRATION, IN WHICH
11 THE APPLICANT, ANY PERSON DESCRIBED IN SUBSECTION (2), OR THE
12 SPOUSE, PARENT, OR CHILD OF THE APPLICANT OR ANY PERSON DESCRIBED
13 IN SUBSECTION (2) HAS AN EQUITY INTEREST OF MORE THAN 5%. IF THE
14 APPLICANT OR PERSON DESCRIBED IN SUBSECTION (2) IS A CORPORATION,
15 PARTNERSHIP, OR OTHER BUSINESS ENTITY, THE APPLICANT SHALL IDENTIFY
16 ANY OTHER CORPORATION, PARTNERSHIP, OR BUSINESS ENTITY IN WHICH IT
17 OR THE PERSON DESCRIBED IN SUBSECTION (2) HAS AN EQUITY INTEREST OF
18 5% OR MORE, INCLUDING, IF APPLICABLE, THE STATE OF INCORPORATION OR
19 REGISTRATION. IN THE ALTERNATIVE, IF THE APPLICANT OR PERSON
20 DESCRIBED IN SUBSECTION (2) HAS FILED A REGISTRATION WITH THE
21 UNITED STATES SECURITIES AND EXCHANGE COMMISSION THAT CONTAINS THE
22 INFORMATION REQUIRED BY THIS SUBDIVISION, THE APPLICANT OR PERSON
23 MAY FILE A COPY OF THE REGISTRATION TO COMPLY WITH THIS
24 SUBDIVISION.

25 (D) WHETHER THE APPLICANT OR ANY PERSON DESCRIBED IN
26 SUBSECTION (2) HAS BEEN INDICTED FOR, CHARGED WITH, ARRESTED FOR,
27 CONVICTED OF, PLED GUILTY OR NOLO CONTENDERE TO, FORFEITED BAIL

1 CONCERNING, OR HAD EXPUNGED A CRIMINAL OFFENSE UNDER THE LAWS OF
2 ANY JURISDICTION, EITHER FELONY OR MISDEMEANOR, NOT INCLUDING
3 TRAFFIC VIOLATIONS, REGARDLESS OF WHETHER THE OFFENSE HAS BEEN
4 EXPUNGED, PARDONED, OR REVERSED ON APPEAL OR OTHERWISE, INCLUDING
5 THE DATE OF THE OFFENSE, THE NAME AND LOCATION OF THE COURT, THE
6 ARRESTING AGENCY AND PROSECUTING AGENCY, THE CASE CAPTION, THE
7 DOCKET NUMBER, THE NAME OF THE OFFENSE, THE DISPOSITION OF THE
8 CASE, AND THE LOCATION AND LENGTH OF ANY INCARCERATION.

9 (E) WHETHER THE APPLICANT OR ANY PERSON DESCRIBED IN
10 SUBSECTION (2) HAS EVER APPLIED FOR OR BEEN GRANTED A LICENSE OR
11 CERTIFICATE ISSUED BY A LICENSING AUTHORITY IN THIS STATE OR ANY
12 OTHER JURISDICTION THAT HAS BEEN DENIED, RESTRICTED, SUSPENDED,
13 REVOKED, OR NOT RENEWED AND A STATEMENT DESCRIBING THE FACTS AND
14 CIRCUMSTANCES CONCERNING THE APPLICATION, DENIAL, RESTRICTION,
15 SUSPENSION, REVOCATION, OR NONRENEWAL, INCLUDING THE LICENSING
16 AUTHORITY, THE DATE EACH ACTION WAS TAKEN, AND THE REASON FOR EACH
17 ACTION.

18 (F) WHETHER THE APPLICANT OR ANY PERSON DESCRIBED IN
19 SUBSECTION (2) HAS EVER FILED OR HAD FILED AGAINST IT A CIVIL OR
20 ADMINISTRATIVE ACTION OR PROCEEDING IN BANKRUPTCY OR HAS EVER BEEN
21 INVOLVED IN A FORMAL PROCESS TO ADJUST, DEFER, SUSPEND, OR
22 OTHERWISE WORK OUT THE PAYMENT OF A DEBT, INCLUDING THE DATE OF
23 FILING, THE NAME AND LOCATION OF THE COURT, THE CASE CAPTION, THE
24 DOCKET NUMBER, AND THE DISPOSITION OF THE ACTION OR PROCEEDING.

25 (G) WHETHER THE APPLICANT OR ANY PERSON DESCRIBED IN
26 SUBSECTION (2) HAS FILED OR BEEN SERVED WITH A COMPLAINT OR OTHER
27 NOTICE FILED WITH A PUBLIC BODY REGARDING A DELINQUENCY IN THE

1 PAYMENT OF, OR A DISPUTE OVER FILINGS CONCERNING THE PAYMENT OF, A
2 TAX REQUIRED UNDER FEDERAL, STATE, OR LOCAL LAW, INCLUDING THE
3 AMOUNT INVOLVED, THE TYPE OF TAX, THE TAXING AGENCY, AND THE TIME
4 PERIODS INVOLVED.

5 (H) A STATEMENT LISTING THE NAMES AND TITLES OF ALL PUBLIC
6 OFFICIALS OR OFFICERS OF ANY UNIT OF GOVERNMENT AND THE SPOUSES,
7 PARENTS, AND CHILDREN OF THE PUBLIC OFFICIALS OR OFFICERS WHO,
8 DIRECTLY OR INDIRECTLY, OWN A FINANCIAL INTEREST IN, HAVE A
9 BENEFICIAL INTEREST IN, ARE THE CREDITORS OF OR HOLD A DEBT
10 INSTRUMENT ISSUED BY, OR HOLD OR HAVE AN INTEREST IN A CONTRACTUAL
11 OR SERVICE RELATIONSHIP WITH THE APPLICANT OR ANY PERSON DESCRIBED
12 IN SUBSECTION (2). AS USED IN THIS SUBDIVISION, PUBLIC OFFICIAL OR
13 OFFICER DOES NOT INCLUDE A PERSON WHO WOULD HAVE TO BE LISTED
14 SOLELY BECAUSE OF HIS OR HER STATE OR FEDERAL MILITARY SERVICE.

