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| <b>Tab 1</b> | <b>SB 8</b> by <b>Galvano</b> ; (Compare to H 0149) Gaming |
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**The Florida Senate**  
**COMMITTEE MEETING EXPANDED AGENDA**

**REGULATED INDUSTRIES**  
**Senator Hutson, Chair**  
**Senator Hukill, Vice Chair**

**MEETING DATE:** Wednesday, January 25, 2017  
**TIME:** 2:00—6:00 p.m.  
**PLACE:** *Pat Thomas Committee Room, 412 Knott Building*

**MEMBERS:** Senator Hutson, Chair; Senator Hukill, Vice Chair; Senators Benacquisto, Bracy, Brandes, Braynon, Gibson, Perry, Steube, Thurston, and Young

| TAB | BILL NO. and INTRODUCER                   | BILL DESCRIPTION and<br>SENATE COMMITTEE ACTIONS   | COMMITTEE ACTION            |
|-----|---|--|-----------------------------|
| 1   | <b>SB 8</b><br>Galvano<br>(Compare H 149) | Gaming; Authorizing the department, a retailer operating from one or more locations, or a vendor approved by the department to use a point-of-sale terminal to sell a lottery ticket or game; ratifying and approving a specified compact executed by the Governor and the Seminole Tribe of Florida contingent upon the adoption of a specified amendment to the compact; creating the "Fantasy Contest Amusement Act"; creating the Office of Amusements within the Department of Business and Professional Regulation, etc. | Favorable<br>Yeas 10 Nays 0 |
|     |   | RI      01/25/2017 Favorable<br>AP   |                             |

Other Related Meeting Documents

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Regulated Industries

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BILL: SB 8

INTRODUCER: Senator Galvano

SUBJECT: Gaming

DATE: January 24, 2017

REVISED: 01/25/17

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|    | ANALYST        | STAFF DIRECTOR | REFERENCE | ACTION           |
|----|----------------|----------------|-----------|------------------|
| 1. | <u>Kraemer</u> | <u>McSwain</u> | <u>RI</u> | <b>Favorable</b> |
| 2. | <u></u>        | <u></u>        | <u>AP</u> | <u></u>          |

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**I. Summary:**

SB 8 addresses gaming, and revises ch. 24, F.S., State Lotteries, Part II of ch. 285, F.S., Gaming Compact, ch. 550, F.S., Pari-mutuel Wagering, ch. 551, F.S., Slot Machines, and s. 849.086 (authorized cardrooms) in ch. 849, F.S., Gambling. The bill also creates the Fantasy Contest Amusement Act, consisting of ss. 546.11 through 546.18, in ch. 546, F.S.

The bill allows limited use of “point-of-sale terminals” for the sale of lottery tickets or games, provided that a purchaser is verified to be at least 18 years of age, and that such terminals do not reveal winning numbers. The Department of the Lottery must adopt rules that ensure that the point-of-sale program does not breach the exclusivity provisions of any Indian gaming compact to which the state is a party.

Section 4 of the bill, which is effective upon becoming law, requires that the proposed Gaming Compact between the Seminole Tribe of Florida (Seminole Tribe) and the State of Florida executed by the Seminole Tribe and the Governor on December 7, 2015 (the proposed 2015 Gaming Compact), be amended to:

- Become effective as a tribal compact after approval by the U.S. Department of the Interior;
- Require that the current federal litigation between the State and the Seminole Tribe be dismissed with prejudice; and
- Incorporate amendments to exclusivity provisions related to fantasy contests, slot machines, blackjack, designated player games and point-of sale terminals, and all activities authorized and conducted pursuant to Florida law, as amended by the bill, and activities claimed to be violations of the 2010 Gaming Compact in the current federal litigation with the Seminole Tribe.

Incorporation of these amendments must not impact or change the payments required to the State under the proposed 2015 Gaming Compact.

The proposed 2015 Gaming Compact, if amended as required above, supersedes the 2010 Gaming Compact, and is ratified and approved.

The Secretary of the Department of Business and Professional Regulation (DBPR) is required to notify the Governor, President of the Senate, Speaker of the House of Representatives, and the Division of Law Revision and Information the date of publication in the Federal Register of the approval by the United States Department of the Interior. All remaining provisions of the bill are effective on that publication date (*see* Section 53).

The Fantasy Contest Amusement Act is created to regulate fantasy contests. A fantasy contest is a game in which a participant manages a fantasy or simulated sports team composed of athletes from an amateur or professional sports organization. Fantasy contests operated as required involve the skill of participants. Prizes must be known in advance of the fantasy contest and their value may not be determined by the number of participants or the amount of participant entry fees paid. Regulation of fantasy contests would be administered by an Office of Amusements created within the DBPR. Fantasy contest operators must comply with provisions related to consumer protection and public confidence in the integrity of fantasy contests and operators.

Chapter 550, F.S., relating to Pari-mutuel Wagering, is revised. A greyhound racing permitholder, harness racing permitholder, jai alai permitholder, quarter horse permitholder, and thoroughbred horse racing permitholders (with an irrevocable election) may determine whether they will offer live racing or games, but continue to operate their slot machine facility or cardroom. Ending the requirement imposed on permitholders to offer live racing or games, but allowing them to continue to offer authorized slot machine gaming or operate a cardroom, is known as “decoupling.”

The conditions for issuance and revocation of active and inactive pari-mutuel permits, and relocation of permits, are revised. A permit that is revoked for failure to conduct live events within the 24 months preceding the effective date of the act may not be reissued. Certain permitholders are authorized to relocate their facilities to another location within 30 miles, under specified conditions.

The transfer of a limited thoroughbred racing permit to another person or entity is prohibited, but such permits may continue to be relocated. Relocation to another county is allowed with no referendum approval required for the relocation, if the permit location spans more than one county. Any such relocation must be approved under zoning and land use regulations in the new county or municipality.

The tax payable on handle by greyhound racing permitholders is reduced from 5.5 percent to 1.28 percent. Various tax exemptions and a purse pool requirement are deleted.

A pari-mutuel permit reduction program is established, in which the Division of Pari-mutuel Wagering (division) is authorized to purchase and cancel active pari-mutuel permits. Funding for the program, which may not exceed \$20 million, is generated by revenue share payments made by the Seminole Tribe after October 31, 2015. The division must cancel a permit purchased through the program. This provision expires July 1, 2019.

A thoroughbred purse supplement program is established effective July 1, 2019, funded by revenue share payments made by the Seminole Tribe under the Gaming Compact and received by the state after July 1, 2019. The funding for the purse supplement program is \$20 million annually.

Reporting of injuries to greyhounds (excluding service animals, personal pets, or greyhounds that has been adopted as a pet) must be reported to the division. False statements in an injury report or the failure to report an injury subjects licensees of the department to disciplinary action under pari-mutuel, regulatory, and professional practice laws.

Chapter 551, F.S., relating to Slot Machines, is revised. Slot machine gaming is authorized at certain eligible facilities:

- The seven pari-mutuel facilities in Miami-Dade and Broward Counties that existed when the State Constitution was amended and slot machines in these counties were approved by referendum;
- A licensed pari-mutuel facility, if slot machines in the county are approved by voters in a countywide referendum, and if the permitholder conducted a full schedule of live racing for two consecutive years immediately preceding its application for a slot machine license;
- The new Miami-Dade County and Broward County slot machine gaming facilities authorized in Section 43; and
- Pari-mutuel facilities in other counties (except the seven pari-mutuel facilities in Miami-Dade and Broward Counties described above) if approved by referendum, and if associated with a public-private partnership.

The requirement that live racing be conducted by a pari-mutuel permitholder in order to maintain eligibility for issuance of a slot machine license is deleted.

Any slot machine licensee (which includes greyhound racing permitholders, jai alai permitholders, harness racing permitholders, quarter horse racing permitholders, and thoroughbred horse permitholders) that is not running a full schedule of live racing under its pari-mutuel permit must contribute to a thoroughbred purse pool, which remains effective through July 1, 2036. The purse pool is available at slot machine licensees that conduct at least 160 days of live thoroughbred racing. There is a dollar-for-dollar credit for payments made to a horsemen's association under a binding written agreement.

The tax rate on slot machine revenue is reduced to 25 percent from 35 percent.

Two additional slot machine licenses are authorized. One license must be issued for a slot machine facility in Broward County, and one must be issued in a county as defined in s. 125.011, F.S. (currently applies to Miami-Dade County). Any person that is not a slot machine licensee may apply for the license, upon payment of a \$2 million nonrefundable application fee. If there is more than one applicant, the license will be awarded by the division to the applicant that receives the highest score based on specified criteria.

Permitholders are prohibited from leasing facilities from a permitholder that is not conducting a full schedule of live racing. When a permitholder chooses to end live racing at a pari-mutuel

facility, any permitholder leasing that facility may no longer lease it, and must move its racing or games to another facility that is conducting a full schedule of live racing.

The bill authorizes house banked blackjack table games, with a maximum of 25 such tables at each facility, at the eight facilities in Miami-Dade and Broward Counties where the operation of slot machines is currently authorized.

The gaming areas in slot machine facilities may be open 24 hours every day, and complimentary alcoholic beverages may be served to players. Automatic teller machines (ATMs) or similar devices that provide credit or dispense cash may be located in gaming areas.

The requirements for the operation of a cardroom by licensed pari-mutuel permitholders that have a valid pari-mutuel permit and a license to conduct a full schedule of live racing or games are revised. The “90 percent rule” mandating the minimum number of races that must be conducted by a permitholder is deleted. The hours a cardroom may be operated are expanded to 24 hours daily, the same hours that a slot machine gaming area may be open.

The bill (excluding Sections 4 and 53):

- Is effective only if the proposed 2015 Gaming Compact, as amended as required in Section 4, is approved, or deemed approved, by the United States Department of Interior pursuant to the Indian Gaming Regulatory Act; and
- Takes effect upon the date that the approved compact is published in the Federal Register.

The bill has an indeterminate fiscal impact (see Section V, Fiscal Impact Statement).

## II. Present Situation:

### Background

In general, gambling is illegal in Florida.<sup>1</sup> Chapter 849, F.S., prohibits keeping a gambling house,<sup>2</sup> running a lottery,<sup>3</sup> or the manufacture, sale, lease, play, or possession of slot machines.<sup>4</sup>

The 1968 State Constitution states that “[l]otteries, other than the types of pari-mutuel pools authorized by law as of the effective date of this constitution . . .” are prohibited.<sup>5</sup> A constitutional amendment approved by the voters in 1986 authorized state-operated lotteries. Net proceeds are paid by the lottery to the Educational Enhancement Trust Fund (EETF) for uses

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<sup>1</sup> See s. 849.08, F.S.

<sup>2</sup> See s. 849.01, F.S.

<sup>3</sup> See s. 849.09, F.S.

