

State Budget Office
Office of Regulatory Reinvention
111 S. Capitol Avenue; 8th Floor, Romney Building
Lansing, MI 48933
Phone: (517) 335-8658 FAX: (517) 335-9512

REGULATORY IMPACT STATEMENT (RIS)
and
COST-BENEFIT ANALYSIS

PART 1: INTRODUCTION

In accordance with the Administrative Procedures Act (APA) [1969 PA 306], the department/agency responsible for promulgating the administrative rules must complete and submit this form electronically to the Office of Regulatory Reinvention (ORR) no less than (28) days before the public hearing [MCL 24.245(3)-(4)]. Submissions should be made by the department Regulatory Affairs Officer (RAO) to **orr@michigan.gov**. The ORR will review the form and send its response to the RAO (see last page). Upon review by the ORR, the agency shall make copies available to the public at the public hearing [MCL 24.245(4)].

Please place your cursor in each box, and answer the question completely.

ORR-assigned rule set number:

2016-010 AC

ORR rule set title:

Testing Horses and Pulling Teams for Drugs at State Funded Events

Department:

Department of Agriculture and Rural Development

Agency or Bureau/Division

Executive Division

Name and title of person completing this form; telephone number:

Brad Deacon, Director, Office of Legal Affairs and Emergency Management, 517-284-5729

Reviewed by Department Regulatory Affairs Officer:

Brad Deacon, Regulatory Affairs Officer

PART 2: APPLICABLE SECTIONS OF THE APA

MCL 24.207a “Small business” defined.

Sec. 7a.

“Small business” means a business concern incorporated or doing business in this state, including the affiliates of the business concern, which is independently owned and operated and which employs fewer than 250 full-time employees or which has gross annual sales of less than \$6,000,000.00.”

MCL 24.240 Reducing disproportionate economic impact of rule on small business; applicability of section and MCL 24.245(3).

Sec. 40.

(1) When an agency proposes to adopt a rule that will apply to a small business and the rule will have a disproportionate impact on small businesses because of the size of those businesses, the agency shall consider exempting small businesses and, if not exempted, the agency proposing to adopt the rule shall reduce the economic impact of the rule on small businesses by doing all of the following when it is lawful and feasible in meeting the objectives of the act authorizing the promulgation of the rule:

- (a) Identify and estimate the number of small businesses affected by the proposed rule and its probable effect on small businesses.
- (b) Establish differing compliance or reporting requirements or timetables for small businesses under the rule after projecting the required reporting, record-keeping, and other administrative costs.
- (c) Consolidate, simplify, or eliminate the compliance and reporting requirements for small businesses under the rule and identify the skills necessary to comply with the reporting requirements.
- (d) Establish performance standards to replace design or operational standards required in the proposed rule.

(2) The factors described in subsection (1)(a) to (d) shall be specifically addressed in the small business impact statement required under section 45.

(3) In reducing the disproportionate economic impact on small business of a rule as provided in subsection (1), an agency shall use the following classifications of small business:

- (a) 0-9 full-time employees.
- (b) 10-49 full-time employees.
- (c) 50-249 full-time employees.

(4) For purposes of subsection (3), an agency may include a small business with a greater number of full-time employees in a classification that applies to a business with fewer full-time employees.

(5) This section and section 45(3) do not apply to a rule that is required by federal law and that an agency promulgates without imposing standards more stringent than those required by the federal law.

MCL 24.245 (3) “Except for a rule promulgated under sections 33, 44, and 48, the agency shall prepare and include with the notice of transmittal a **regulatory impact statement** containing...” (information requested on the following pages).

[**Note:** Additional questions have been added to these statutorily-required questions to satisfy the **cost-benefit analysis** requirements of Executive Order 2011-5.]

MCL 24.245b Information to be posted on office of regulatory reinvention website.