15 (I) A DESCRIPTION OF THE PROPOSED ADVANCE DEPOSIT ACCOUNT
16 WAGERING OPERATION, INCLUDING THE ECONOMIC BENEFIT TO THE HORSE
17 RACING INDUSTRY IN THIS STATE, THE ANTICIPATED OR ACTUAL NUMBER OF
18 EMPLOYEES, ANY STATEMENT FROM THE APPLICANT OR A PERSON DESCRIBED
19 IN SUBSECTION (2) REGARDING COMPLIANCE WITH FEDERAL AND STATE
20 AFFIRMATIVE ACTION GUIDELINES, PROJECTED ADMISSIONS, PROJECTED
21 GROSS RECEIPTS, AND SCIENTIFIC MARKET RESEARCH.

22 (J) FINANCIAL INFORMATION IN THE MANNER AND FORM PRESCRIBED BY
23 THE DIRECTOR.

24 (2) IN ADDITION TO THE APPLICANT, IF SO INDICATED, THE
25 REQUIREMENTS OF THIS SECTION APPLY TO AN AFFILIATE, AFFILIATED
26 COMPANY, OFFICER, DIRECTOR, OR MANAGERIAL EMPLOYEE OF THE APPLICANT
27 AND ANY PERSON WHO HOLDS GREATER THAN 1% DIRECT OR INDIRECT

1 INTEREST IN THE APPLICANT. FOR PURPOSES OF THIS SUBSECTION,
2 AFFILIATE AND AFFILIATED COMPANY DO NOT INCLUDE A PARTNERSHIP,
3 JOINT VENTURE, SHAREHOLDER, MEMBER, OR PARTNER THAT HAS LESS THAN A
4 1% DIRECT INTEREST IN THE APPLICANT AND IS NOT INVOLVED IN THE
5 ADVANCE DEPOSIT ACCOUNT WAGERING APPLICATION AS DEFINED IN RULES
6 PROMULGATED BY THE DIRECTOR.

7 (3) AN APPLICANT UNDER THIS SECTION SHALL PROVIDE ALL OF THE
8 FOLLOWING WITH THE APPLICATION:

9 (A) A SIGNED AGREEMENT WITH THE APPROPRIATE CERTIFIED
10 HORSEMEN'S ORGANIZATIONS THAT IDENTIFIES THE ACCOUNTS INTO WHICH
11 FEES ARE TO BE DEPOSITED.

12 (B) A DETAILED PLAN THAT DESCRIBES PROCEDURES THAT WILL BE
13 IMPLEMENTED TO ADDRESS THE REQUIREMENTS OF SECTION 17A.

14 (C) A SIGNED AGREEMENT WITH THE THOROUGHBRED CERTIFIED
15 HORSEMEN'S ASSOCIATION THAT HAS A CONTRACT WITH A THOROUGHBRED RACE
16 MEETING LICENSEE THAT HAS BEEN ALLOCATED A MINIMUM OF 40 LIVE RACE
17 DAYS IN THIS STATE.

18 (D) ANY OTHER INFORMATION REQUIRED BY THE DIRECTOR.

19 (4) THE INITIAL FEE FOR AN ADVANCE DEPOSIT ACCOUNT WAGERING
20 LICENSE IS \$5,000.00. THE ANNUAL RENEWAL FEE IS \$1,000.00.

21 (5) THE DIRECTOR SHALL USE INFORMATION PROVIDED IN AN
22 APPLICATION SUBMITTED UNDER THIS SECTION AS A BASIS FOR A THOROUGH
23 BACKGROUND INVESTIGATION OF THE APPLICANT AND EACH PERSON DESCRIBED
24 IN SUBSECTION (2). A FALSE OR INCOMPLETE APPLICATION IS CAUSE FOR
25 DENIAL OF A LICENSE BY THE DIRECTOR.

26 (6) AN APPLICANT UNDER THIS SECTION SHALL CONSENT IN WRITING
27 TO BEING SUBJECT TO INSPECTIONS, SEARCHES, AND SEIZURES AS PROVIDED

1 IN THIS SUBSECTION AND TO DISCLOSURE TO THE DIRECTOR AND THE
2 DIRECTOR'S AGENTS OF OTHERWISE CONFIDENTIAL RECORDS, INCLUDING TAX
3 RECORDS HELD BY ANY FEDERAL, STATE, OR LOCAL AGENCY, OR CREDIT
4 BUREAU OR FINANCIAL INSTITUTION, WHILE APPLYING FOR OR HOLDING A
5 LICENSE UNDER THIS ACT. THE APPLICANT SHALL CONSENT TO ALLOW THE
6 DIRECTOR OR THE DIRECTOR'S INVESTIGATORS, AGENTS, AUDITORS, AND THE
7 DEPARTMENT OF STATE POLICE TO ENTER AT ANY TIME, WITHOUT A WARRANT
8 AND WITHOUT NOTICE TO THE APPLICANT, THE PREMISES, OFFICES,
9 FACILITIES, OR OTHER PLACES OF BUSINESS OF THE APPLICANT WHERE
10 EVIDENCE OF THE COMPLIANCE OR NONCOMPLIANCE WITH THIS ACT OR RULES
11 PROMULGATED BY THE DIRECTOR IS LIKELY TO BE FOUND, FOR THE
12 FOLLOWING PURPOSES:

13 (A) TO INSPECT AND EXAMINE ALL PREMISES WHERE ADVANCE DEPOSIT
14 ACCOUNT WAGERING IS CONDUCTED, OR WHERE ANY RECORDS OF ADVANCE
15 DEPOSIT ACCOUNT WAGERING ARE PREPARED.

16 (B) TO INSPECT, EXAMINE, AUDIT, IMPOUND, SEIZE, OR ASSUME
17 PHYSICAL CONTROL OF, OR SUMMARILY REMOVE FROM THE PREMISES, ALL
18 BOOKS, LEDGERS, DOCUMENTS, WRITINGS, PHOTOCOPIES, CORRESPONDENCE,
19 RECORDS, VIDEOTAPES, INCLUDING ELECTRONICALLY STORED RECORDS, MONEY
20 RECEPTACLES, OTHER CONTAINERS AND THEIR CONTENTS, EQUIPMENT IN
21 WHICH THE RECORDS ARE STORED, OR OTHER ADVANCE DEPOSIT ACCOUNT
22 WAGERING RELATED EQUIPMENT AND SUPPLIES ON OR AROUND THE PREMISES.