<sup>4</sup> Section 849.16, F.S., defines slot machines for purposes of ch. 849, F.S. Section 849.15(2), F.S., provides an exemption to the transportation of slot machines for the facilities that are authorized to conduct slot machine gaming under ch. 551, F.S.

<sup>5</sup> The pari-mutuel pools that were authorized by law on the effective date of the Florida Constitution, as revised in 1968, include horseracing, greyhound racing, and jai alai games. The revision was ratified by the electorate on November 5, 1968.

pursuant to annual appropriations of the Legislature. Lottery operations are self-supporting and function as an entrepreneurial business enterprise.<sup>6</sup>

In 2010, a Gaming Compact between the Seminole Tribe of Florida (Seminole Tribe) and the State of Florida (compact) was ratified. Pursuant to Chapter 285, F.S., it is not a crime for a person to participate in raffles, drawings, slot machine gaming, or banked card games (e.g., blackjack or baccarat) at a tribal facility operating under the compact.<sup>7</sup>

The 2010 Gaming Compact provides for revenue sharing in consideration for the exclusive authority granted to the Seminole Tribe to offer banked card games on tribal lands and to offer slot machine gaming outside Miami-Dade and Broward Counties. The Division of Pari-mutuel Wagering (division) of the Department of Business and Professional Regulation (DBPR) carries out the state's oversight responsibilities under the compact.<sup>8</sup>

The following gaming activities are authorized by law and regulated by the state:

- Pari-mutuel<sup>9</sup> wagering at licensed greyhound and horse tracks and jai alai frontons;<sup>10</sup>
- Slot machine gaming at certain licensed pari-mutuel locations in Miami-Dade County and Broward County;<sup>11</sup> and
- Cardrooms at certain pari-mutuel facilities.<sup>12</sup>

A license to offer pari-mutuel wagering, slot machine gambling, or a cardroom at a pari-mutuel facility is a privilege granted by the state.<sup>13</sup>

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<sup>6</sup> The Department of the Lottery is authorized by s. 15, Art. X, Florida Constitution. Chapter 24, F.S., was enacted by ch. 87-65, Laws of Fla., to establish the state lottery. Section 24.102, F.S., states the legislative purpose and intent for the operations of the state lottery.

<sup>7</sup> See s. 285.710, F.S., especially subsections (3), (13), and (14). The seven tribal locations where gaming is authorized by the compact are: (1) Seminole Hard Rock Hotel & Casino—Hollywood (Broward); (2) Seminole Indian Casino—Coconut Creek (Broward); (3) Seminole Indian Casino—Hollywood (Broward); (4) Seminole Hard Rock Hotel & Casino—Tampa (Hillsborough); (5) Seminole Indian Casino—Immokalee (Collier); (6) Seminole Indian Casino—Brighton (Glades); and (7) Seminole Indian Casino—Big Cypress (Hendry). Banked card games are not authorized at the Brighton and Big Cypress casinos.

<sup>8</sup> See s. 285.710(1)(f), F.S.

<sup>9</sup> Pari-mutuel" is defined in Florida law as "a system of betting on races or games in which the winners divide the total amount bet, after deducting management expenses and taxes, in proportion to the sums they have wagered individually and with regard to the odds assigned to particular outcomes. See s. 550.002(22), F.S.

<sup>10</sup> See ch. 550, F.S., relating to the regulation of pari-mutuel activities.

<sup>11</sup> See ch. 551, F.S., relating to the regulation of slot machine gaming at pari-mutuel locations.

<sup>12</sup> Section 849.086, F.S. Section 849.086(2)(c), F.S., defines "cardroom" to mean a facility where authorized card games are played for money or anything of value and to which the public is invited to participate in such games and charges a fee for participation by the operator of such facility.

<sup>13</sup> See s. 550.1625(1), F.S., "...legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state." See also *Solimena v. State*, 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), review denied, 412 So.2d 470, which states "Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right", citing *State ex rel. Mason v. Rose*, 122 Fla. 413, 165 So. 347 (1936).

Chapter 849, F.S., also authorizes, under specific and limited conditions, the conduct of penny-ante games,<sup>14</sup> bingo,<sup>15</sup> charitable drawings, game promotions (sweepstakes),<sup>16</sup> and bowling tournaments.<sup>17</sup>

The Family Amusement Games Act, enacted in 2015, similarly authorizes skill-based amusement games and machines at specified locations.<sup>18</sup> Prevention of expansion of casino-style gambling, as a paramount state interest, mandated clarification of the law to ensure that the regulatory provisions for such devices are not subject to abuse or interpreted to create an exception to the state's general prohibitions against gambling.<sup>19</sup>

Except for gaming facilities operating in accordance with the 2010 Gaming Compact with the Seminole Tribe, free-standing, commercial casinos are not authorized, and gaming activity, other than what is expressly authorized, is illegal.

### ***The Indian Gaming Regulatory Act (IGRA)***

In 1988, Congress enacted the Indian Gaming Regulatory Act or "IGRA."<sup>20</sup> The Act divides gaming into three classes:

- Class I gaming" means social games for minimal value or traditional forms of Indian gaming engaged in by individuals for tribal ceremonies or celebrations.<sup>21</sup>
- Class II gaming" includes bingo and pull-tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo.<sup>22</sup> Class II gaming may also include certain non-banked card games if permitted by state law or not explicitly prohibited by the laws of the state but the card games must be played in conformity with the laws of the state.<sup>23</sup> A tribe may conduct Class II gaming if:
  - The state in which the tribe is located permits such gaming for any purpose by any person, organization, or entity; and
  - The governing body of the tribe adopts a gaming ordinance which is approved by the Chairman of the National Indian Gaming Commission.<sup>24</sup>
- "Class III gaming" includes all forms of gaming that are not Class I or Class II, such as house banked card games, casino games such as craps and roulette, electronic or electromechanical facsimiles of games of chance, and pari-mutuel wagering.<sup>25</sup>

<sup>14</sup> See s. 849.085, F.S.

<sup>15</sup> See s. 849.0931, F.S.

<sup>16</sup> See s. 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.

<sup>17</sup> See s. 849.141, F.S.

<sup>18</sup> See s. 546.10, F.S.

<sup>19</sup> See s. 546.10(2), F.S.

<sup>20</sup> Indian Gaming Regulatory Act of 1988, Pub. L. 100-497, 102 Stat. 2467, codified at 18 U.S.C. ss. 1166-1168 and 25 U.S.C. s. 2701 *et seq.*

<sup>21</sup> 25 U.S.C. s. 2703(6).

<sup>22</sup> 25 U.S.C. s. 2703(7).

<sup>23</sup> 25 U.S.C. s. 2703(7)(A)(ii).

<sup>24</sup> 25 U.S.C. s. 2710(b)(1).

<sup>25</sup> 25 U.S.C. s. 2703(8).



Regulation under IGRA is dependent upon the type of gaming involved. Class I gaming is left to the tribes.<sup>26</sup> Class II gaming is regulated by the tribe with oversight by the National Indian Gaming Commission.<sup>27</sup> Class III gaming permits a regulatory role for the state by providing for a tribal-state compact.<sup>28</sup>

IGRA provides that certain conditions must be met before an Indian tribe may lawfully conduct Class III gaming. First, the particular form of Class III gaming that the tribe wishes to conduct must be permitted in the state in which the tribe is located. Second, the tribe must have adopted a tribal gaming ordinance that has been approved by the Indian Gaming Commission or its chairman. Third, the tribe and the state must have negotiated a compact that has been approved by the Secretary of the United States Department of the Interior and is in effect.<sup>29</sup>

### ***Gaming Compact Authorization***

Section 285.712, F.S., authorizes the Governor to enter into an Indian Gaming compact with the federally recognized Indian tribes within the State of Florida for the purpose of authorizing Class III gaming on the Indian lands.

Section 285.710(3), F.S., ratifies and approves the Gaming Compact between the Seminole Indian Tribe of Florida (Seminole Tribe) and the State of Florida that was executed by the Governor and the Seminole Tribe on April 7, 2010.

Section 285.710(7), F.S., designates the division within the DBPR as the agency with the authority to monitor the Seminole Tribe's compliance with the compact.

Section 285.710, F.S., provides that money received by the state from the compact is to be deposited into the General Revenue Fund and provides for the distribution of 3 percent of the amount paid by the Seminole Tribe to the specified local governments. The percentage of the local share distributed to the specified counties and municipalities is based on the net win per facility in each county and municipality.

### **III. Effect of Proposed Changes:**

For ease of reference to the each of the topics addressed in the bill, the Present Situation for each topic will be described, followed immediately by an associated section detailing the Effect of Proposed Changes.

#### ***The Seminole Gaming Compact***

##### ***Present Situation:***

On April 7, 2010, the Governor and the Seminole Tribe of Florida (Seminole Tribe) executed a compact governing gambling (2010 Gaming Compact) at the Seminole Tribe's seven tribal

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<sup>26</sup> 25 U.S.C. s. 2710(a)(1).

<sup>27</sup> 25 U.S.C. s. 2710(a)(2).

<sup>28</sup> 25 U.S.C. s. 2710(d).

<sup>29</sup> 25 U.S.C. s. 2710(d).

facilities in Florida.<sup>30</sup> The 2010 Gaming Compact authorizes the Seminole Tribe to conduct Class III gaming.<sup>31</sup> It was ratified by the Legislature, with an effective date of July 6, 2010.<sup>32</sup> The Gaming Compact has a 20-year term.

The 2010 Gaming Compact provides that, in exchange for the its exclusive right to offer slot machine gaming outside of Miami-Dade and Broward Counties and banked card games at five of its seven<sup>33</sup> casinos, the Seminole Tribe will make revenue sharing payments to the state. The state's share increases incrementally from 12 percent for the first \$2 billion in annual net win, to 25 percent for annual net win greater than \$4.5 billion. In Fiscal Year 2015-2016, the Seminole Tribe paid the State \$215.4 million.<sup>34</sup>

The 2010 Gaming Compact provides that any expanded gaming (beyond what is specifically acknowledged) relieves the Seminole Tribe of its obligations to make substantial revenue sharing payments.<sup>35</sup>

While the exclusive authorization to conduct banked card games expired July 31, 2015, and has not been renewed, according to the Legislature's Office of Economic and Demographic Research, the Seminole Tribe has continued to transmit monthly payments to the state that include estimated table games revenue.<sup>36</sup>

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<sup>30</sup> The Seminole Tribe has three gaming facilities in Broward County (The Seminole Indian Casinos at Coconut Creek and Hollywood, and the Seminole Hard Rock Hotel & Casino-Hollywood), and gaming facilities in Collier County (Seminole Indian Casino-Immokalee), Glades County (Seminole Indian Casino-Brighton), Hendry County (Seminole Indian Casino-Big Cypress), and Hillsborough County (Seminole Hard Rock Hotel & Casino-Tampa). The *Gaming Compact Between the Seminole Tribe of Florida and the State of Florida* (2010 Gaming Compact) was approved by the U.S. Department of the Interior effective July 6, 2010, 75 Fed. Reg. 38833. The executed 2010 Gaming Compact is available at [http://www.myfloridalicense.com/dbpr/pmw/documents/2010\\_Compact-Signed1.pdf](http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf) (last visited Jan. 23, 2017). Gambling on Indian lands is regulated by the Indian Gaming Regulatory Act of 1988 (IGRA), Pub. L. 100-497, 102 Stat. 2467, codified at 18 U.S.C. ss. 1166-1168 and 25 U.S.C. s. 2701, *et seq.*

<sup>31</sup> The Indian Gaming Regulatory Act of 1988 divides gaming into three classes: **Class I** means social games for minimal value or traditional forms of Indian gaming engaged in by individuals for tribal ceremonies or celebrations. **Class II** includes bingo and pull-tabs, lotto, punch boards, tip jars, instant bingo, other games similar to bingo, and certain non-banked card games if not explicitly prohibited by the laws of the state and if played in conformity with state law. **Class III** includes all forms of gaming that are not Class I or Class II, such as house banked card games, casino games such as craps and roulette, electronic or electromechanical facsimiles of games of chance, slot machines, and pari-mutuel wagering.