Sec. 45b. (1) The office of regulatory reinvention shall post the following on its website within 2 business days after transmittal pursuant to section 45:

- (a) The regulatory impact statement required under section 45(3).
 - (b) Instructions on any existing administrative remedies or appeals available to the public.
 - (c) Instructions regarding the method of complying with the rules, if available.
 - (d) Any rules filed with the secretary of state and the effective date of those rules.
- (2) The office of regulatory reinvention shall facilitate linking the information posted under subsection (1) to the department or agency website.

PART 3: DEPARTMENT/AGENCY RESPONSE

Please place your cursor in each box, and provide the required information, using complete sentences. Please do not answer the question with “N/A” or “none.”

Comparison of Rule(s) to Federal/State/Association Standards:

(1) Compare the proposed rule(s) to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist. Are these rule(s) required by state law or federal mandate? If these rule(s) exceed a federal standard, please identify the federal standard or citation, and describe why it is necessary that the proposed rule(s) exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.

MCL 431.320, Section 20 of Act 279 of 1995 grants authority to the director of the department of agriculture to promulgate rules pursuant to the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The Legislature included the following intent language, also in Section 20:

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

There are no federal rules or standards in place relating to drug testing of horses at horse pulling events. National associations have guidance for their own events, but it is up to state regulatory functions to set standards for testing protocols.

This Rule was established in 1979, with amendments last made in 2006. There had been significant state funding support for these types of events; as revenues have declined there are now notable horse pulling competitions in the State that receive no state funds for competition winners. Due to the wording in the current language, MDARD is not able to conduct testing at horse pulling events unless state funding is being provided. The industry has determined that their own internal requirements for competitions would be best augmented by having the State of Michigan be able to conduct testing.

The goal of this rule is to provide a measure that allows the state to provide enforcement for the illegal use of drugs amongst horses in non-pari-mutuel racing or pulling events, thereby promoting fairness and assurance to competitors, the general public, and attendees. Therefore, broadening the regulation to include non-state-funded races would further accomplish this goal.

Note: These rules apply only to horse competitions where wagering does not occur; the Gaming Control Board tests horses for illegal drugs in pari-mutuel events. MDARD's already has procedures for testing at state funded events, so new procedures are not necessary.

(2) Compare the proposed rule(s) to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities. If the rule(s) exceed standards in those states, please explain why, and specify the costs and benefits arising out of the deviation.

When the state-funded restriction is compared to other drug testing laws in the Midwest for horse racing and pulling, Michigan's restriction requiring that the fair be state-funded is atypical.

- Ohio; 3769-8-01 Medicine and Testing; Allows states to appoint a veterinarian to test for illegal substances at their own cost, even at independent fairs.
- Indiana; 71 IAC 8.5-2-3; Allows the stewards, commission veterinarians, a member of the commission, or the executive director of the commission may order a blood test or urine test, or both, on a horse for the purpose of analysis. Use of “a horse” suggests that there is not a restriction on when samples may be collected as there is nothing in the code specifically relating to when and who may collect samples.
- Wisconsin; GAME 14.11.1; Allows one animal from “every race” to be selected for drug sampling. The code states no further limitation on what kind of race, thereby implying that there is not a “state-funded” requirement.

Therefore, the proposed amendment to eliminate the state-funded requirement would be compatible with horse racing and pulling events.

(3) Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rule(s). Explain how the rule has been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.

These rules apply only to horse competitions where wagering does not occur; the Gaming Control Board tests horses for illegal drugs in pari-mutuel events under their statutory and regulatory framework. MDARD’s already has procedures for our work in this area at state funded events; no new procedures will be necessary. This regulation applies to non-gaming control board commissioned events, where the industry has identified the need for an objective third party to be involved.

MDARD has had regular discussions with the Gaming Control Board regarding testing of horses.

Purpose and Objectives of the Rule(s):

(4) Identify the behavior and frequency of behavior that the proposed rule(s) are designed to alter. Estimate the change in the frequency of the targeted behavior expected from the proposed rule(s). Describe the difference between current behavior/practice and desired behavior/practice. What is the desired outcome?

