



STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD
DETROIT

GRETCHEN WHITMER
GOVERNOR

HENRY L. WILLIAMS, JR.
EXECUTIVE DIRECTOR

In the matter of:

HORSEMEN'S SIMULCAST PURSE ACCOUNT
_____ /

To: Michigan Harness Horsemen's Association

ORDER FREEZING HORSEMEN'S SIMULCAST PURSE ACCOUNT

Northville Downs, LLC was issued a 2024 Race Meeting License and Simulcast Permit on October 27, 2023. The Executive Director has been advised that Northville Downs, effective February 4, 2024, closed track operations.

Under § 19a of the Horse Racing Law of 1995 (the Act), M C L 4 3 1 . 3 1 9 a , the Legislature provided the statutory authority for how monies, designated by the Act to be deposited into the horsemen's simulcast purse pool, are to be handled if a licensed track is closed. Given such, the Executive Director shall order the deposit of horsemen's purse pool money, deposited and distributed pursuant to § 19, MCL 431.319, to a depository designated by a race meeting licensee upon written direction of the affected certified horsemen's organization.

Section 19 of the Act requires a race meeting licensee to pay a percentage of the net simulcast commission generated at the licensee's race meeting to a site-specific horsemen's simulcast purse account. Money paid into a site-specific horsemen's simulcast purse account must be deposited in a depository designated by the participating certified horsemen's organizations.

The Michigan Harness Horseman's Association (MHHA) designated Independent Bank as its depository for the Horsemen's Simulcast Purse Account established under § 19.

To preserve and to protect the accumulated purse pool monies as future prize money, the Executive Director deems it necessary to reiterate and clarify the following:

- Under § 19(1)(a) of the Act, the subject purse pool monies are to be made available as prize money to the standardbred horsemen that are actively racing at a licensed racetrack in the State of Michigan.
- With the closure of Northville Downs, standardbred horsemen are not actively racing at a licensed racetrack in the State of Michigan.
- If a race meeting applicant has obtained a written contract with the MHHA and is subsequently approved by the Executive Director to conduct a full schedule of standardbred horse racing in the State of Michigan, that race meeting licensee may designate the subject

horsemen's purse pool monies be placed into a depository upon the written direction of the MHHA. At that time, the standardbred horsemen's purse pool money will be made available for purses for live horse races at the licensed race meeting.

- Under § 19 purse pool monies are expressly to be used only for purses for live horse races at a licensed race meeting and general expenses. General expenses do not include the direct or indirect payment of track operations or the debt obligation of race meeting licensees.
- The Act does not authorize direct distributions from the purse pool to pay for race meeting licensee obligations, race meeting licensee debt obligations, or racetrack operational expenses.
- Improper distributions will result in sanctions including, but not limited to, revocation or suspension of a license, exclusion from racetrack grounds, and a fine of up to \$25,000 for each violation of the Act or administrative rule promulgated under the Act. Additionally, improper withdrawals will be required to be refunded to the purse pool account(s).

NOW THEREFORE, IT IS ORDERED:

Effective immediately, distributions from the MHHA's Northville Downs Purse Account at Independent Bank, account no. ****364, excluding distributions authorized by the Act and bank service fees, are prohibited until further order; and,

MHHA must continue to allow the current electronic access by MGCB staff to the Independent Bank, account no.****364 and provide any other records/documents requested in writing, including electronic mail, by MGCB staff.

IT IS SO ORDERED.

Dated: February 29, 2024

/s/

Henry Williams, Executive Director
Michigan Gaming Control Board