<sup>32</sup> See Ch. 2010-29, Laws of Fla.

<sup>33</sup> See the executed 2010 Gaming Compact available at [http://www.myfloridalicense.com/dbpr/pmw/documents/2010\\_Compact-Signed1.pdf](http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf) (last visited Jan. 23, 2017). The 2010 Gaming Compact provides that banking or banked card games may not be offered at the Brighton or Big Cypress facilities unless and until the state allows any other person or entity to offer those games, as set forth in paragraph F.2. of Part III of the Gaming Compact, at page 4. In addition, in paragraph B of Part XVI, at page 49, the period of authorization to conduct table games is five years. The State of Florida (State) and the Seminole Tribe are parties to litigation ongoing in federal court concerning the offering of table games by the Seminole Tribe after July 31, 2015; the State has appealed the decision of the district (trial) court to the federal appellate court.

<sup>34</sup> See the Executive Summary and Conference Results from the Revenue Estimating Conference (December 7, 2016) available at <http://www.edr.state.fl.us/Content/conferences/Indian-gaming/IndianGamingSummary.pdf> and <http://www.edr.state.fl.us/Content/conferences/Indian-gaming/IndianGamingResults.pdf> (last visited Jan. 23, 2017).

<sup>35</sup> See last sentence in paragraph B of Part XII of 2010 Gaming Compact at page 43.

<sup>36</sup> See *Seminole Compact: Revenue Overview (January 2017)*, page 6, available at <http://www.edr.state.fl.us/Content/presentations/gaming/GamingCompactRevenueOverview2017.pdf> (last visited Jan. 23, 2017).

### ***Federal Litigation Concerning the 2010 Gaming Compact***

The State of Florida (State) and the Seminole Tribe are parties to litigation in federal court relating to the offering of table games by the Seminole Tribe after July 31, 2015. Separate lawsuits were filed by each party against the other, and the cases were consolidated. The Seminole Tribe alleged in its complaint that:

- It had authority to conduct banked card games for the 2010 Gaming Compact’s full 20-year term; and
- The State breached its duty to negotiate with the Seminole Tribe in good faith.

The State alleged that the Seminole Tribe’s:

- Conduct of banked card games violates the 2010 Gaming Compact; and
- Conducting the games violated the Indian Gaming Regulatory Act (IGRA) though this claim was later dropped by the State.

On November 9, 2016, U.S. District Court Judge Robert L. Hinkle issued an Opinion on the Merits,<sup>37</sup> which held:

- The Seminole Tribe may operate banked card games at all seven of its facilities (rather than the 5 facilities at which banked card games had been allowed since 2010) through the entire 20-year term of the 2010 Gaming Compact (i.e., until 2030) because the State permitted others to offer banked card games (i.e., pari-mutuel cardrooms);
- Sovereign immunity barred the court from considering whether the State had failed to negotiate in good faith as to: 1) authorizing roulette and craps; and 2) extending the Compact beyond its 20-year term; and
- A ruling on the issue of whether electronic forms of blackjack are also a banked card game is unnecessary, as the issue was too close to resolve when a ruling is not essential to the outcome of the case.

On January 19, 2017, the DBPR filed a notice of its appeal of Judge Hinkle’s decision to the U.S. Court of Appeals for the Eleventh Circuit.<sup>38</sup>

### ***Banked Card Games Issue***

Under the 2010 Gaming Compact, the Seminole Tribe was authorized to conduct banked card games for five years. The period expired July 31, 2015. An exception in the 2010 Gaming Compact allows the Seminole Tribe to continue to conduct banked card games if “the State permits any other person [except another Indian tribe] to conduct such games.”<sup>39</sup>

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<sup>37</sup> See *Seminole Tribe of Florida v. State of Florida*, 2016 U.S. Dist. LEXIS \_\_\_\_\_ (N.D. Fla. Nov. 9, 2016), Case No.: 4:15-cv-516-RH/CAS, Document 103.

<sup>38</sup> See *Seminole Tribe of Florida v. State of Florida*, 2017 U.S. Dist. LEXIS \_\_\_\_\_ (N.D. Fla. Jan. 19, 2017), Case No.: 4:15-cv-516-RH/CAS, Document 120.

<sup>39</sup> See *Seminole Tribe of Florida v. State of Florida*, 2016 U.S. Dist. LEXIS \_\_\_\_\_ (N.D. Fla. Nov. 9, 2016) Case No.: 4:15-cv-516-RH/CAS, Document 103, at p. 1.

The court found:

- The 2010 Gaming Compact defines ‘Covered Games’ to include ‘banking or banked card games, including baccarat, chemin de fer, and blackjack (21);’<sup>40</sup>
- Under s. 849.086, F.S., licensed pari-mutuel facilities may operate cardrooms, but the statute explicitly forbids “banking” card games;<sup>41</sup>
- Baccarat, chemin de fer, and blackjack are all games in which there is no common pot, and the players do not compete against one another;
- A bank pays the winners and collects from the losers;
- In baccarat and blackjack, the bank is most often a dealer employed by the facility – in effect, the facility itself, commonly denominated the ‘house;’
- In chemin de fer, the bank is always one of the players; and
- Under the 2010 Gaming Compact and IGRA, banked games include both house banked games and player-banked games.<sup>42</sup>

Section 849.086(2)(b), F.S., defines a ‘banking game’ as a game in which:

- [1] the house is a participant in the game, taking on players, paying winners, and collecting from losers; or
- [2] the cardroom establishes a bank against which participants play.

The court found that:

- The first part of the definition in [1] describes a house banked game, one played in the manner that is typical for blackjack and baccarat;
- The second part of the definition in [2] describes a game banked by anyone else, including a player; that is, a game played in the manner of chemin de fer;<sup>43</sup>
- When the cardroom devises and runs the game and sets the rules, including the requirement that a player act as the bank, the cardroom ‘establishes’ a bank;
- Florida law does not state that a game that is not ‘banked’ when the bank is a player rather than the house;
- There were no player-banked card games at pari-mutuel cardrooms when the parties entered into the 2010 Gaming Compact;
- The parties did not expect the Seminole Tribe to have to compete against such games; and
- The DBPR permitted cardrooms to conduct banked games as early as 2011, formally approved the practice by adopting a rule in 2014, continues to permit the games, and asserts the rule is currently valid.

<sup>40</sup> *Id.* at pp. 4-5.

<sup>41</sup> *Id.* at p. 5, and *see* s. 849.086(12)(a), F.S. The court further held “[b]ecause of this statute, the Tribe’s authority under the Compact to conduct banked card games afforded the Tribe the right to conduct bank card games without competition from cardrooms. This was perhaps the most important benefit the Tribe obtained under the Compact. **The most important benefit to the State was more than a billion dollars.** Because IGRA prohibits a state from receiving a share of a tribe’s gaming revenue except to defray expenses or in exchange for a benefit conferred on the tribe, **the Tribe’s billion-dollars-plus payments to the State under the Compact were justified in large part as compensation for the exclusive right to conduct banked card games** – exclusive, that is, except for any competition from other tribes or other types of games.” *Id.* at pp. 5-6. (Emphasis added.)

<sup>42</sup> *See Seminole Tribe of Florida v. State of Florida*, Case No.: 4:15-cv-516-RH/CAS (U.S.D.C. N.D. Fla.), Document 103, filed Nov. 9, 2016, at p. 9.

<sup>43</sup> *Id.* at p. 10.

Because of the finding that others had been allowed to conduct banked card games, the court found that the 2010 Gaming Compact allows the Seminole Tribe to conduct banked card games by the Seminole Tribe at all seven of its gaming facilities, for the Compact's full 20-year term (through July 31, 2030).<sup>44</sup>

### ***The Proposed 2015 Gaming Compact***

In 2015, Governor Scott and the Seminole Tribe negotiated and executed a proposed gaming compact dated December 7, 2015 (the proposed 2015 Gaming Compact),<sup>45</sup> The proposed 2015 Gaming Compact is subject to ratification by the Senate and by the House of Representatives.<sup>46</sup>

The proposed 2015 Gaming Compact:

- Authorizes the Seminole Tribe to conduct slot machine gaming at its seven gaming facilities;
- Permits the Seminole Tribe to offer live table games, such as craps and roulette, at its seven gaming facilities;
- Authorizes banked card games, including blackjack, chemin de fer, and baccarat, at its seven facilities;
- Authorizes exceptions to the Seminole Tribe's exclusivity to allow pari-mutuel cardrooms in Broward and Miami-Dade County to offer house banked blackjack under certain circumstances, to allow point-of-sale lottery machines, to allow one additional slot machine gaming facility (one each) in Palm Beach and Miami-Dade Counties at a pari-mutuel facility, and to allow designated player games of poker at cardrooms at facilities that are not authorized to offer slot machine gaming;
- Is for 20 years, through June 30, 2036; and
- Includes a \$3 billion guarantee of revenue sharing payments to the State for the first seven-years (Guarantee Period), with specific payment amounts (Guaranteed Payments) during each year of the Guarantee Period. After the Guarantee Period, payments will be based on varying percentage rates that depend on the amount of the Seminole Tribe's net win (Revenue Share Payments).<sup>47</sup>

After ratification and approval by the Legislature, the proposed 2015 Gaming Compact is subject to approval by the United States Department of the Interior, as required under the Indian Gaming Regulatory Act of 1988. Notice of the approval by the Department of the Interior is published in the Federal Register.<sup>48</sup>

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<sup>44</sup> *Id.* at p. 19, and see Judgment issued in *Seminole Tribe of Florida v. State of Florida*, Case No.: 4:15-cv-516-RH/CAS (U.S.D.C. N.D. Fla.), Document 104, filed Nov. 16, 2016, at p. 1.