23 (C) TO INSPECT THE PERSON, AND INSPECT, EXAMINE, AND SEIZE
24 PERSONAL EFFECTS PRESENT IN A FACILITY WHERE ADVANCE DEPOSIT
25 ACCOUNT WAGERING IS CONDUCTED UNDER THIS ACT.

26 (D) TO INVESTIGATE AND DETER ALLEGED VIOLATIONS OF THIS ACT OR
27 THE RULES PROMULGATED BY THE DIRECTOR.

1 (7) AN APPLICANT UNDER THIS SECTION SHALL PAY A NONREFUNDABLE
2 APPLICATION FEE OF \$5,000.00 AT THE TIME THE APPLICATION IS FILED
3 TO DEFRAY THE COSTS ASSOCIATED WITH THE BACKGROUND INVESTIGATION
4 CONDUCTED BY THE DIRECTOR. IF THE COSTS OF THE INVESTIGATION EXCEED
5 \$5,000.00, THE APPLICANT SHALL PAY THE ADDITIONAL AMOUNT TO THE
6 BOARD.

7 (8) THE DIRECTOR AND THE DIRECTOR'S AGENTS SHALL ONLY DISCLOSE
8 INFORMATION, RECORDS, INTERVIEWS, REPORTS, STATEMENTS, MEMORANDA,
9 OR OTHER DATA SUPPLIED TO OR USED BY THE DIRECTOR IN THE COURSE OF
10 THE REVIEW OR INVESTIGATION OF AN APPLICATION UNDER THIS SECTION AS
11 ALLOWED UNDER SUBSECTION (7). THE INFORMATION, RECORDS, INTERVIEWS,
12 REPORTS, STATEMENTS, MEMORANDA, OR OTHER DATA ARE NOT ADMISSIBLE AS
13 EVIDENCE OR DISCOVERABLE IN A COURT ACTION OR BEFORE A TRIBUNAL,
14 BOARD, AGENCY, OR PERSON, EXCEPT FOR AN ACTION CONSIDERED NECESSARY
15 BY THE DIRECTOR.

16 (9) THE DIRECTOR SHALL, ON WRITTEN REQUEST FROM ANY PERSON,
17 PROVIDE THE FOLLOWING INFORMATION CONCERNING AN APPLICANT UNDER
18 THIS SECTION, THE APPLICANT'S ADVANCE DEPOSIT ACCOUNT WAGERING
19 SERVICES, OR THE APPLICANT'S BUSINESS HOLDINGS IF THE DIRECTOR HAS
20 THE INFORMATION:

21 (A) THE APPLICANT'S NAME, BUSINESS ADDRESS, AND BUSINESS
22 TELEPHONE NUMBER.

23 (B) AN IDENTIFICATION OF THE APPLICANT AND ANY PERSON
24 DESCRIBED IN SUBSECTION (2), INCLUDING, IF THE APPLICANT OR PERSON
25 DESCRIBED IN SUBSECTION (2) IS NOT AN INDIVIDUAL, ITS STATE OF
26 INCORPORATION OR REGISTRATION, ITS CORPORATE OFFICERS, AND THE
27 IDENTITY OF ITS SHAREHOLDERS. IF THE APPLICANT OR PERSON DESCRIBED

1 IN SUBSECTION (2) HAS A REGISTRATION STATEMENT OR A PENDING
2 REGISTRATION STATEMENT FILED WITH THE UNITED STATES SECURITIES AND
3 EXCHANGE COMMISSION, THE DIRECTOR SHALL ONLY PROVIDE THE NAMES OF
4 THOSE PERSONS WHO HOLD AN INTEREST OF 5% OR MORE.

5 (C) AN IDENTIFICATION OF ANY BUSINESS, INCLUDING, IF
6 APPLICABLE, THE STATE OF INCORPORATION OR REGISTRATION, IN WHICH
7 THE APPLICANT, ANY PERSON DESCRIBED IN SUBSECTION (2), OR A SPOUSE,
8 PARENT, OR CHILD OF THE APPLICANT OR PERSON DESCRIBED IN SUBSECTION
9 (2) HAS AN EQUITY INTEREST OF MORE THAN 5%.

10 (D) WHETHER THE APPLICANT OR INDIVIDUAL DESCRIBED IN
11 SUBSECTION (2) HAS BEEN INDICTED FOR, CONVICTED OF, PLED GUILTY OR
12 NOLO CONTENDERE TO, OR FORFEITED BAIL CONCERNING A CRIMINAL OFFENSE
13 UNDER THE LAWS OF ANY JURISDICTION, EITHER FELONY OR MISDEMEANOR,
14 NOT INCLUDING TRAFFIC VIOLATIONS, INCLUDING THE NAME AND LOCATION
15 OF THE COURT, THE DATE OF THE OFFENSE, AND THE DISPOSITION OF THE
16 CASE.

17 (E) WHETHER THE APPLICANT OR ANY PERSON DESCRIBED IN
18 SUBSECTION (2) HAS HAD ANY LICENSE OR CERTIFICATION ISSUED BY A
19 LICENSING AUTHORITY IN THIS STATE OR ANY OTHER JURISDICTION DENIED,
20 RESTRICTED, SUSPENDED, REVOKED, OR NOT RENEWED AND, IF KNOWN BY THE
21 DIRECTOR, A STATEMENT DESCRIBING THE FACTS AND CIRCUMSTANCES
22 CONCERNING THE DENIAL, RESTRICTION, SUSPENSION, REVOCATION, OR
23 NONRENEWAL, INCLUDING THE NAME OF THE LICENSING AUTHORITY, THE DATE
24 EACH ACTION WAS TAKEN, AND THE REASON FOR EACH ACTION.