Eliminating the state-funded limitation for testing will emphasize the importance of providing assurance to both the general public, as well as attendees and competitors, that equine events are conducted fairly. Providing a neutral third party to test animals for drugs at pulling and other equine contest events also helps to create a sense of fairness amongst competitors and gives credibility to the hosting events.

There are 30-40 fair events and other horse contests annual where MDARD does not provide testing due to the limitation in the current language. This change would promote fairness and honesty in competition, while not adding any burden to competitors who are already subject to testing at these contests. The industry’s concern is that if they are conducting their own testing programs, there may be questions of fairness that would be negated by having the State of Michigan involved as a neutral third party. Moreover, allowing testing at any event will promote animal concern and care, ensuring that horse’s performances are not being enhanced through the use of drugs. Eliminating the restriction will encourage to competitors to compete honestly and fairly, creating a level and safe playing field for the entirety of the competitors.

Eliminating the restriction will not impose new costs on the competitors; testing is taking place currently with those costs already built into the cost of putting on the event. This change would eliminate an arbitrary barrier that prevents the department from partnering with the industry and providing assistance

where both the department and the industry desire to do so.

(5) Identify the harm resulting from the behavior that the proposed rule(s) are designed to alter and the likelihood that the harm will occur in the absence of the rule. What is the rationale for changing the rule(s) and not leaving them as currently written?

The harm that MDARD is seeking to eliminate is the use of illegal performance enhancing drugs amongst horses for pulling and racing events. While the industry has asked the department to step in and encourage the deterrence of drug use, allowing the rules to go unchanged would make it impossible for MDARD do so. MDARD, acting as a third party, would have the ability to ensure fairness at pulling and racing events across the state. Knowledge that horses may be tested by the state, when they previously were not subject to such a possibility, is expected to minimize prohibited drug use.

Further, injecting or allowing horses to ingest drugs to improve performance is unhealthy for the animals, creating the possibility of significant medical risks. Eliminating the restriction would likely deter competitors from using drugs on their horses.

(6) Describe how the proposed rule(s) protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.

This proposed language change promotes the general welfare by allowing for increased confidence that horse pulling and racing events in Michigan have a fair and level playing field. The activity at the heart of this rule is designed to be preventative; drugs to be used on horses for enhanced performance at pulling and racing events is illegal. The industry approached MDARD and requested that the Department play this role. Through conversations with the industry, the Department feels that we can provide this service in an economical manner.

(7) Describe any rules in the affected rule set that are obsolete, unnecessary, and can be rescinded.

All of the rules within the regulation are necessary. While 1996 PA 279 grants permission to the department to test animals for drugs, the act does not provide the specifics that encompass this rule set. This is already a short and concise ruleset.

Fiscal Impact on the Agency:

Fiscal impact is an increase or decrease in expenditures from the current level of expenditures, i.e. hiring additional staff, an increase in the cost of a contract, programming costs, changes in reimbursement rates, etc. over and above what is currently expended for that function. It would not include more intangible costs or benefits, such as opportunity costs, the value of time saved or lost, etc., unless those issues result in a measurable impact on expenditures.

(8) Please provide the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings on the agency promulgating the rule).

MDARD does not anticipate a need for additional funding as the Animal Industry Division anticipates that it can perform these additional functions within its current budgetary resources in the immediate short-term. We will continue to assess the program, necessary response, and staff and resource burden on the Department as we implement this activity.

(9) Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rule(s).

The Department estimates that the additional costs will be minimal and are achievable from within funds

already appropriated for animal health programs within the Animal Industry Division. The Department does not anticipate the need for new resources at this time to implement these changes.