<sup>45</sup> See the proposed 2015 Gaming Compact, Comparison Chart and transmittal letter from Governor Scott available at [http://www.flsenate.gov/PublishedContent/Committees/2014-2016/RI/Links/2015\\_Gaming\\_Compact\\_Chart\\_and\\_Letter\\_from\\_Governor\\_Scott.pdf](http://www.flsenate.gov/PublishedContent/Committees/2014-2016/RI/Links/2015_Gaming_Compact_Chart_and_Letter_from_Governor_Scott.pdf) (last visited Jan. 23, 2017).

<sup>46</sup> *Id.*

<sup>47</sup> *Id.*

<sup>48</sup> 25 U.S.C. s. 2710(d)(8)

**Compact Comparison**

The following table sent by the Governor to the President of the Senate and the Speaker of the House of Representatives<sup>49</sup> compares the terms of the current 2010 Gaming Compact and the proposed 2015 Gaming Compact:

|                          | <b>PROPOSED 2015 COMPACT</b>   | <b>2010 COMPACT</b>  |
|--------------------------|--|--|
| Guarantee Money to State | 7-year guarantee worth 3 billion dollars<br>(Starts 7/1/17)<br>1- \$325 million<br>2- \$350 million<br>3- \$375 million<br>4- \$425 million<br>5- \$475 million<br>6- \$500 million<br><u>7- \$550 million</u><br>Total: \$3 Billion guaranteed (true-up at end of year 7)<br>→ 7-year 3 billion dollar minimum guarantee is largest guarantee ever by an Indian Tribe.<br>2010 Compact revenue share percentages for year 1 | 5-year guarantee worth 1 billion dollars<br><br>1- \$150 million<br>2- \$150 million<br>3- \$233 million<br>4- \$233 million<br><u>5- \$234 million</u><br><br>Total: \$1 Billion guaranteed |
| Term                     | 20 years; 7-year minimum guarantee.<br>→ Creates long-term revenue certainty and stability   | 20 years; 5-year minimum guarantee;<br>Banked Card Games exclusivity expires after 5 years.  |
| Jobs/Capital Investment  | 4,800 new direct and indirect jobs, 14,500 direct and indirect construction jobs, and \$1.8 billion in capital investment  | N/A  |
| Revenue Share to State   | <u>Revenue Share to State from Tribe's Gaming Revenue</u><br>\$0-2B: 13% (1% increase)<br>\$2-3B: 17.5% (2.5% increase)<br>\$3-3.5B: 17.5%<br>\$3.5-4B: 20%<br>\$4-4.5B: 22.5%<br>\$4.5B+: 25%<br>→ Revenue Share increased  | <u>Revenue Share to State from Tribe's Gaming Revenue</u><br>\$0-2B: 12%<br>\$2-3B: 15%<br>\$3-3.5B: 17.5%<br>\$3.5-4B: 20%<br>\$4-4.5B: 22.5%<br>\$4.5B+: 25%                               |
| Recession                | Because of the significant Guarantee if there is a recession during the Guarantee Period the Tribe may pay based on percentages vs Guarantee plus 50% of difference between the percentage payment and Guarantee. The other 50% would be due the next year in addition to the payment owed during that year. (May only use once during guarantee period)   | N/A  |
| Games                    | 1. Slot Machines<br>2. Banked Card Games<br>3. Raffles and Drawings  | 1. Slot Machines (all Facilities)<br>2. Banked Card Games (all Facilities except Big Cypress & Brighton)   |

<sup>49</sup> See note 46.

|  | PROPOSED 2015 COMPACT  | 2010 COMPACT  |
|--|--|---|
|  | 4. Any new game authorized for any person except Banked Card Games authorized for another Indian Tribe<br>5. Live Table Games  | 3. Raffles and Drawings<br>4. Any new game authorized for any person except Banked Card Games authorized for another Indian Tribe   |
| Exclusivity Received for Payments  | <u>Statewide:</u> Banked & Banking Card Games; Live Table Games<br><u>Outside Miami-Dade/Broward:</u> Slot Machines  | <u>Statewide:</u> Banked Card Games<br><u>Outside Miami-Dade/Broward:</u> Slot Machines   |
| Facilities   | 1. Seminole Indian Casino-Brighton<br>2. Seminole Indian Casino-Coconut Creek<br>3. Seminole Indian Casino-Hollywood<br>4. Seminole Indian Casino-Immokalee<br>5. Seminole Indian Casino-Big Cypress<br>6. Seminole Hard Rock Hotel & Casino-Hollywood<br>7. Seminole Hard Rock Hotel & Casino-Tampa   | 1. Seminole Indian Casino-Brighton<br>2. Seminole Indian Casino-Coconut Creek<br>3. Seminole Indian Casino-Hollywood<br>4. Seminole Indian Casino-Immokalee<br>5. Seminole Indian Casino-Big Cypress<br>6. Seminole Hard Rock Hotel & Casino-Hollywood<br>7. Seminole Hard Rock Hotel & Casino-Tampa  |
| Change in Facilities   | <ul style="list-style-type: none"> <li>Tribe may expand or replace existing Facilities;</li> <li>Express limits on additional gaming positions at Tribe's Facilities on its Reservations<br/>                             → Hard caps on gaming in Florida</li> </ul>  | <ul style="list-style-type: none"> <li>Tribe may expand or replace existing Facilities;</li> <li>No limit on additional gaming positions at Tribe's Facilities on its Reservations</li> </ul>   |
| State Oversight  | State Compliance Agency allowed 16 hours of inspection over course of two days per facility, per month, capped at 1,600 hours annually. Tribe pays annual oversight payment of \$400,000, increased for inflation.<br>→ Increased funding and hours for oversight  | State Compliance Agency allowed 10 hours of inspection over course of two days per facility, per month, capped at 1,200 hours annually. Tribe pays annual oversight payment of \$250,000, increased for inflation.  |
| Exclusivity (Banked & Banking Card Games authorized at existing Miami-Dade/Broward pari-mutuels) | If Banked & Banking Card Games authorized: <ul style="list-style-type: none"> <li>Revenue Share Payments Cease until gaming activities are no longer authorized; except</li> <li>Legislature can exercise its power to add blackjack at the Pari-mutuels in Miami-Dade and Broward subject to some limitations without an impact on the compact.</li> </ul> If the market shifts to slot machines with banked card game themes instead of traditional tables the Tribe has the option to waive its exclusivity in Broward and Miami-Dade Counties after fiscal year 2024 if the Tribe's Net Win from all table games in Broward County is less than its Net Win from Banked Card Games in Broward County during this fiscal year. If the Tribe waives its exclusivity the Legislature could exercise its power and limitlessly expand gaming in Broward and Miami-Dade Counties with no effect on the Compact. Revenue Share Payments calculated by excluding Net Win from Broward Facilities. | If Banked Card Games offered; AND Tribe's annual Net Win from Broward Facilities for next 12 mos is less than Net Win from preceding 12 mos; THEN <ul style="list-style-type: none"> <li>Guaranteed Minimum Payments cease; and</li> <li>Revenue Share Payments calculated by reducing Net Win from Broward Facilities by 50% of the Net Win reduction.</li> <li>If Net Win increases later above point of offering Banked Card Games, then Revenue Share Payments calculated without any reduction.</li> </ul> |
| Exclusivity Violation (Class III Gaming authorization at   | If Class III Gaming at non-PMW locations in Miami-Dade/Broward authorized THEN:  | If Class III Gaming at non-PMW locations in Miami-Dade/Broward  |

|   | <b>PROPOSED 2015 COMPACT</b>   | <b>2010 COMPACT</b>   |
|---|--|---|
| locations in Miami-Dade/Broward other than existing pari-mutuels)                 | <ul style="list-style-type: none"> <li>Guaranteed Minimum Payments cease; and</li> <li>All Revenue Share Payments cease; except</li> <li>Legislature may add 1 location in Miami-Dade with 750 Slot machines and 750 Instant Racing Terminals at a \$5 bet limit over three year period with no effect on the Compact.</li> </ul>  | offered THEN: <ul style="list-style-type: none"> <li>Guaranteed Minimum Payments cease; and</li> <li>Revenue Share Payments calculated by excluding Net Win from Broward Facilities.</li> </ul>   |
| Violation Exclusivity (Class III Gaming authorized outside of Miami-Dade/Broward) | If Class III Gaming authorized outside of Miami-Dade/Broward THEN: <ul style="list-style-type: none"> <li>All exclusivity payments under the Compact cease; except</li> <li>Legislature may add 1 location in Palm Beach with 750 Slot machines and 750 Instant Racing Terminals at a \$5 bet limit over a three year period with no effect on the Compact.</li> </ul>   | If Class III Gaming offered outside of Miami-Dade/Broward THEN: <ul style="list-style-type: none"> <li>All exclusivity payments under the Compact cease.</li> </ul>   |
| Pari-Mutuel Policy Choices for Legislature  | Explicitly states that the following do not violate exclusivity: <ul style="list-style-type: none"> <li>Lower taxes for pari-mutuels as low as 25% on Slot Machine Revenue</li> <li>Decoupling for pari-mutuels</li> <li>Additional Slot Licenses in Miami Dade and Palm Beach Counties.</li> <li>Blackjack for Pari-mutuels in Broward and Miami Dade with some limitations</li> <li>Expansion of hours</li> <li>Placement of ATMs on slot floor</li> <li>Non-slot operating Pari-mutuels offering Designated Player Games with some restrictions</li> </ul> → Maintains Legislature’s prerogatives on gaming in the State of Florida |   |
| Internet Gaming   | Tribe recognizes that internet gaming is illegal in Florida. If State authorizes internet gaming, THEN→ <ul style="list-style-type: none"> <li>Guaranteed Minimum Payments cease; but</li> <li>Revenue Share Payments continue.</li> </ul> If Tribe offers internet gaming to players in Florida then Guaranteed Minimum Payments continue. Affirmative recognition by Tribe that internet gaming is illegal in Florida.   | If State authorizes internet gaming and Tribe’s Net Win from all Facilities drops more than 5% below Net Win from previous year THEN → <ul style="list-style-type: none"> <li>Guaranteed Minimum Payments cease; but</li> <li>Revenue Share Payments continue</li> </ul> If Tribe offers internet gaming then Guaranteed Minimum Payments continue. |
| Florida Lottery   | Maintains consumer and employee protections.<br>→ New point-of sale system for Florida Lottery for sales at gas pumps  |   |
| Smoking   | Tribe will make efforts to promote smoke free environment at Facilities  | Tribe will make efforts to promote smoke free environment at Facilities   |
| Compulsive Gambling   | Tribe will make annual \$1,750,000 donation to the Florida Council on Compulsive Gambling and maintain   | Tribe will make annual \$250,000 donation per Facility to the Florida Council on  |



|   | PROPOSED 2015 COMPACT   | 2010 COMPACT   |
|---|---|--|
|   | a voluntary exclusion list.<br>→ Maintains support for compulsive gaming resources regardless of Tribe’s decisions to open or close facilities. | Compulsive Gambling and maintain a voluntary exclusion list.   |
| Alcohol Abuse   | Tribe will maintain proactive approaches to prevent improper alcohol sales, drunk driving, and underage drinking.                               | Tribe will maintain proactive approaches to prevent improper alcohol sales, drunk driving, and underage drinking.                    |
| Compact with another federally-recognized Indian Tribe in Florida | Florida may enter into a Compact with another federally-recognized Tribe that has land in trust in the State as of March 31, 2014.              | Florida may enter into a Compact with another federally-recognized Tribe that has land in trust in the State as of February 1, 2010. |