25 (F) WHETHER THE APPLICANT OR ANY PERSON DESCRIBED IN
26 SUBSECTION (2) HAS EVER FILED, OR HAD FILED AGAINST IT, A
27 PROCEEDING FOR BANKRUPTCY OR HAS EVER BEEN INVOLVED IN A FORMAL

1 PROCESS TO ADJUST, DEFER, SUSPEND, OR OTHERWISE WORK OUT THE
2 PAYMENT OF A DEBT, INCLUDING THE DATE THE PROCEEDING WAS FILED, THE
3 NAME AND LOCATION OF THE COURT, THE CASE NUMBER, AND THE
4 DISPOSITION OF THE PROCEEDING.

5 (G) WHETHER THE APPLICANT OR ANY PERSON DESCRIBED IN
6 SUBSECTION (2) HAS FILED OR BEEN SERVED WITH A COMPLAINT OR OTHER
7 NOTICE FILED WITH A PUBLIC BODY REGARDING THE DELINQUENT PAYMENT OF
8 A TAX REQUIRED UNDER FEDERAL, STATE, OR LOCAL LAW, INCLUDING THE
9 AMOUNT OF THE TAX, THE TYPE OF TAX, THE TAXING AGENCY, AND THE TIME
10 PERIODS INVOLVED.

11 (H) A STATEMENT LISTING THE NAMES AND TITLES OF ALL PUBLIC
12 OFFICIALS OR OFFICERS OF A CITY, STATE, OR FEDERAL BODY, AGENCY, OR
13 ENTITY AND RELATIVES OF THE OFFICIALS OR OFFICERS WHO, DIRECTLY OR
14 INDIRECTLY, OWN A FINANCIAL INTEREST IN, HAVE A BENEFICIAL INTEREST
15 IN, ARE THE CREDITORS OF, OR HOLD OR HAVE ANY OTHER INTEREST IN OR
16 CONTRACTUAL OR SERVICE RELATIONSHIP WITH THE APPLICANT OR ANY
17 PERSON DESCRIBED IN SUBSECTION (2).

18 (I) WHETHER THE APPLICANT, ANY PERSON IDENTIFIED IN SUBSECTION
19 (2), OR THE SPOUSE, PARENT, CHILD, OR SPOUSE OF A CHILD OF THE
20 APPLICANT OR ANY PERSON IDENTIFIED IN SUBSECTION (2) HAS MADE,
21 DIRECTLY OR INDIRECTLY, A POLITICAL CONTRIBUTION, LOAN, GIFT, OR
22 OTHER PAYMENT TO A CANDIDATE AS THAT TERM IS DEFINED IN SECTION 3
23 OF THE MICHIGAN CAMPAIGN FINANCE ACT, 1976 PA 388, MCL 169.203, TO
24 THE HOLDER OF A STATE, LEGISLATIVE, OR LOCAL ELECTIVE OFFICE IN
25 THIS STATE, OR TO A COMMITTEE ESTABLISHED UNDER THE MICHIGAN
26 CAMPAIGN FINANCE ACT, 1976 PA 388, MCL 169.201 TO 169.282, WITHIN 5
27 YEARS BEFORE THE DATE THE APPLICATION WAS FILED, INCLUDING THE

1 AMOUNT AND THE METHOD OF PAYMENT.

2 (J) THE NAME AND BUSINESS TELEPHONE NUMBER OF ANY ATTORNEY,
3 COUNSEL, LOBBYIST AGENT AS THAT TERM IS DEFINED IN SECTION 5 OF
4 1978 PA 472, MCL 4.415, OR OTHER PERSON REPRESENTING THE APPLICANT
5 IN MATTERS BEFORE THE DIRECTOR.

6 (K) A SUMMARY OF THE APPLICANT'S PROPOSED ADVANCE DEPOSIT
7 ACCOUNT WAGERING OPERATION, INCLUDING THE APPLICANT'S PROPOSED
8 LOCATION, THE SQUARE FOOTAGE, THE TYPE OF ADDITIONAL FACILITIES,
9 RESTAURANTS, OR HOTELS PROPOSED BY THE APPLICANT, THE EXPECTED
10 ECONOMIC BENEFIT TO THE LOCALITY, THE ANTICIPATED NUMBER OF
11 EMPLOYEES, ANY STATEMENT FROM THE APPLICANT REGARDING COMPLIANCE
12 WITH FEDERAL AND STATE AFFIRMATIVE ACTION GUIDELINES, PROJECTED
13 ADMISSIONS, AND PROJECTED ADJUSTED GROSS RECEIPTS.

14 SEC. 15B. (1) THE DIRECTOR SHALL ISSUE A LICENSE TO PROVIDE
15 ADVANCE DEPOSIT ACCOUNT WAGERING SERVICES IN THIS STATE TO ANY
16 PERSON WHO MEETS THE REQUIREMENTS OF THIS ACT.

17 (2) AN APPLICANT IS INELIGIBLE TO RECEIVE AN ADVANCED DEPOSIT
18 ACCOUNT WAGERING LICENSE IF ANY OF THE FOLLOWING CIRCUMSTANCES
19 EXIST:

20 (A) THE APPLICANT HAS BEEN CONVICTED OF A FELONY UNDER THE
21 LAWS OF THIS STATE, ANY OTHER STATE, OR THE UNITED STATES.

22 (B) THE APPLICANT HAS BEEN CONVICTED OF A MISDEMEANOR
23 INVOLVING GAMBLING, THEFT, DISHONESTY, OR FRAUD IN ANY STATE OR OF
24 A VIOLATION OF A LOCAL ORDINANCE IN ANY STATE INVOLVING GAMBLING,
25 DISHONESTY, THEFT, OR FRAUD THAT SUBSTANTIALLY CORRESPONDS TO A
26 MISDEMEANOR IN THAT STATE.

27 (C) THE APPLICANT HAS SUBMITTED AN APPLICATION FOR A LICENSE

1 UNDER THIS ACT THAT CONTAINS FALSE INFORMATION.

2 (D) THE APPLICANT IS A MEMBER OF THE BOARD.