(10) Describe how the proposed rule(s) is necessary and suitable to accomplish its purpose, in relationship to the burden(s) it places on individuals. Burdens may include fiscal or administrative burdens, or duplicative acts. So despite the identified burden(s), identify how the requirements in the rule(s) are still needed and reasonable compared to the burdens.

The only party to face a burden with the elimination of the state-funded requirement would be competitors who are administering illegal performance enhancing drugs to their horses for competitions. As this is prohibited activity to begin with, this amendment should not place a burden on any law-abiding citizen. Enforcing this amendment does not require the event, or individual competitors, to pay new fees for drug testing. Consequently, this would eliminate an arbitrary barrier between the department and non-state-funded events while allowing us to partner with the industry and better promote the goals of both the state and the industry.

The industry has asked MDARD to step in and play a larger role in protecting against drug use at all pulling and racing events occurring within the state. It is also beneficial to the fairness of the sport and to honest competitors, while only placing a burden on dishonest competitors and placing assurance to the general public and attendees that the sport is being conducted properly and impartially. Additionally, allowing the state to drug test at all races occurring within the state rather than only those that are state-funded is more in accordance with the Horse Racing Law (1995 PA 279), particularly sections 20 and 30 (stated above), having to do with promoting the fairness of the sport and drug testing horses at all races and events. There is an additional benefit to promoting the care and concern of the horses, as being administered unnecessary drugs would typically not be healthy for the horses.

Impact on Other State or Local Governmental Units:

(11) Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions on other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Please include the cost of equipment, supplies, labor, and increased administrative costs, in both the initial imposition of the rule and any ongoing monitoring.

No increase or decrease in revenue is expected. The department would contract with a lab to test the samples, the funding for which would come from within MDARD or be part of a contract arrangement between MDARD and the event.

(12) Discuss any program, service, duty or responsibility imposed upon any city, county, town, village, or school district by the rule(s). Describe any actions that governmental units must take to be in compliance with the rule(s). This section should include items such as record keeping and reporting requirements or changing operational practices.

Amending the rules and eliminating the state-funded requirement would not impact the duties, services, or responsibilities places on a city, county, town, village or school district.

(13) Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rule(s).

There is no anticipated fiscal impact on state or local government as there are no programmatic changes for them.

Rural Impact:

(14) In general, what impact will the rules have on rural areas? Describe the types of public or private interests in rural areas that will be affected by the rule(s).

The proposed amendment will not have a disproportional impact on rural areas. Many, but not all, of these pulling and other equine events are held in rural areas; most of the competitors also tend to be from rural areas, but the proposed changes will help ensure fairness in all competitions.

Environmental Impact:

(15) Do the proposed rule(s) have any impact on the environment? If yes, please explain.

The proposed amendment will have no direct impact on the environment.

Small Business Impact Statement:

[Please refer to the discussion of “small business” on page 2 of this form.]

(16) Describe whether and how the agency considered exempting small businesses from the proposed rules.

While most horse owners taking part in these kinds of pulling and other events are small business owners, the activity at the core of the regulation is preventing the use of illegal performance enhancing drugs in equine competition events. All participants at these events are already subject to drug testing. Exempting entities of any size from uniform testing for illegal performance enhancing drugs would lead to a distinctly non level playing field in competitions. The Department estimates that there are approximately 200 farms or horse boarding business throughout the state that regularly take part in these kinds of events.

(17) If small businesses are not exempt, describe (a) the manner in which the agency reduced the economic impact of the proposed rule(s) on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rule(s) upon small businesses as described below (in accordance with MCL 24.240(1)(A-D)), or (b) the reasons such a reduction was not lawful or feasible.

Exempting any participants at horse pulling and other events from testing for illegal drugs would be counter to the industry’s goal of ensuring a level playing field for competitions. Participation in pulling and other events is entirely voluntary, and participants are currently subject to testing at those events. The industry, representing the small businesses that participate in these events, feels that state involvement will help reduce questions and concerns about fairness.