**Effect of Proposed Changes:**

Effective on becoming law, **Section 4** amends s. 285.710, F.S., and:

- Requires the Gaming Compact between the Seminole Tribe of Florida (Seminole Tribe) and the State of Florida executed by the Seminole Tribe and the Governor on December 7, 2015 be amended to:
  - Become effective as a tribal compact after approval by the U.S. Department of the Interior;
  - Require that the current litigation between the State and the Seminole Tribe be dismissed with prejudice; and
  - Incorporate amendments to the exceptions from exclusivity on December 7, 2015, related to:
    - Fantasy contests, slot machines, blackjack, designated player games and point-of sale terminals,<sup>50</sup> and all activities authorized and conducted pursuant to Florida law, as amended by the bill; and
    - Activities claimed to be violations of the 2010 Gaming Compact in the litigation with the Seminole Tribe.

Incorporation of these amendments must not impact or change the payments required to the State under the compact executed December 7, 2015.

- Ratifies and approves the Gaming Compact executed December 7, 2015, if amended as required by the bill.
- Provides that the ratified and approved Gaming Compact, if amended as required by the bill, supersedes the 2010 Gaming Compact.
- Requires the Secretary of the Department of Business and Professional Regulation to notify the Governor, President of the Senate, Speaker of the House of Representatives, and the Division of Law Revision and Information of the date of publication in the Federal Register of the approval (or deemed approval) of the Gaming Compact, as amended.

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<sup>50</sup> Discussion of the amendments to the proposed 2015 Gaming Compact required by the bill are described in the Effect of Proposed Changes section for the following topics: Point-of-sale terminals, fantasy contests, slot machines, blackjack, and designated player games.

**Section 5** amends s. 285.710(13), F.S., to remove the provision that limits the Seminole Tribe to conducting banked or banking card games only at its Broward, Collier, and Hillsborough County facilities and to permit the Seminole Tribe to conduct the following games at all of its facilities:

- Dice games, such as craps and sic-bo; and
- Wheel games, such as roulette and big six.

**Section 6** corrects an incorrect, federal statutory reference.

### *The Florida Lottery*

#### **Present Situation:**

Section 15 of Article X of the State Constitution (1968) allows lotteries to be operated by the state. Section 24.102(2), F.S., provides:

- The net proceeds of lottery games shall be used to support improvements in public education;
- Lottery operations shall be undertaken as an entrepreneurial business enterprise; and
- The Department of the Lottery (department) shall be accountable through audits, financial disclosure, open meetings, and public records laws.

The department operates the Florida Lottery to maximize revenues “consonant with the dignity of the state and the welfare of its citizens,”<sup>51</sup> for the benefit of public education.<sup>52</sup> The department contracts with retailers (e.g., supermarkets, convenience stores, gas stations, and newsstands) to provide adequate and convenient availability of lottery tickets.<sup>53</sup> Retailers receive commissions of five percent of the ticket price, one percent of the prize value for redeeming winning tickets, and bonus and performance incentive payments.<sup>54</sup> Retailers are eligible to receive bonuses for selling select winning tickets and performance incentive payments.<sup>55</sup>

The department selects retailers based on financial responsibility, integrity, reputation, accessibility, convenience, security of the location, and estimated sales volume, with special consideration for small businesses.<sup>56</sup> Retailers must be at least 18 years old, and the sale of lottery tickets must occur as part of an ongoing retail business. Contracting with a retailer with a felony criminal history is prohibited,<sup>57</sup> and the authority to act as a retailer may not be transferred.<sup>58</sup>

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<sup>51</sup> See s. 24.104, F.S.

<sup>52</sup> See s. 24.121(2), F.S.

<sup>53</sup> See s. 24.105(17), F.S.

<sup>54</sup> See *Lottery Transfers Have Recovered; Options Remain to Enhance Transfers*, Report No. 14-06, Office of Program Policy Analysis and Gov’t Accountability, Florida Legislature, (January 2014), (hereinafter referred to as *OPPAGA Report 14-06*) available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1406rpt.pdf> page 2 (last visited Jan. 23, 2017).

<sup>55</sup> See *Lottery Transfers Continue to Increase; Options Remain to Enhance Transfers and Increase Efficiency*, Report No. 15-03, Office of Program Policy Analysis and Gov’t Accountability, Florida Legislature (Jan. 2015), (hereinafter referred to as *OPPAGA Report 15-03*) available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1503rpt.pdf>, page 1, (footnote 3) (last visited Jan. 23, 2017).

<sup>56</sup> See s. 24.112(2), F.S., which also includes a statement of legislative intent that retailer selections be based on business considerations and public convenience, without regard to political affiliation.

<sup>57</sup> See s. 24.112(3)(c), F.S.

<sup>58</sup> See s. 24.112(4), F.S.

Retailers may not extend credit or lend money to a person to purchase a lottery ticket. The use of a credit or charge card or other instrument issued by a bank, savings association, credit union, charge card company, or by a retailer (for installment sales of goods) is allowed, if the lottery ticket purchase is part of a purchase transaction for other goods and services that cost \$20 or more.<sup>59</sup>

The department may establish by rule a system to verify and pay winning lottery tickets:<sup>60</sup>

- Any lottery retailer, as well as any department office, may redeem a winning ticket valued at less than \$600.<sup>61</sup> Payments less than \$50 are generally paid by a retailer in cash, depending on store policy or local ordinance. Higher amounts may be paid by cash, check, or money order at no cost to the winner.
- Only a department office may redeem a winning ticket valued at \$600 or more.<sup>62</sup> Winning tickets are paid at the claimant's option in a combination of cash, check, or lottery tickets (with a limitation of \$200 payable in cash).

Prizes must be claimed within certain time limits, depending on the type of game played. Instant lottery tickets (e.g., scratch-off tickets), must be redeemed within 60 days after the end of that lottery game.<sup>63</sup> Other lottery tickets (e.g., tickets for drawings) must be redeemed within 180 days after the drawing or the end of the lottery game in which the prize was won.

The department may adopt rules governing the types of lottery games to be conducted,<sup>64</sup> including lottery terminals or devices that “may be operated solely by the player without the assistance of the retailer.”<sup>65</sup>

In 2013, the department introduced full service vending machines (FSVMs) that allow both terminal and scratch-off tickets to be sold in retail stores across the state. The department's most recent Financial Audit indicates that total FSVMs sales in Fiscal Year 2015 were \$257 million.<sup>66</sup>

<sup>59</sup> See s. 24.118(1), F.S.

<sup>60</sup> See s. 24.115, F.S., and Fla. Admin. Code R. 53ER15-31, (2015).

<sup>61</sup> The winner has the option of presenting a winning ticket in person to any lottery retailer, any of the nine lottery district offices, or to lottery headquarters in Tallahassee.

<sup>62</sup> Mega Millions® and Powerball® prizes up to \$1 million may be claimed at any lottery district office. All other prizes greater than \$250,000 must be claimed at lottery headquarters.

<sup>63</sup> See s. 24.115(1)(f), F.S.

<sup>64</sup> See s. 24.105(9)(a), F.S.

<sup>65</sup> Prior to 1996, there was no provision for player-activated lottery terminals or devices. Section 4 of ch. 96-341, Laws of Fla., authorized such machines, subject to restrictions that they be: (1) designed solely for dispensing of instant lottery tickets; (2) activated by coin or currency; (3) in the direct line of sight of on-duty retail employees; (4) capable of being electronically deactivated for 5 minutes or more; and (5) incapable of redeeming winning tickets, though they may dispense change. Chapter 2012-130, Laws of Fla., moved the restrictions on player-activated machines from s. 24.105(9)(a)4., F.S., to s. 24.112(15), F.S. As amended, the law (1) authorizes lottery vending machines to dispense “online lottery tickets, instant lottery tickets, or both,” and (2) prohibits use of mechanical reels or video depictions of slot machine or casino game themes or titles (but does not prohibit use of casino game themes or titles on lottery tickets, signage, or advertising displays on the vending machines).

<sup>66</sup> See *Financial Audit of the Department of the Lottery, for the Fiscal Year Ended June 30, 2015, and 2014*, Report No. 2016-080, State of Florida Auditor General (January 2016), at page 8 (2015 Financial Audit) available at [http://www.myflorida.com/audgen/pages/pdf\\_files/2016-080.pdf](http://www.myflorida.com/audgen/pages/pdf_files/2016-080.pdf) (last visited Jan. 19, 2017).

### ***The 2010 Gaming Compact and the Lottery***

The 2010 Gaming Compact states that the exclusivity authorization granted to the Seminole Tribe is not impacted by the operation by the Florida Lottery of the types of lottery games authorized by Florida law on February 1, 2010; however such authorized games do not include “(i) any player-activated or operated machine or device other than a lottery vending machine, or (ii) any banked or banking card or table game.”<sup>67</sup>

The 2010 Gaming Compact further states that:

- No more than ten lottery vending machines may be installed at any facility or location; and
- No lottery vending machine that dispenses electronic instant tickets may be installed at any licensed pari-mutuel location.<sup>68</sup>

Under the 2010 Gaming Compact, three types of “lottery vending machines” may not allow a player to redeem a ticket, including machines that dispense:

- Pre-printed paper instant lottery tickets (e.g., scratch-off tickets);
- Pre-determined electronic instant lottery tickets and reveal the outcome; or
- Paper lottery tickets with numbers selected by the player or randomly by the machine, with the winning number selected in a drawing by the department.<sup>69</sup>

The 2010 Gaming Compact also includes language about not using a lottery vending machine to redeem winning tickets, which is consistent with similar language in s. 24.112(15)(c), F.S.<sup>70</sup>

### ***Proposed 2015 Gaming Compact and the Lottery***

The proposed 2015 Gaming Compact provides that the exclusivity granted to the Seminole Tribe is not impacted by the operation by the Florida Lottery of the types of lottery games authorized by Florida law on July 1, 2015; however such authorized games do not include (i) any player-activated or operated machine or device other than a “lottery vending machine,” or (ii) any banked or banking card or table game.<sup>71</sup> No more than ten lottery vending machines may be installed at any facility or location; and no lottery vending machine that dispenses electronic instant tickets may be installed at any licensed pari-mutuel location.<sup>72</sup>

Pursuant to the terms of the proposed 2015 Gaming Compact, three types of lottery vending machines may not allow a player to redeem a ticket. These are machines that dispense:

- Pre-printed paper instant lottery tickets (e.g., scratch-off tickets);
- Pre-determined electronic instant lottery tickets and reveal the outcome; or
- Paper lottery tickets with numbers selected by the player or randomly by the machine, with the winning number selected in a drawing by the department.<sup>73</sup>

<sup>67</sup> See subparagraph 8 of paragraph B of Part XII of the 2010 Gaming Compact at page 42.