3 (E) THE APPLICANT HOLDS AN ELECTIVE OFFICE OF A GOVERNMENTAL
4 UNIT OF THIS STATE, ANOTHER STATE, OR THE FEDERAL GOVERNMENT, OR IS
5 A MEMBER OF OR EMPLOYED BY A GAMING REGULATORY BODY OF A
6 GOVERNMENTAL UNIT IN THIS STATE, ANOTHER STATE, OR THE FEDERAL
7 GOVERNMENT, OR IS EMPLOYED BY A GOVERNMENTAL UNIT OF THIS STATE.
8 THIS SECTION DOES NOT APPLY TO AN ELECTED OFFICER OF OR EMPLOYEE OF
9 A FEDERALLY RECOGNIZED INDIAN TRIBE OR TO AN ELECTED PRECINCT
10 DELEGATE.

11 (F) THE DIRECTOR CONCLUDES THAT THE APPLICANT LACKS THE
12 REQUISITE SUITABILITY AS TO INTEGRITY, MORAL CHARACTER, AND
13 REPUTATION; PERSONAL AND BUSINESS PROBITY; FINANCIAL ABILITY AND
14 EXPERIENCE; RESPONSIBILITY; OR MEANS TO DEVELOP, CONSTRUCT,
15 OPERATE, OR MAINTAIN THE ADVANCED DEPOSIT ACCOUNT WAGERING PROPOSED
16 IN THE APPLICATION.

17 (G) THE APPLICANT FAILS TO MEET OTHER CRITERIA CONSIDERED
18 APPROPRIATE BY THE DIRECTOR. THE CRITERIA CONSIDERED BY THE
19 DIRECTOR MUST NOT BE ARBITRARY, CAPRICIOUS, OR CONTRADICTORY TO THE
20 EXPRESSED PROVISIONS OF THIS ACT AND MUST PROMOTE AND ADVANCE THE
21 INTERESTS OF HORSE RACING IN THIS STATE.

22 (3) AN ADVANCE DEPOSIT ACCOUNT WAGERING LICENSE IS VALID FOR 1
23 YEAR AND MAY BE RENEWED ANNUALLY.

24 (4) THE DIRECTOR MAY PROMULGATE RULES UNDER THE ADMINISTRATIVE
25 PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, TO
26 IMPLEMENT AND REGULATE ADVANCE DEPOSIT ACCOUNT WAGERING AND TO
27 IMPLEMENT THIS SECTION, INCLUDING RULES TO ESTABLISH ALL OF THE

1 FOLLOWING:

2 (A) STANDARDS, QUALIFICATIONS, AND PROCEDURES FOR ISSUANCE OF
3 AN ADVANCE DEPOSIT ACCOUNT WAGERING LICENSE.

4 (B) PROVISIONS REGARDING ACCESS TO BOOKS, RECORDS, AND OTHER
5 PERTINENT DOCUMENTS.

6 (C) PROVISIONS FOR INSPECTIONS, AUDITS, AND SUBMISSION OF
7 REPORTS.

8 (D) PROVISIONS FOR COLLECTION OF ALL FEES AND REVENUES DUE TO
9 THIS STATE AND CERTIFIED HORSEMEN'S ORGANIZATIONS FROM ADVANCE
10 DEPOSIT ACCOUNT WAGERS.

11 (5) THE DIRECTOR MAY ISSUE A TEMPORARY LICENSE TO ANY PERSON
12 THAT DESIRES TO PROVIDE ADVANCE DEPOSIT ACCOUNT WAGERING SERVICES
13 IN THIS STATE BEFORE RULES ARE PROMULGATED UNDER SUBSECTION (4).

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

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

1 totalisator or other device ~~shall~~**MUST** be placed in full view of
2 the patrons.

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

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

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

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

1 21.

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

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

15 (7) ~~Any~~ **EXCEPT AS OTHERWISE AUTHORIZED BY THIS ACT, AN** act or
16 transaction relative to pari-mutuel wagering on the results of live
17 or simulcast horse races shall only occur or be permitted to occur
18 within the enclosure of a licensed race meeting. A person shall not
19 participate or be a party to any act or transaction relative to
20 placing a wager or carrying a wager for placement outside of a race
21 meeting ground. A person shall not provide messenger service for
22 the placing of a bet for another person who is not a patron.

23 ~~However, this subsection does not prevent simulcasting or~~
24 ~~intertrack or interstate common pool wagering inside or outside~~
25 ~~this state as permitted by this act or the rules promulgated under~~
26 ~~this act.~~

27 **SEC. 17A. (1) NOTWITHSTANDING ANY OTHER PROVISION IN THIS ACT,**

1 AN ADVANCE DEPOSIT ACCOUNT WAGERING LICENSEE MAY PROVIDE ADVANCE
2 DEPOSIT ACCOUNT WAGERING SERVICES IN THIS STATE.

3 (2) AN ADVANCE DEPOSIT ACCOUNT WAGERING LICENSEE IS SUBJECT TO
4 ALL PERTINENT PROVISIONS OF THIS ACT REGARDING PARI-MUTUEL
5 WAGERING.

6 (3) A PERSON SHALL NOT PLACE AN ACCOUNT WAGER IN THIS STATE
7 EXCEPT IN ACCORDANCE WITH THIS ACT THROUGH AN ADVANCE DEPOSIT
8 ACCOUNT WAGERING LICENSEE AND A PERSON OTHER THAN AN ADVANCE
9 DEPOSIT ACCOUNT WAGERING LICENSEE SHALL NOT ACCEPT AN ACCOUNT WAGER
10 FROM A PERSON IN THIS STATE. A PERSON SHALL NOT PLACE AN ACCOUNT
11 WAGER UNLESS THE PERSON HAS ESTABLISHED AN ACCOUNT WITH AN ADVANCE
12 DEPOSIT ACCOUNT WAGERING LICENSEE. TO ESTABLISH AN ADVANCE DEPOSIT
13 ACCOUNT WAGERING ACCOUNT, A PERSON MUST BE A RESIDENT OF THIS STATE
14 WHO IS 18 YEARS OF AGE OR OLDER.

