

Horse Racing in Michigan

The Michigan Gaming Control Board

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Regulation





MGCB's Responsibilities

Our Mission:

The Michigan Gaming Control Board shall ensure the conduct of fair and honest gaming to protect the interests of the citizens of the State of Michigan.

Major responsibilities are:

- ▶ License and regulate commercial casinos in Detroit, their suppliers and their employees
- ▶ Regulate pari-mutuel horse racing
- ▶ License and regulate charitable gaming “millionaire parties”
- ▶ Oversee Native American casinos’ compliance with Tribal-State Compact provisions



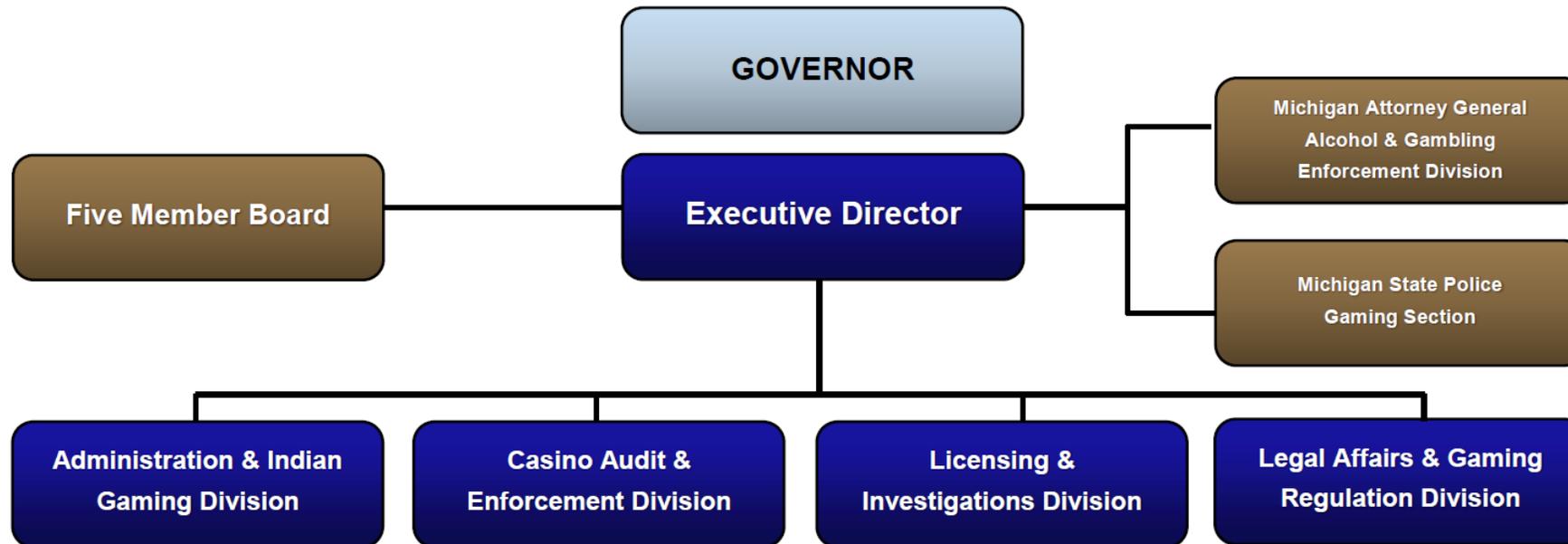
MGCB History

- ▶ 1996: Michigan voters approve Proposal E, effectively authorizing three licensed casinos to be built in Detroit
- ▶ 1997: The Michigan Gaming Control & Revenue Act establishes the agency within the Department of Treasury
- ▶ 2000: The governor assigned the MGCB staff the responsibility for auditing compliance with Tribal Class III Gaming Compacts
- ▶ 2009: The Office of Racing Commissioner's authority, powers, duties and functions assigned to the MGCB's Executive Director by Executive Order
- ▶ 2012: Regulation of charitable gaming "millionaire parties" assigned to the agency by Executive Order