<sup>68</sup> Id.

<sup>69</sup> See paragraph R of Part III of the 2010 Gaming Compact at page 10.

<sup>70</sup> Section 24.112(15)(c), F.S., provides that a vending machine that dispenses a lottery ticket “may dispense change to a purchaser but may not be used to redeem any type of winning lottery ticket.”

<sup>71</sup> See subparagraph 8 of paragraph C of Part XII of the a page 49.

<sup>72</sup> Id. at pp. 49-50.

<sup>73</sup> See paragraph W of Part III of the proposed 2015 Gaming Compact at page 10.

The proposed 2015 Gaming Compact also includes language about not using a lottery vending machine to redeem winning tickets, which is consistent with similar language in s. 24.112(15)(c), F.S.<sup>74</sup>

In addition, the definition of “Lottery Vending Machine” is amended in the proposed 2015 Gaming Compact to include a point-of-sale system to sell tickets for draw lottery games at gasoline pumps at retail fuel stations (point-of-sale terminals), provided that the system must:

- Dispense a paper lottery receipt after the purchaser uses a credit card or debit card to purchase the ticket;
- Process transactions through a platform that is certified or otherwise approved by the Florida Lottery;
- Not directly dispense money or permit payment of winnings at the point-of-sale terminal; and
- Not include or make use of video reels or mechanical reels or other slot machine or casino game themes or titles.<sup>75</sup>

### **Effect of Proposed Changes:**

**Section 1** amends s. 24.103, F.S., to define “point-of sale terminal” as another type of vending machine for the sale of lottery tickets at retail locations. Payments for lottery tickets at point-of-sale terminals may be made by credit card, debit card, or other similar charge cards.

**Section 2** amends s. 24.105, F.S.; to authorize the department to allow the purchase of lottery tickets at point-of-sale terminals by persons at least 18 years old.

A point-of-sale terminal could have multiple uses (e.g., purchase of lottery tickets incidental to the purchase of other retail goods or services), while current lottery vending machines dispense lottery tickets only. Rules on point-of-sale devices must: a) limit the dollar amount of lottery tickets purchased; b) create a process to enable a customer to restrict or prevent his or her own access to lottery tickets or games; and c) ensure that the program does not breach the exclusivity provisions of any Indian gaming compact.

**Section 3** amends s. 24.112, F.S.; to provide that point-of-sale terminals selling lottery tickets or games, consistent with the proposed 2015 Gaming Compact, must:

- Dispense a paper lottery ticket with numbers selected by the player or randomly by the machine;
- Not reveal the winning numbers;
- Not use of mechanical reels or video depictions of slot machine or casino game themes or titles; and
- Not redeem winning tickets.

Point of sale devices must use a valid driver license or other process to verify that the purchaser is at least 18 years of age.

<sup>74</sup> Section 24.112(15)(c), F.S., provides that a vending machine that dispenses a lottery ticket “may dispense change to a purchaser but may not be used to redeem any type of winning lottery ticket.”

<sup>75</sup> See subparagraph 4 of paragraph W of Part III of the proposed 2015 Gaming Compact at pp. 10 - 11.

## *Amusement Games and Fantasy Contests*

### **Present Situation:**

#### *Family Amusement Games Act*

In 2015, the Legislature enacted the Family Amusement Games Act, to authorize skill-based amusement games and machines at specified locations;<sup>76</sup> prevent expansion of casino-style gambling; and clarify the law to ensure that the regulatory provisions for such devices are not subject to abuse or interpreted to create an exception to the state's general prohibitions against gambling.<sup>77</sup>

Section 546.10, F.S., specifies types of amusement games, methods for activating amusement games and for the award of coupons, points, or prizes; limits upon prize values; and locations authorized for the operation of amusement games. In addition to the use of a coin, an amusement game may be activated by currency, card (not a credit or debit card), coupon, point, slug, token, or similar device, and is played by application of skill.

Amusement games are classified as Types A, B, or C:

- Type A amusement games enable a player to receive free replays of the game without further activation or payment for a game (up to a maximum of 15 accumulated replays); no tickets or merchandise may be awarded to the player;
- Type B amusement games enable a player to receive a coupon or point that may be accumulated and used to redeem merchandise onsite; and
- Type C amusement games allow a player to manipulate a claw or similar device within an enclosure and receive merchandise directly from the game.

The maximum redemption value of coupons or points a player may receive for a single play of a Type B amusement game is \$5.25, with a maximum value of 100 times that amount (\$525) for an item of merchandise that may be obtained onsite using accumulated coupons or points won by a player. The maximum wholesale cost of merchandise dispensed directly to a player by a Type C amusement game is \$52.50. Maximum values are adjusted annually, based on changes in the consumer price index, beginning January 1, 2018.

The authorized locations for amusement games to be operated are restricted. Type A amusement games may be operated at any location.

Type B amusement games may be operated at:

- Certain timeshare facilities<sup>78</sup> under the control of a timeshare plan;
- A public lodging establishment or public food service establishment licensed by the Division of Hotels and Restaurants of the DBPR pursuant to ch. 509, F.S.;

<sup>76</sup> See s. 546.10, F.S.

<sup>77</sup> See s. 546.10(2), F.S.

<sup>78</sup> "Facility" is defined in s. 72105(17), F.S., as "any permanent amenity, including any structure, furnishing, fixture, equipment, service, improvement, or real or personal property, improved or unimproved, other than an accommodation of the timeshare plan, which is made available to the purchasers of a timeshare plan."

The following premises, if the owner or operator of the premises has a current license issued by the DBPR:<sup>79</sup>

- An arcade amusement center;
- A bowling center, as defined in s. 849.141, F.S.; or
- A truck stop.

Type C amusement games may be operated at:

- Certain timeshare facilities<sup>80</sup> under the control of a timeshare plan;
- An arcade amusement center;
- A bowling center, as defined in s. 849.141, F.S.;
- The premises of a retailer, as defined in s. 212.02, F.S.;
- A public lodging establishment or public food service establishment licensed by the Division of Hotels and Restaurants of the DBPR pursuant to ch. 509, F.S.;
- A truck stop; or
- The premises of a veterans' service organization granted a federal charter under Title 36, U.S.C., or a division, department, post, or chapter of such organization, for which an alcoholic beverage license has been issued.

The Family Amusement Games Act limits who may bring actions to enjoin the operation of an amusement game for an alleged violation of s. 546.10, F.S., or chapter 849, F.S., to the Florida Attorney General, state attorneys, certain sovereign tribes, the Florida Department of Agriculture and Consumer Services, the DBPR, and certain substantially affected persons. Sanctions for violation of s. 546.10, F.S., are provided that are in addition to other existing civil, administrative, and criminal sanctions.

In addition to other civil, administrative, and criminal sanctions, s. 546.10, F.S., provides penalties for violations that mirror the penalties for violations of ch. 849, F.S., on gambling, as follows:

- A conviction on a first offense is a second degree misdemeanor (punishable pursuant to ss. 775.082 or 775.083, F.S., by not more than 60 days in jail and up to a \$500 fine);
- A second conviction is a first degree misdemeanor (punishable pursuant to ss. 775.082 or 775.083, F.S., by not more than 1 year in jail and up to a \$1,000 fine);
- After 2 convictions, the third conviction is a third degree felony (punishable pursuant to ss. 775.082 or 775.083, F.S., by not more than 5 years in jail and up to a \$5,000 fine); an enhancement in sentencing is possible (up to 10 years in jail), but only if the court finds the violator is an habitual felony offender after a second felony conviction, and the court finds it is necessary to do so for the protection of the public.

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<sup>79</sup> Qualifying licenses are those issued pursuant to ch. 509, F.S., (Lodging and Food Service Establishments), ch. 61, F.S., (Beverage Law: Administration), ch. 562, F.S., (Beverage Law: Enforcement), ch. 563, F.S., (Beer), ch. 564, F.S., (Wine), ch. 565, F.S., (Liquor), ch. 567, F.S., (Local Option Elections), or ch. 568, F.S., (Intoxicating Liquors in Counties Where Prohibited).

<sup>80</sup> "Facility" is defined in s. 72105(17), F.S., as "any permanent amenity, including any structure, furnishing, fixture, equipment, service, improvement, or real or personal property, improved or unimproved, other than an accommodation of the timeshare plan, which is made available to the purchasers of a timeshare plan."

### ***Fantasy Sports Gaming***

The operation of fantasy sports activities in Florida has recently received significant publicity, much like the operation of internet cafes in recent years. Many states are now evaluating the status of fantasy gaming activities in their jurisdictions,<sup>81</sup> as there are millions of participants.<sup>82</sup>

A fantasy game typically has multiple players who select and manage imaginary teams whose players are actual professional sports players. Fantasy game players compete against one another in various formats, including weekly leagues among friends and colleagues, season-long leagues, and on-line contests (daily and weekly) entered by using the Internet through personal computers or mobile telephones and other communications devices. There are various financial arrangements among players and game operators.

Florida law does not specifically address fantasy contests. Section 849.14, F.S.,<sup>83</sup> provides that a person who wagers any “thing of value” upon the result of a contest of skill or endurance of human or beast, or who receives any money wagered, or who knowingly becomes the custodian of money or other thing of value that is wagered, is guilty of a second degree misdemeanor.<sup>84</sup>

In 2013, Spectrum Gaming Group, as part of a Gambling Impact Study prepared for the Florida Legislature, analyzed data related to participation by adults in selected activities.<sup>85</sup> Based on 2012 U.S. Census data, participation in fantasy sports leagues in the prior 12 months (nearly 9 million adults), and those who participate two or more times weekly (nearly 3 million adults), was greater than attendance at horse races in the prior 12 months (6,654,000 adults) with 159,000 attending two or more times weekly.<sup>86</sup>

### ***The Professional and Amateur Sports Protection Act of 1992 (PASPA)***

In 1992, the U.S. Congress enacted the Professional and Amateur Sports Protection Act, which provides that it is unlawful for a governmental entity<sup>87</sup> or any person to sponsor, operate, advertise, or promote:

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<sup>81</sup> See Marc Edelman, *A Short Treatise on Fantasy Sports and the Law: How America Regulates its New National Pastime*, *Journal of Sports & Entertainment Law*, Harvard Law School Vol. 3 (Jan. 2012) (available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1907272](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1907272) (last visited Jan. 23, 2017)), and Jonathan Griffin, *The Legality of Fantasy Sports*, National Conference of State Legislatures Legisbrief (Sep. 2015) (on file with the Committee on Regulated Industries).