(A) Identify and estimate the number of small businesses affected by the proposed rule(s) and the probable effect on small business.

The Department estimates that there are approximately 200 small business in the form of farms and boarding facilities that take part in these types of competitions.

(B) Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rule after projecting the required reporting, record-keeping, and other administrative costs.

No additional administrative costs to small businesses will arise from the amendments.

(C) Describe how the agency consolidated or simplified the compliance and reporting requirements and identify the skills necessary to comply with the reporting requirements.

Small business will not have to comply with any additional requirements or acquire new skills.

(D) Describe how the agency established performance standards to replace design or operation standards required by the proposed rules.

The proposed amendment will not be replacing design or operation standards for any party outside of MDARD. Eliminating the state-funded requirement would still require competitors to adhere to standards that currently prohibit the use of drugs to help manipulate outcomes at horse racing events, thereby not creating a change for competitors as the conduct MDARD will be checking for is already prohibited. Eliminating the restriction will simply enforce current standards.

(18) Identify any disproportionate impact the proposed rule(s) may have on small businesses because of their size or geographic location.

The proposed amendments will not place a disproportionate impact on small businesses based on their size. These events are held in many places around the State but all of them have a need to assure participants and attendees that the competition is fair and monitored.

(19) Identify the nature of any report and the estimated cost of its preparation by small business required to comply with the proposed rule(s).

Small businesses will not be required to create a report.

(20) Analyze the costs of compliance for all small businesses affected by the proposed rule(s), including costs of equipment, supplies, labor, and increased administrative costs.

Affected small businesses will not face any additional costs unless a drug sample returns as positive, in which case legal fees and a confirmation tests may arise. However, these costs will only occur if charged with using prohibited substances.

(21) Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rule(s).

Any costs to small businesses would only result from a detection of use of prohibited performance enhancing drugs.

(22) Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.

No additional cost to small businesses is expected. If there is a cost, it will likely be in the form of legal fees in response to a detection of a prohibited compound. This likely would not affect competition, but if it does, it would eliminate unfair competitors, thereby improving the market for the sport.

(23) Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.

MDARD would be unable to effectively enforce the amendments to the regulation if small business were exempt, as those are the businesses that will likely be affected. However, as previously stated, the only small businesses to feel the effects of the amendment would be those participating in prohibited drug use amongst their horses.

(24) Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.

Public interest is best protected by allowing the amendment. The industry has asked MDARD to eliminate the state-funded restriction to promote fairness, the health of race horses, and to act as a neutral third party. Creating the perception of a fair equine event that is worth competing in when hosting national events is critical to tourism and the wealth of small businesses that result from the generated tourism.

(25) Describe whether and how the agency has involved small businesses in the development of the proposed rule(s). If small business was involved in the development of the rule(s), please identify the business(es).

The horse pulling industry has asked for the state's involved and were consulted in the development of language.

Cost-Benefit Analysis of Rules (independent of statutory impact):

(26) Estimate the actual statewide compliance costs of the rule amendments on businesses or groups. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rule(s). What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Please identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.

No new costs, including new equipment, supplies, labor, accounting, or recordkeeping will be imposed on pulling or other events. These private events currently perform these kinds of tests, and MDARD has experience in collecting samples at state-funded events. The costs of testing a sample at a lab are already built into testing programs.

A possible cost will be for further enforcement after finding a positive illegal drug result, including confirmation testing, and costs related to compliance meetings and ultimately possible referral to an Administrative Law Judge at MAHS in the event that a positive result merits a ban on future participation that is then disputed.

However, these costs are significantly outweighed by the assurance of an equal playing field amongst all those involved in the events. As the industry has asked the state to become more involved and act as a neutral third party at these events, the industry recognizes that there may be some additional costs to both the Department and the industry for enforcement and follow up.

(27) Estimate the actual statewide compliance costs of the proposed rule(s) on individuals (regulated individuals or the public). Please include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping). How many and what category of individuals will be affected by the rules? What qualitative and quantitative impact does the proposed change in rule(s) have on these individuals?