15 (4) AN ADVANCE DEPOSIT ACCOUNT WAGERING ACCOUNT MUST BE IN THE
16 NAME OF AN INDIVIDUAL AND NOT IN THE NAME OF A BENEFICIARY,
17 CUSTODIAN, JOINT TRUST, CORPORATION, PARTNERSHIP, OR OTHER
18 ORGANIZATION.

19 (5) AN INDIVIDUAL MAY ESTABLISH AN ADVANCE DEPOSIT ACCOUNT
20 WAGERING ACCOUNT BY COMPLETING AN APPLICATION FORM APPROVED BY THE
21 DIRECTOR AND SUBMITTING IT WITH A CERTIFICATION OR OTHER PROOF OF
22 AGE AND RESIDENCY. THE APPLICATION FORM MUST INCLUDE THE ADDRESS OF
23 THE PRINCIPAL RESIDENCE OF THE APPLICANT AND A STATEMENT THAT A
24 FALSE STATEMENT MADE IN REGARD TO THE APPLICATION MAY SUBJECT THE
25 APPLICANT TO PROSECUTION.

26 (6) AN APPLICANT UNDER SUBSECTION (5) SHALL SUBMIT THE
27 COMPLETED APPLICATION TO AN ADVANCE DEPOSIT ACCOUNT WAGERING

1 LICENSEE. THE ADVANCE DEPOSIT ACCOUNT WAGERING LICENSEE MAY ACCEPT
2 OR REJECT THE APPLICATION AFTER REVIEWING IT AND THE ACCOMPANYING
3 CERTIFICATION OR OTHER PROOF OF AGE AND RESIDENCY FOR COMPLIANCE
4 WITH THIS ACT.

5 (7) AN APPLICANT UNDER SUBSECTION (5) WHO PROVIDES FALSE OR
6 MISLEADING INFORMATION ON THE APPLICATION IS SUBJECT TO REJECTION
7 OF THE APPLICATION OR CANCELLATION OF THE ACCOUNT BY THE ADVANCE
8 DEPOSIT ACCOUNT WAGERING LICENSEE WITHOUT NOTICE.

9 (8) AN ADVANCE DEPOSIT ACCOUNT WAGERING LICENSEE MAY SUSPEND
10 OR CLOSE ANY ADVANCE DEPOSIT ACCOUNT WAGERING ACCOUNT AT ITS
11 DISCRETION.

12 (9) AN ADVANCE DEPOSIT ACCOUNT WAGERING LICENSEE SHALL NOT
13 ESTABLISH AN ADVANCE DEPOSIT ACCOUNT FOR AN INDIVIDUAL WHOSE NAME
14 IS ON THE LIST OF DISASSOCIATED PERSONS CREATED UNDER SECTION 25 OF
15 THE MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL
16 432.225.

17 (10) THE ADDRESS PROVIDED IN AN APPLICATION BY AN APPLICANT
18 UNDER SUBSECTION (5) IS CONSIDERED THE PROPER ADDRESS OF THE
19 APPLICANT AFTER HE OR SHE BECOMES AN ACCOUNT HOLDER FOR MAILING
20 CHECKS, ACCOUNT WITHDRAWALS, NOTICES, AND OTHER MATERIALS.

21 (11) AN ADVANCE DEPOSIT ACCOUNT WAGERING ACCOUNT IS NOT
22 ASSIGNABLE OR OTHERWISE TRANSFERABLE.

23 (12) EXCEPT AS OTHERWISE PROVIDED IN THIS ACT OR IN RULES
24 PROMULGATED UNDER THIS ACT, ALL ACCOUNT WAGERS ARE FINAL AND THE
25 ACCOUNT HOLDER SHALL NOT CANCEL A WAGER AT ANY TIME AFTER THE WAGER
26 HAS BEEN ACCEPTED BY AN ADVANCE DEPOSIT ACCOUNT WAGERING LICENSEE.

27 (13) AN ADVANCE DEPOSIT ACCOUNT WAGERING LICENSEE SHALL TAKE

1 ALL REASONABLE STEPS TO DO BOTH OF THE FOLLOWING:

2 (A) PREVENT MINORS FROM CONDUCTING ADVANCE DEPOSIT ACCOUNT
3 WAGERING.

4 (B) IDENTIFY AND LIMIT THE ABILITY OF COMPULSIVE GAMBLERS TO
5 PLACE ADVANCE DEPOSIT ACCOUNT WAGERS.

6 (14) A PERSON THAT PROVIDES ADVANCE DEPOSIT ACCOUNT WAGERING
7 SERVICES TO A RESIDENT OF THIS STATE WITHOUT A LICENSE IS SUBJECT
8 TO A FINE OF UP TO \$25,000.00 PER DAY OF VIOLATION AND MAY BE
9 ORDERED TO PAY RESTITUTION TO THIS STATE AND THE CERTIFIED
10 HORSEMEN'S ORGANIZATION FOR ALL UNPAID FEES AND REVENUE.

11 (15) A PERSON THAT PROVIDES ADVANCE DEPOSIT ACCOUNT WAGERING
12 SERVICES IN THIS STATE TO A MINOR IS SUBJECT TO A FINE OF UP TO
13 \$25,000.00 PER VIOLATION. EACH WAGER MADE BY A MINOR IS A VIOLATION
14 OF THIS SECTION.

15 SEC. 17B. (1) THE FOLLOWING FEES SHALL BE PAID BY AN ADVANCE
16 DEPOSIT ACCOUNT WAGERING LICENSEE BY THE TENTH OF EACH MONTH FOR
17 THE PREVIOUS MONTH:

18 (A) TO THE DIRECTOR, AN AMOUNT EQUAL TO 1/2% OF THE TOTAL
19 GROSS AMOUNT OF ALL WAGERS MADE IN THIS STATE PLACED THROUGH THE
20 LICENSEE. THE DIRECTOR SHALL USE A SUFFICIENT PORTION OF THE MONEY
21 PAID UNDER THIS SUBDIVISION TO RETAIN AN INVESTIGATOR TO ENFORCE
22 THIS SECTION AND SECTION 17A AND USE THE BALANCE FOR THE REGULATION
23 AND OVERSIGHT OF HORSE RACING.