<sup>82</sup> According to the Fantasy Sports Trade Association, which states it represents the interests of 57 million fantasy sports players, fantasy sports leagues were originally referred to as “roisserie leagues” with the development of Rotisserie League Baseball in 1980, by magazine writer/editor Daniel Okrent, who met and played it with friends at a New York City restaurant La Rotisserie Francaise. See <http://fsta.org/about/history-of-fsta/> (last visited Jan. 23, 2017).

<sup>83</sup> See Fla. AGO 91-03 (Jan. 8, 1991) available at <http://myfloridalegal.com/. . . 91-03> (last visited Jan. 23, 2017)).

<sup>84</sup> A conviction for a second degree misdemeanor may subject the violator to a definite term of imprisonment not exceeding 60 days, and a fine not exceeding \$500. See ss. 775.082 and 775.083, F.S.

<sup>85</sup> See Spectrum Gaming Group Gambling Impact Study (Gambling Impact Study) at [http://www.leg.state.fl.us/gamingstudy/docs/FGIS\\_Spectrum\\_28Oct2013.pdf](http://www.leg.state.fl.us/gamingstudy/docs/FGIS_Spectrum_28Oct2013.pdf) (Oct. 28, 2013) (last visited Jan. 23, 2017).

<sup>86</sup> *Id.*, Figure 22 at p. 67.

<sup>87</sup> Governmental entities are also prohibited from licensing such activities or authorizing them by law or compact. See <https://www.gpo.gov/fdsys/pkg/USCODE-2008-title28/html/USCODE-2008-title28-partVI-chap178-sec3702.htm> (last visited Jan. 23, 2017).



a lottery, sweepstakes, or other betting, gambling, or wagering scheme based . . . on one or more competitive games in which amateur or professional athletes participate, or are intended to participate, or on one or more performances of such athletes in such games.

The prohibited activity is generally known as “sports betting.” However, PASPA does not apply to pari-mutuel animal racing or jai alai games. It does not apply to a lottery, sweepstakes, or other betting, gambling, or wagering conducted by a governmental entity between January 1, 1976, and August 31, 1990.

The prohibition against sporting betting also does not apply to a lottery, sweepstakes, or other betting, gambling, or wagering lawfully conducted, where such activity was authorized by law on October 2, 1991, and was conducted in a state or other governmental entity at any time between September 1, 1989, and October 2, 1991.

### *Opinion of Florida Attorney General relating to Fantasy Sports League*

In 1991, Florida Attorney General Robert A. Butterworth issued a formal opinion<sup>88</sup> evaluating the legality of groups of football fans (contestants) paying for the right to manage a team under certain specified conditions. The Attorney General stated:

You ask whether the formation of a fantasy football league by a group of football fans in which contestants pay \$100 for the right to "manage" one of eight teams violates the state's gambling laws. You state that these teams are created by contestants by "drafting" players from all current eligible National Football League (NFL) members. Thus, these fantasy teams consist of members of various NFL teams.

According to your letter, each week the performance statistics of the players in actual NFL games are evaluated and combined with the statistics of the other players on the fantasy team to determine the winner of the fantasy game and their ranking or standing in the fantasy league. No games are actually played by the fantasy teams; however, all results depend upon performance in actual NFL games. Following completion of the season, the proceeds are distributed according to the performance of the fantasy team.

Florida case law addresses the distinction between a "purse, prize or premium" and a "stake, bet or wager."<sup>89</sup> As each contestant paid \$100 to participate by managing one of eight teams, and the

<sup>88</sup> See Fla. AGO 91-03 (Jan. 8, 1991) available at <http://myfloridalegal.com/. . . 91-03> (last visited Jan. 23, 2017).

<sup>89</sup> The distinction was reaffirmed in *Creash v. State*, 179 So. 149, 152 (Fla. 1938) as follows: "In gamblers' lingo, 'stake, bet or wager' are synonymous and refer to the money or other thing of value put up by the parties thereto with the understanding that one or the other gets the whole for nothing but on the turn of a card, the result of a race, or some trick of magic. A 'purse, prize, or premium' has a broader significance. If offered by one (who in no way competes for it) to the successful contestant in a [feat] of mental or physical skill, it is not generally condemned as gambling, while if contested for in a game of . . . chance, it is so considered. . . It is also banned as gambling if created . . . by . . . contributing to a fund from which the 'purse, prize, or premium' contested for is paid, and wherein the winner gains, and the other contestants lose all."

resulting \$800 in proceeds were used for prizes, Attorney General Butterworth determined the proceeds qualified as a "stake, bet or wager" on the result of a contest of skill. Specifically, the prizes were paid based upon the performance of the individual professional football players in actual games. Based on the language in s. 849.14, F.S. above, the operation of fantasy sports leagues as described would violate Florida law, in the opinion of Attorney General Butterworth.

**Effect of Proposed Changes:**

**Section 7** creates s. 546.16, F.S., the "Fantasy Contest Amusement Act" (Act) consisting of ss. 546.11 - 546.19, F.S.

**Section 8** creates s. 546.12, F.S., and provides legislative intent that fantasy contests operated pursuant to the requirements in the act (qualified fantasy contests) involve skill.

**Section 9** creates s. 546.13, F.S., and provides definitions.

Qualified "fantasy contests" are those in which:

- The value of all prizes and awards must be established and disclosed in advance of the fantasy game;
- The value of all prizes and awards is not determined by the number of participants or the amount of entry fees;
- All winning outcomes reflect the relative knowledge and skill of game participants and are determined predominantly by accumulated statistical results of the performance of the athletes who perform in multiple sporting or other events; and
- A winning outcome is not based on the score, point spread, or performance of a single team or any combination of teams, on any single performance of an athlete or player in a single sporting or other event, or on a live pari-mutuel event.

Two types of contest operators are defined. A distinction is made between fantasy contests in which the operator returns only a portion of the funds collected from participants (entry fees) as cash prizes, and contests in which the (noncommercial) operator returns all entry fees as prizes to the participants

**Section 10** creates s. 546.14, F.S., and creates the Office of Amusements in the DBPR.

**Section 11** creates s. 546.15, F.S., and requires licensure of all operators of qualified fantasy or simulation sports games or contests which offer fantasy contests for play by participants in the state, through the Office of Amusements.

The initial license application fee is \$500,000, and the annual license renewal fee is \$100,000. A distinction is drawn between contest operators who offer fantasy contests for a cash prize to the public, and noncommercial contest operators who organize and conduct a fantasy contest with all participant entry fees distributed in full by the same person as prizes to the participants. Lower fees apply to smaller fantasy contest operators, whose fees may not exceed 10 percent of the total entry fees collected (related to the operation of fantasy contests in Florida), less those amounts

paid to participants. The bill provides methods to establish appropriate fees payable by a contest operator, for both initial licensure and renewal of a license.

The Office's duties include administering and enforcing the act and any rules adopted to enforce the Act. A completed licensee application must be granted or denied within 120 days after receipt or is otherwise deemed approved. Requirements for license applications are specified.

A person or entity is not eligible for licensure as a contest operator or licensure renewal if he or she or an officer or director of the entity is determined by the Office of Amusements, after investigation, not to be of good moral character, or if found to have been convicted of a felony.

A contest operator must provide evidence of a surety bond in the amount of \$1 million, payable to the state.

**Sections 12 and 13** create s. 546.16 and 546.17, F.S., and require game operators to implement procedures intended to protect consumers; prohibit game operators from specified activities; require contest operators offering fantasy contests to annually contract with a third party to perform an independent audit and submit the audit results to the Office; maintain specified books and records; and file quarterly reports with the Office containing specified materials and information.

**Section 14** creates s. 546.1018, F.S., and authorizes penalties for violation of the act. A contest operator, or an employee or agent thereof, who violates the act is subject to a civil penalty not to exceed \$5,000 for each violation, not to exceed \$100,000 in the aggregate, which shall accrue to the state. The penalty provisions do not apply to contest operators who apply for a license within 90 days after the effective date and receive a license within 240 days after the effective date. Fantasy contests conducted by a contest operator or noncommercial contest operator in accordance with the act are not subject to s. 849.01, s. 849.08, s. 849.09, s. 849.11, s. 849.14, or s. 849.25, relating to gambling, lotteries, games of chance, contests of skill, or bookmaking.

**Section 15** directs the Division of Law Revision and Information to replace references to the effective date of **Section 14** in that section with the actual date the section becomes law.

## Regulation of Pari-Mutuel Wagering

### Present Situation:

#### *Background*

Pari-mutuel wagering is regulated by the division in the DBPR. The division has regulatory oversight of permitted and licensed pari-mutuel wagering facilities, cardrooms located at pari-mutuel facilities, and slot machines at pari-mutuel facilities located in Miami-Dade and Broward Counties. According to the division, there were 12 license suspensions, and \$92,400 in fines assessed for violations of all pari-mutuel statutes and administrative rules in Fiscal Year 2015-2016.<sup>90</sup>

In 2016<sup>91</sup> there were 39 pari-mutuel permitholders with operating licenses in Florida, operating at 12 greyhound tracks, six jai alai frontons, five quarter horse tracks, three thoroughbred tracks, and one harness track.<sup>92</sup> One jai alai permitholder voluntarily relinquished its permit in October 2015.<sup>93</sup>

Of the 19 greyhound racing permitholders with operating licenses during Fiscal Year 2016-2017, six permitholders conducted races at leased facilities.<sup>94</sup> Five pari-mutuel facilities have two permits operating at those locations.<sup>95</sup> One greyhound racing permitholder's operating license was suspended late in 2014.<sup>96</sup>

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<sup>90</sup> See the 84th Annual Report for Fiscal Year 2014-2015 issued by the division *available at* <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2014-2015--84th--20160408.pdf> (last visited Jan. 23, 2017). The 85th Annual Report for Fiscal Year 2015-2016 has not yet been issued by the division.

<sup>91</sup> *Id.* at page 3.

<sup>92</sup> See Pari-Mutuel Wagering Permitholders With 2016-2017 Operating Licenses map dated July 15, 2016, *available at* <http://www.myfloridalicense.com/dbpr/pmw/documents/MAP-Permitholders--WITH--2016-2017-OperatingLicenses--2016-07-15.pdf> (last visited Jan. 23, 2017).

<sup>93</sup> See the Stipulation and Consent Order *available at* <http://www.floridagamingwatch.com/wp-content/uploads/Hamilton-Jai-Alai-Consent-Order.pdf> (last visited Jan. 23, 2017).