How We Are Structured

Organizational Chart





Horse Racing Administration and Duties

Objectives:

- ▶ Issue track, race meeting and occupational licenses, and simulcasting permits
- ▶ Allocate racing dates and simulcasting schedules
- ▶ Collect racing license fees and ensure tax revenues are paid
- ▶ Appoint stewards and veterinarians to represent the state
- ▶ Hear appeals of stewards' decisions and of other matters
- ▶ Approve track-appointed officials
- ▶ Monitor the daily conduct of live and simulcast racing
- ▶ Conduct equine and human drug testing programs
- ▶ Investigate any irregularities in racing, which may lead to formal hearings, administrative disciplinary actions and/or criminal prosecution

Job Duties: Stewards

- ▶ Oversight over all aspects of pari-mutuel racing at each track during a race meeting
- ▶ Monitor and judge all live racing to ensure safety, enforce racing statutes and rules, and ensure a fair opportunity to compete
- ▶ Make decisions, hold hearings, and issue rulings to enforce compliance with laws and rules in all matters related to racing
- ▶ Review occupational license applications and evaluate their suitability for licensing
- ▶ Approve or deny applications

Job Duties: Licensing Staff

- ▶ Accept, process, and generate occupational license applications of anyone requesting approval to participate in Michigan pari-mutuel horseracing
- ▶ Collect and record occupational license fees and fines
- ▶ Review daily racing programs
- ▶ Maintain licensee data in the MGCB licensing system
- ▶ Provide general office assistance to MGCB track staff

Job Duties: Veterinarians

- ▶ Monitor and safeguard the physical well-being of participating horses
- ▶ Oversee the MGCB equine drug testing programs, including the collection and testing of equine blood, urine, and other samples
- ▶ Implement vaccination protocols to protect the horses and prevent the spread of infectious equine diseases
- ▶ Examine horses pre and post races for soundness to race and to continue racing
- ▶ Oversee the laborers who procure the drug samples

Michigan Horse Racing
Wagering Revenue and Distribution
1997 Through 2016

Calendar Year	Live Horse Wagering	Simulcast Wagering *	Total Wagered	State Taxes
1997	\$115,065,452	\$359,543,126	\$474,608,578	\$12,584,069
1998	\$97,820,950	\$366,022,665	\$463,843,615	\$12,810,859
1999	\$55,245,335	\$361,371,155	\$416,616,490	\$12,648,052
2000	\$43,924,594	\$355,391,085	\$399,315,679	\$12,436,870
2001	\$35,293,153	\$339,256,788	\$374,549,941	\$11,874,054
2002	\$32,171,461	\$333,070,826	\$365,242,287	\$11,657,549
2003	\$29,823,123	\$316,754,841	\$346,577,964	\$11,086,489
2004	\$23,934,235	\$313,539,227	\$337,473,462	\$10,978,970
2005	\$22,712,959	\$287,059,511	\$309,772,470	\$10,047,139
2006	\$22,116,171	\$259,076,617	\$281,192,788	\$9,067,731
2007	\$20,429,573	\$240,533,513	\$260,963,086	\$8,418,708
2008	\$18,321,140	\$212,905,150	\$231,226,290	\$7,451,713
2009	\$11,609,256	\$191,729,431	\$203,338,687	\$6,713,560
2010	\$9,848,178	\$159,755,511	\$169,603,689	\$5,651,872
2011	\$7,935,261	\$136,996,355	\$144,931,616	\$4,794,880
2012	\$6,944,308	\$131,236,976	\$138,181,284	\$4,593,300
2013	\$5,659,751	\$121,253,491	\$126,913,242	\$4,243,881
2014	\$4,623,279	\$112,160,524	\$116,783,803	\$3,925,627
2015	\$4,554,931	\$101,621,299	\$106,176,230	\$3,556,749
*2016	\$4,275,609	\$98,989,911	\$103,265,520	\$3,464,651

**Preliminary Numbers for 2016*

Source: Office of Racing Commissioner and MGCB Annual Reports



Racing Act Changes

- ▶ Changes to update the Michigan Racing Act went into effect approximately July 1, 2016.

Racing Act Changes

- ▶ Included in the new law is the formation of a Horse Racing Advisory Commission appointed by the Governor. The Advisory Commission was created within the Department of Agriculture and Rural Development, and includes a Chairperson, the Director of the Department of Agriculture and Rural Development or his or her designee, a Veterinarian, one representative each from the Thoroughbred and Standardbred horsemen's organizations, and representatives from Hazel Park Raceway and Northville Downs.

Racing Act Changes

- ▶ Under the new law, simulcast purse pool monies generated by a specific track will stay with that venue's certified horsemen's organization, replacing the previous regulations which placed all applicable funds into a common pool and split according to breed requirements stated in the Act.
- ▶ Under the old law the purse pool funds were divided by formula: The Thoroughbred horsemen's organization received 50% of the money generated from Thoroughbred simulcasts and 35% of the money generated from Standardbred simulcasts. The Standardbred horsemen's organization received 50% of the money generated from Thoroughbred simulcasts and 65% of the money generated from Standardbred simulcasts.

Racing Act Changes

- ▶ Purse funding levels will depend on negotiations between the horsemen's groups and the race meet licensees.
- ▶ Sec. 19. A race meeting licensee shall pay an amount equal to not less than 25% and not more than 40% of the net commission generated at the licensee's race meeting to a site-specific horsemen's simulcast purse account.
- ▶ Under the old law the allocation was set at 40% of the net commission.

Racing Act Changes

- ▶ The new racing law requires a race meet licensee to apply to race a minimum of 30 days of live Thoroughbred and/or 30 days of live Standardbred racing. Not fewer than 8 live races must be programmed unless certain conditions are met.
- ▶ Under the old law the race meet licensees were required to apply for a number of race days based on populations and track location.

Racing Act Changes

- ▶ A person who does not hold a race meeting license and solicits or accepts wagers on the results of live or simulcast horse races from individuals in this state, under the new law, is guilty of a felony punishable by imprisonment of not more than 5 years or a fine of not more than \$10,000.00, or both. Each act of solicitation or wager accepted in violation of this section is a separate offense.



Other Horse Racing Updates

- ▶ In 2016, Hazel Park Raceway Thoroughbreds and Northville Downs Standardbreds raced on the same evenings for the first time. An Executive Order granting Hazel Park Raceway's request for an additional 7 live race days extended its race meet to October 1st for a total of 37 race days. Northville Downs raced a total of 60 live race dates in 2016.
- ▶ Horse racing staff completed a review of the racing rules and sent draft changes to MGCB's rule making committee.
- ▶ A new equine drug testing laboratory was selected for 2017, when the Michigan laboratory discontinued drug testing services.

Racing in 2017

Race Dates

NORTHVILLE DOWNS RACEWAY 54 DAYS
 HAZEL PARK RACEWAY 36 DAYS
 HAZEL PARK RACEWAY AND NORTHVILLE DOWNS 12 DAYS

2017

JANUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4
5	6	7	8	9	10	11

FEBRUARY						
S	M	T	W	T	F	S
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	1	2	3	4
5	6	7	8	9	10	11

MARCH						
S	M	T	W	T	F	S
26	27	28	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1
2	3	4	5	6	7	8

APRIL						
S	M	T	W	T	F	S
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	1	2	3	4	5	6

MAY						
S	M	T	W	T	F	S
30	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	3
4	5	6	7	8	9	10

JUNE						
S	M	T	W	T	F	S
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	1
2	3	4	5	6	7	8

JULY						
S	M	T	W	T	F	S
25	26	27	28	29	30	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

AUGUST						
S	M	T	W	T	F	S
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2
3	4	5	6	7	8	9

SEPTEMBER						
S	M	T	W	T	F	S
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
1	2	3	4	5	6	7

OCTOBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4
5	6	7	8	9	10	11

NOVEMBER						
S	M	T	W	T	F	S
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	1	2
3	4	5	6	7	8	9

DECEMBER						
S	M	T	W	T	F	S
26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6