24 (B) TO THE STATE TREASURER FOR DEPOSIT INTO THE MICHIGAN
25 AGRICULTURE EQUINE INDUSTRY DEVELOPMENT FUND CREATED IN SECTION 20,
26 AN AMOUNT EQUAL TO 2% OF THE TOTAL GROSS AMOUNT OF ALL WAGERS MADE
27 IN THIS STATE FOR ALL BREEDS PLACED THROUGH THE LICENSEE.

1 (C) TO THE CERTIFIED HORSEMEN'S ORGANIZATIONS, AN AMOUNT EQUAL
2 TO 9% OF THE TOTAL GROSS AMOUNT OF ALL WAGERS MADE IN THIS STATE
3 THROUGH THE LICENSEE. MONEY PAID UNDER THIS SUBDIVISION SHALL BE
4 DEPOSITED INTO AN ACCOUNT SPECIFICALLY DESIGNATED TO RECEIVE THE
5 MONEY AS IDENTIFIED BY THE CERTIFIED HORSEMEN'S ORGANIZATIONS.

6 (2) THE QUARTERHORSE, STANDARD BRED, AND THOROUGHBRED CERTIFIED
7 HORSEMEN'S ORGANIZATIONS IN THIS STATE SHALL EACH ESTABLISH AND
8 ADMINISTER AN ACCOUNT TO BE KNOWN AS THE QUARTERHORSE,
9 STANDARD BRED, OR THOROUGHBRED, AS APPLICABLE, HORSEMEN'S ADVANCE
10 DEPOSIT ACCOUNT WAGERING POOL. MONEY DEPOSITED UNDER SUBSECTION

11 (1) (C) SHALL BE DISTRIBUTED BY THE ESCROW AGENT NAMED BY THE
12 CERTIFIED HORSEMEN'S ORGANIZATIONS TO THE QUARTERHORSE HORSEMAN'S
13 ADVANCE DEPOSIT ACCOUNT WAGERING POOL, THE STANDARD BRED HORSEMEN'S
14 ADVANCE DEPOSIT ACCOUNT WAGERING POOL, AND THE THOROUGHBRED
15 HORSEMEN'S ADVANCE DEPOSIT ACCOUNT WAGERING POOL, FOR THE FIRST
16 CALENDAR YEAR OR REMAINING PORTION OF THE FIRST CALENDAR YEAR AFTER
17 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION ON
18 A PRO RATA BASIS BASED ON THE PERCENTAGE OF THE TOTAL SIMULCAST
19 HANDLE FOR EACH BREED FOR THE PREVIOUS CALENDAR YEAR, AND FOR EACH
20 SUBSEQUENT CALENDAR YEAR ON A PRO RATA BASIS BASED ON THE
21 PERCENTAGE OF THE TOTAL ADVANCE DEPOSIT ACCOUNT WAGERING HANDLE FOR
22 EACH BREED FOR THE PREVIOUS CALENDAR YEAR. MONEY IN THE
23 QUARTERHORSE, STANDARD BRED, AND THOROUGHBRED ADVANCE DEPOSIT
24 ACCOUNT WAGERING POOLS SHALL BE DISTRIBUTED ON A BREED-SPECIFIC
25 BASIS AS FOLLOWS:

26 (A) FORTY-THREE PERCENT TO THE LICENSED TRACK OR TRACKS IN
27 THIS STATE WHERE RACE MEETINGS FOR THE SPECIFIC BREED ARE

1 CONDUCTED. IF THERE IS MORE THAN 1 LICENSED TRACK WHERE RACES FOR A
2 BREED ARE CONDUCTED, THE AMOUNT PAID TO EACH LICENSED TRACK SHALL
3 BE DETERMINED ON A PRO RATA BASIS BASED UPON THE PERCENTAGE OF
4 TOTAL HANDLE, FROM ALL SOURCES, FOR THE PREVIOUS CALENDAR YEAR FOR
5 EACH TRACK.

6 (B) FORTY-THREE PERCENT TO PURSES AND ADMINISTRATION OF
7 CERTIFIED HORSEMEN'S ORGANIZATIONS FOR THE SPECIFIC BREED. A
8 CERTIFIED HORSEMEN'S ORGANIZATION SHALL NOT USE MORE THAN 3% OF THE
9 MONEY RECEIVED UNDER THIS SUBDIVISION FOR ADMINISTRATION.

10 (C) TEN PERCENT FOR BREED INCENTIVES.

11 (D) ONE PERCENT FOR HORSE RETIREMENT.

12 (E) TWO PERCENT FOR SUPPORT OF YOUTH EQUINE PROGRAMS IN THIS
13 STATE.

14 (F) ONE PERCENT FOR EQUINE PREMIUMS AT COUNTY FAIRS.

15 (3) A CERTIFIED HORSEMEN'S ORGANIZATION THAT RECEIVES MONEY
16 UNDER SUBSECTION (1) (C) SHALL HAVE AN INDEPENDENT AUDITOR CONDUCT
17 AN ANNUAL AUDIT OF THE MONEY RECEIVED.

18 (4) AN ADVANCE DEPOSIT ACCOUNT WAGERING LICENSEE SHALL
19 DISTRIBUTE MONEY REMAINING IN AN ADVANCE DEPOSIT ACCOUNT WAGERING
20 ACCOUNT THAT HAS BEEN INACTIVE OR DORMANT FOR A PERIOD AND UNDER
21 CONDITIONS ESTABLISHED IN A RULE PROMULGATED BY THE DIRECTOR UNDER
22 THIS ACT AS FOLLOWS:

23 (A) FIFTY PERCENT TO THE ADVANCE DEPOSIT ACCOUNT WAGERING
24 LICENSEE.

25 (B) TWENTY-FIVE PERCENT FOR PROGRAMS DEDICATED TO THE
26 COMPULSIVE GAMING PREVENTION FUND CREATED BY SECTION 3 OF THE
27 COMPULSIVE GAMING PREVENTION ACT, 1997 PA 70, MCL 432.253.

1 (C) TWENTY-FIVE PERCENT TO THE MICHIGAN AGRICULTURE EQUINE
2 INDUSTRY DEVELOPMENT FUND CREATED IN SECTION 20.