There will be no additional compliance costs for individuals or the public. The amendments would only apply to those who are voluntarily participating at horse pulling and racing events, and only adversely affect those who are not competing fairly. Competitors who are competing in compliance with the Horse Racing Law will not be affected by the amendments.

(28) Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rule(s).

The proposed language change would not result in cost reductions to businesses, individuals, or government units.

(29) Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rule(s). Please provide both quantitative and qualitative information, as well as your assumptions.

The primary and direct benefit of the existing rules and the proposed changes is to provide a deterrent to illegal performance enhancing drug use. This will be accomplished through MDARD acting as a neutral third party. By creating the assurance of a fair playing field, a secondary benefit would be an

increase in tourism and attendance during horse pulling and other events. Moreover, fair competitors who are not partaking in prohibited drug use will be more willing to participate with the knowledge that the state is acting as a neutral third party to eliminate unfair advantages that illegal drug use may have been playing in the 30-40 events that the state could not cooperate with.

(30) Explain how the proposed rule(s) will impact business growth and job creation (or elimination) in Michigan.

The proposed changes are expected to be neutral and have no impact on business growth, creation, or elimination. However, once the public perceives that racing events in Michigan are being conducted fairly, participation at races may increase, thereby increasing the market for tourism.

(31) Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

No group will be disproportionately affected by the rules because the amendments will affect the entire horse racing community. In fact, 813 as it currently has a disproportionate impact for those who participate in non-state-funded events because there is not a uniform approach to all such events. This burdens those who are abiding by the law while allowing those who are committing prohibited conduct to benefit. Therefore, the proposed amendments will further ensure an equal playing field, actually decreasing the risk of a disproportionate benefits or burdens.

(32) Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of a proposed rule(s) and a cost-benefit analysis of the proposed rule(s). How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., which demonstrate a need for the proposed rule(s).

The industry approached the Department and provided background information. MDARD discussed the proposed rules at individual association meetings and working committees.

Alternatives to Regulation:

(33) Identify any reasonable alternatives to the proposed rule(s) that would achieve the same or similar goals. In enumerating your alternatives, please include any statutory amendments that may be necessary to achieve such alternatives.

No other alternative would allow MDARD to assist in promoting the fairness of the sport unless given authority to assert their presence at all racing events within the state, not only those that are state-funded. Therefore, there is no alternative to these proposed amendments that would achieve the same goal that both the industry and the department strive to achieve.

(34) Discuss the feasibility of establishing a regulatory program similar to that proposed in the rule(s) that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.

This is the current state of the industry, and because the horse pulling industry has found that it has not been ideal, they have approached MDARD to ask the state to play a role in enforcement.

(35) Discuss all significant alternatives the agency considered during rule development and why they were not incorporated into the rule(s). This section should include ideas considered both during internal discussions and discussions with stakeholders, affected parties, or advisory groups.

The industry has asked MDARD specifically to become involved and maintain a neutral third party presence in both state-funded and non-state-funded horse racing events. The industry has asked for our

involvement to this degree due to their belief that, as a neutral third party, the state’s involvement will create a deterrence for drug use in all horse racing events.

Additional Information

(36) As required by MCL 24.245b(1)(c), please describe any instructions regarding the method of complying with the rules, if applicable.

Methods for compliance will not change as a result of amending this rule. Using drugs to enhance a racing horse’s performance is currently prohibited by law. Eliminating the state-funded restriction will simply allow the state to further survey drug use and provide a deterrent to those who are currently engaging in what is already prohibited conduct.

PART 4: REVIEW BY THE ORR

Date Regulatory Impact Statement (RIS) received:

09-20-2016

Date RIS approved:	9/21/2016
ORR assigned rule set number:	2016-010 AC

Date of disapproval:	Explain:
More information needed:	Explain: