



STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD
DETROIT

In the matter of:

HORSEMEN'S SIMULCAST
PURSE ACCOUNT

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To: Michigan Horsemen's Benevolent and Protective Association
Michigan Harness Horsemen's Association

**HORSEMEN'S SIMULCAST PURSE ACCOUNT
2017 DISTRIBUTION ORDER**

WHEREAS, §19 of the Horse Racing Law of 1995, as amended, MCL 431.319, (hereafter "the act") requires each race meeting licensee to pay a certain portion of its net commission from all money wagered to a horsemen's simulcast purse account; and,

WHEREAS, §19 of the act, MCL 431.319, requires the distribution of that money for purses for live horse races at licensed race meetings in the State of Michigan; and,

WHEREAS, §§18 and 19 of the act, MCL 431.318 and MCL 431.319, are to be read *in pari materia* so that the distribution of funds is contingent on active participation in live racing and simulcasting, i.e. contribution; and

WHEREAS, §19(b) of the act, MCL 431.319(b), provides that each year the certified horsemen's organizations may receive an amount from the simulcast purse account to use for their general expenses. This amount shall be approved by order of the Executive Director and limited to not less than 5% of the horsemen's simulcast purse account. General expenses do not include the direct or indirect payment of track operations or the debt obligations of race meeting licensees;

NOW THEREFORE, IT IS ORDERED:

1. Beginning January 1, 2017, the Michigan Horsemen's Benevolent and Protection Association (HBPA) shall distribute the money from the horsemen's simulcast purse account for purses for live horse races conducted at Hazel Park Harness Raceway in accordance with §19 of the act. HBPA shall make distributions into the race meeting licensee's purse pool account so as to ensure that there are sufficient funds on deposit in the purse pool account to pay the purse schedule during the live portion of its 2017 race meeting.

If the race meeting licensee's purse pool account is underfunded during the 2017 race meeting, then upon notification of the underfunding, HBPA will authorize and direct its bank to immediately transfer sufficient available funds to the race meeting licensee's purse pool account.

2. Beginning January 1, 2017, the Michigan Harness Horsemen's Association (MHHA) shall distribute the money from the horsemen's simulcast purse account for purses for live horse races conducted at Northville Downs in accordance with §19 of the act. MHHA shall make distributions into the race meeting licensee's purse pool account so as to ensure that there are sufficient funds on deposit in the purse pool account to pay the purse schedule during the live portion of its 2017 race meeting.

If the race meeting licensee's purse pool account is underfunded during the 2017 race meeting, then upon notification of the underfunding, MHHA will authorize and direct its bank to immediately transfer sufficient available funds to the race meeting licensee's purse pool account.

3. **IT IS FURTHER ORDERED** that the HBPA and MHHA shall, at their own expense, provide each 2017 race meeting licensee and the Michigan Gaming Control Board with either continuous computer on-line account summaries or written monthly statements from their banks listing all transfers that have been made to and from the horsemen's simulcast purse accounts. Such account summaries or statements shall include the following information:

- (a) the name of each depositor
- (b) the date and amount of each deposit
- (c) the date and amount of each transfer

4. **IT IS FURTHER ORDERED** that under the act and the administrative rules, the only authorized distributions from the horsemen's simulcast purse accounts are to pay prizes for horse races conducted at racetracks licensed by the Executive Director under the act. The only exception is to pay for limited general expenses of certified horsemen organizations as provided for in §19(b) of the act. The act does not authorize distributions to pay for race meeting licensee obligations, race meeting licensee debt obligations, or racetrack operational expenses.

Failure to abide by the requirements of the act, administrative rules, or the provisions of this order may result in sanctions including, but not limited to, revocation or suspension of a license, exclusion from racetrack grounds, or a fine of up to \$25,000 for each violation of the act, administrative rules or of this order. Additionally, improper withdrawals will be required to be refunded to the purse accounts.

IT IS SO ORDERED.

/s/

Richard S. Kalm, Executive Director
Michigan Gaming Control Board

Date: February 28, 2017