3 (5) A PERSON THAT PROVIDED ADVANCE DEPOSIT ACCOUNT WAGERING
4 SERVICES IN THIS STATE BY ACCEPTING A WAGER FROM A RESIDENT OF THIS
5 STATE BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
6 THIS SECTION IS ENTITLED TO AN AMNESTY PERIOD OF 1 YEAR FROM THE
7 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION. THE
8 PERSON SHALL NOT BE PROSECUTED DURING THE AMNESTY PERIOD FOR
9 CONDUCTING THE WAGERING IF THE PERSON ENTERS INTO A SETTLEMENT
10 AGREEMENT WITH THE DIRECTOR, OBTAINS AN ADVANCE DEPOSIT ACCOUNT
11 WAGERING LICENSE BEFORE ACCEPTING ANY ADDITIONAL ADVANCE DEPOSIT
12 ACCOUNT WAGER FROM A RESIDENT OF THIS STATE, AND PAYS THE FOLLOWING
13 FEES:

14 (A) TO THE STATE TREASURER FOR DEPOSIT INTO THE MICHIGAN
15 AGRICULTURE EQUINE INDUSTRY DEVELOPMENT FUND CREATED IN SECTION 20,
16 AN AMOUNT EQUAL TO 1% OF THE TOTAL GROSS AMOUNT OF ALL WAGERS MADE
17 THROUGH THE PERSON IN THIS STATE BEFORE THE EFFECTIVE DATE OF THE
18 AMENDATORY ACT THAT ADDED THIS SECTION.

19 (B) TO THE ACCOUNT DESCRIBED IN SUBSECTION (1) (C), AN AMOUNT
20 EQUAL TO 2% OF THE TOTAL GROSS AMOUNT OF ALL WAGERS MADE THROUGH
21 THE PERSON IN THIS STATE BEFORE THE EFFECTIVE DATE OF THE
22 AMENDATORY ACT THAT ADDED THIS SECTION. MONEY PAID UNDER THIS
23 SUBDIVISION SHALL BE DIVIDED BETWEEN THE QUARTERHORSE,
24 STANDARD BRED, AND THOROUGHBRED HORSEMAN'S ADVANCE DEPOSIT ACCOUNT
25 WAGERING POOLS AS PROVIDED IN SUBSECTION (2) AND THEN DIVIDED
26 EQUALLY BETWEEN THE LICENSED TRACKS AND PURSES AND CERTIFIED
27 HORSEMEN'S ORGANIZATIONS AS IF THE MONEY WERE TO BE DISTRIBUTED

1 UNDER SUBSECTION (2) (A) AND (B) .

2 (6) IF LIVE THOROUGHBRED RACE MEETINGS ARE NOT CONDUCTED AT
3 ANY LICENSED TRACK IN THIS STATE IN A FISCAL YEAR, ALL OF THE
4 FOLLOWING APPLY:

5 (A) MONEY PAID DURING THE FISCAL YEAR TO THE THOROUGHBRED
6 HORSEMEN'S ADVANCE DEPOSIT ACCOUNT WAGERING POOL TO BE EXPENDED AS
7 PROVIDED IN SUBSECTION (2) (A) AND (B) SHALL BE USED FOR
8 THOROUGHBRED BREED INCENTIVES WITH THE TOTAL AMOUNT BEING DIVIDED
9 EQUALLY BETWEEN BREEDERS' AWARDS AND OWNERS' AWARDS.

10 (B) BREEDERS' AWARDS AND OWNERS' AWARDS SHALL BE PAID FOR
11 MICHIGAN-BRED THOROUGHBRED HORSES THAT RACE AT ANY RACETRACK IN
12 NORTH AMERICA. THE AWARDS SHALL BE CALCULATED BY DIVIDING THE TOTAL
13 AMOUNT OF MONEY AVAILABLE FOR EACH AWARD CATEGORY BY THE GROSS
14 AMOUNT OF PURSE MONEY EARNED BY MICHIGAN-BRED THOROUGHBRED HORSES
15 IN THE FISCAL YEAR, AND THEN MULTIPLYING THE RESULT BY THE TOTAL
16 AMOUNT EARNED BY ALL THOROUGHBRED HORSES OF EACH OWNER OR BREEDER.

17 (C) MONEY FOR BREEDERS' AWARDS AND OWNERS' AWARDS UNDER THIS
18 SUBSECTION MAY ALSO BE USED TO PAY FOR PURSES FOR RESTRICTED STAKES
19 RACES FOR MICHIGAN-BRED THOROUGHBRED HORSES AT ANY RACETRACK IN
20 NORTH AMERICA. ANY AMOUNTS PAID FOR PURSES FOR STAKES RACES SHALL
21 BE DEDUCTED EQUALLY FROM THE AMOUNTS AVAILABLE FOR BREEDERS' AWARDS
22 AND OWNERS' AWARDS.

23 (D) A REASONABLE AMOUNT FROM THE THOROUGHBRED HORSEMEN'S
24 ADVANCE DEPOSIT ACCOUNT WAGERING POOL MAY BE USED TO ADMINISTER
25 THIS SUBSECTION.

26 (7) AS USED IN THIS SECTION:

27 (A) "QUARTERHORSE" MEANS A HORSE REGISTERED WITH THE AMERICAN

1 QUARTERHORSE ASSOCIATION.

2 (B) "QUARTERHORSE CERTIFIED HORSEMEN'S ORGANIZATION" MEANS THE
3 GREAT LAKES QUARTERHORSE ASSOCIATION.

4 (C) "STANDARD BRED" MEANS A HORSE REGISTERED WITH THE UNITED
5 STATES TROTting ASSOCIATION.

6 (D) "STANDARD BRED CERTIFIED HORSEMEN'S ORGANIZATION" MEANS THE
7 MICHIGAN HARNESS HORSEMEN'S ASSOCIATION.

8 (E) "THOROUGHBRED" MEANS A HORSE REGISTERED WITH THE JOCKEY
9 CLUB, INCORPORATED.

10 (F) "THOROUGHBRED CERTIFIED HORSEMEN'S ORGANIZATION" MEANS THE
11 MICHIGAN HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION,
12 INCORPORATED.