<sup>94</sup> According to information in the 2014-2015 Annual Report from the Division of Pari-Mutuel Wagering, *available at* <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2014-2015--84th--20160408.pdf>, at pp. 29 - 36 of the online Annual Report (equivalent to pp. 25-34 of the printed Annual Report), (last visited Jan. 23, 2017), both Jacksonville Kennel Club and Bayard Raceways (St. Johns Greyhound Park) conduct races at Orange Park Kennel Club; H&T Gaming conducts racing at Mardi Gras; Palm Beach Greyhound Racing conducts racing at Palm Beach Kennel Club; Tampa Greyhound conducts races at St. Petersburg Kennel Club (Derby Lane); West Volusia Racing conducts races at Daytona Beach Kennel Club; Dania Summer Ja Alai conducts games at Dania Jai Alai; Tropical Park conducts races at Gulfstream Park.

<sup>95</sup> The division indicated that H & T Gaming @ Mardi Gras and Mardi Gras operate at a facility in Hallandale Beach, Daytona Beach Kennel Club and West Volusia Racing-Daytona operate at a facility in Daytona Beach, Palm Beach Kennel Club and License Acquisitions-Palm Beach operate at a facility in West Palm Beach, Miami Jai Alai and Summer Jai Alai operate at a facility in Miami, and Sanford-Orlando Kennel Club and Penn Sanford at SOKC operate at a facility in Longwood.

<sup>96</sup> See <http://www.myfloridalicense.com/dbpr/pmw/documents/CurrentPermitholdersList.pdf> (last visited Jan. 23, 2017) for a list of current permitholders and their licensing status. For information about permitholders for Fiscal Years 2013-2014, 2014-2015, and 2015-2016, see <http://www.myfloridalicense.com/dbpr/pmw/track.html> (last visited Jan. 23, 2017).

There are 12 permitholders that do not have operating licenses for Fiscal Year 2016-2017: two greyhound,<sup>97</sup> three jai alai,<sup>98</sup> one limited thoroughbred,<sup>99</sup> and six quarter horse.<sup>100</sup>

### ***Issuance of Pari-Mutuel Permits and Annual Licenses***

Section 550.054, F.S., provides that any person meeting the qualification requirements of ch. 550, F.S., may apply to the division for a permit to conduct pari-mutuel wagering. Upon approval, a permit must be issued to the applicant that indicates:

- The name of the permitholder;
- The location of the pari-mutuel facility;
- The type of pari-mutuel activity to be conducted; and
- A statement showing qualifications of the applicant to conduct pari-mutuel performances under ch. 550, F.S.

A permit does not authorize any pari-mutuel performances until approved by a majority of voters in a ratification election in the county in which the applicant proposes to conduct pari-mutuel wagering activities. An application may not be considered, nor may a permit be issued by the division or be voted upon in any county, for the conduct of:

- Harness horse racing, quarter horse racing, thoroughbred horse racing, or greyhound racing at a location within 100 miles of an existing pari-mutuel facility; or
- Jai alai games within 50 miles of an existing pari-mutuel facility.

Distances are measured on a straight line from the nearest property line of one pari-mutuel facility to the nearest property line of the other facility.<sup>101</sup>

After issuance of the permit and a ratification election, the division may issue an annual operating license for wagering at the specified location in a county, indicating the time, place, and number of days during which pari-mutuel operations may be conducted at the specified location.<sup>102</sup>

### ***The Definition of a “Full Schedule of Live Racing or Games”***

Current law provides complex requirements for what constitutes of a “full schedule of live racing or games:”

- For a greyhound or jai alai permitholder, at least 100 live evening or matinee performances during the preceding year;

<sup>97</sup> Jefferson County Kennel Club (Monticello) and North American Racing Association (Key West).

<sup>98</sup> Gadsden Jai-alai (Chattahoochee), Tampa Jai Alai, and West Flagler Associates (Miami).

<sup>99</sup> Under s. 550.3345, F.S., during Fiscal Year 2010-2011 only, holders of quarter horse racing permits were allowed to convert their permits to a thoroughbred racing permit, conditioned upon specific use of racing revenues for enhancement of thoroughbred purses and awards, promotion of the thoroughbred horse industry, and the care of retired thoroughbred horses. Two conversions occurred, Gulfstream Park Thoroughbred After Racing Program (GPTARP) (Hallandale, Broward County), and Ocala Thoroughbred Racing (Marion County).

<sup>100</sup> ELH Jefferson (Jefferson County), DeBary Real Estate Holdings (Volusia County), North Florida Racing (Jacksonville), Pompano Park Racing (Pompano Beach), St. Johns Racing (St. Johns County), and Tampa Bay Downs (Oldsmar).

<sup>101</sup> See s. 550.054(2), F.S.

<sup>102</sup> See s. 550.054(9)(a), F.S.

- For a permitholder who has a converted permit . . . at least 100 live evening and matinee wagering performances during either of the two preceding years;
- For a jai alai permitholder who does not operate slot machines . . ., who has conducted at least 100 live performances per year for at least 10 years after December 31, 1992, and whose handle on live jai alai games . . . has been less than \$4 million per state fiscal year for at least two consecutive years after June 30, 1992, . . . at least 40 live evening or matinee performances during the preceding year;
- For a jai alai permitholder who operates slot machines . . ., at least 150 performances during the preceding year;
- For a harness permitholder, the conduct of at least 100 live regular wagering performances during the preceding year;
- For a quarter horse permitholder at its facility unless an alternative schedule of at least 20 live regular wagering performances is agreed upon by the permitholder and either the Florida Quarter Horse Racing Association or the horsemen’s association representing the majority of the quarter horse owners and trainers at the facility and filed with the division along with its annual date application, in the Fiscal Year 2010-2011, . . . at least 20 regular wagering performances, in Fiscal Year 2011-2012 and Fiscal Year 2012-2013, . . . at least 30 live regular wagering performances, and for every fiscal year after Fiscal Year 2012-2013, . . . at least 40 live regular wagering performances;
- For a quarter horse permitholder leasing another licensed racetrack, the conduct of 160 events at the leased facility;
- For a thoroughbred permitholder, the conduct of at least 40 live regular wagering performances during the preceding year; and
- For a permitholder restricted by statute to certain operating periods within the year when other similar permitholders are authorized to operate throughout the year, the specified number of live performances which constitute a full schedule of live racing or games is calculated pro rata based on the authorized operating period and the full calendar year, and the resulting number of live performances is the full schedule of live games for such permitholder and all other permitholders of the same class within 100 air miles of such permitholder.<sup>103</sup>

A “performance” is a minimum of eight consecutive live races.<sup>104</sup> At least three live performances must be held at a track each week.<sup>105</sup> When a permitholder conducts at least three live performances in a week,<sup>106</sup> it must pay purses (cash prizes to participants) on wagers accepted at the track on certain greyhound races run at other tracks (in Florida or elsewhere).<sup>107</sup> In order to receive an operating license, permitholders must have conducted a full schedule of live racing during the preceding year.<sup>108</sup>

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<sup>103</sup> See s. 550.002(11), F.S.

<sup>104</sup> Section 550.002(25), F.S.

<sup>105</sup> Section 550.002(11), F.S.

<sup>106</sup> The performances may be during the day or in the evenings, as set forth in the schedule that is part of the operating license issued by the division.

<sup>107</sup> Section 550.09514(2)(c), F.S.

<sup>108</sup> Section 550.002(11), F.S. In accordance with s. 550.002(38), F.S., a full schedule of live racing is calculated from July 1 to June 30, the state fiscal year.

If a permitholder does not conduct all of the performances specified in its operating license, the division may determine whether to fine the permitholder or suspend<sup>109</sup> the license, unless the failure is due to certain events beyond the permitholder's control. Financial hardship itself is not an acceptable basis to avoid a fine or suspension.<sup>110</sup>

The conduct of a full schedule of live racing or games is a condition of licensure for a slot machine licensee,<sup>111</sup> and the conduct of a minimum number of live races is a condition of renewal for a cardroom license.<sup>112</sup>

### **Effect of Proposed Changes:**

#### ***The Definition of a "Full Schedule of Live Racing or Games"***

**Section 16** amends s. 550.002, F.S., and revises the definition of the term "full schedule of live racing or games." to:

- Delete outdated references to converted greyhound permits and partial-year racing dates.
- Reduce the minimum number of required live performances from 100 to 58 for summer jai alai permitholders who do not operate slot machines or meet other financial requirements but retains the current law requirement that a jai alai permitholder that operates slot machines in its pari-mutuel facility must conduct at least 150 performances.

#### ***License Applications by Permitholders and Decoupling***

**Section 17** amends s. 550.01215, F.S., and deals with operating license applications filed annually with the division by pari-mutuel permitholders for licenses for the next fiscal year (July 1 through June 30).

All permitholders, including those that do not conduct live performances, are required to file an application for a license to conduct pari-mutuel wagering, including intertrack wagering and simulcast wagering for greyhound racing permitholders, jai alai permitholders, harness racing permitholders, quarter horse racing permitholders, and thoroughbred horse racing permitholders. Permitholders accepting wagers on broadcast events are required to disclose the dates of all those events in their license application.

Certain greyhound racing permitholders,<sup>113</sup> harness horse racing and quarter horse permitholders,<sup>114</sup> and jai alai permitholders<sup>115</sup> are authorized to specify in their operating license applications that they will not conduct live racing or will conduct less than a full schedule of live

<sup>109</sup> After Jefferson County Kennel Club failed to conduct scheduled performances, its operating license was suspended September 22, 2014 under a consent order available at [http://www.myfloridalicense.com/dbpr/pmw/documents/Licenses/PMW--ConsentOrder--JEFFERSON\\_COUNTY\\_KENNEL\\_CLUB\\_INC--146--2014-09-23--20141023.pdf](http://www.myfloridalicense.com/dbpr/pmw/documents/Licenses/PMW--ConsentOrder--JEFFERSON_COUNTY_KENNEL_CLUB_INC--146--2014-09-23--20141023.pdf) (last visited Jan. 23, 2017).

<sup>110</sup> Section 550.01215(4), F.S.

<sup>111</sup> Section 551.104(4)(c), F.S.

<sup>112</sup> Section. 849.086(5)(b), F.S.

<sup>113</sup> Those that conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the state Fiscal Year 1996-1997, or that converted a permit to a permit to conduct greyhound racing after that state fiscal year.

<sup>114</sup> Those that have had an operating license for at least 5 years and a cardroom license for at least 2 years.

<sup>115</sup> Those that have had an operating license for at least 5 years.

racing or games (i.e., decouple), while they continue to operate their licensed slot machine facilities and/or cardrooms pursuant to ch. 551, F.S., and s. 849.086, F.S., as amended by the bill.

Thoroughbred horse racing permitholders that have conducted live racing for at least 5 years and had an average annual handle of less than \$5 million in the last two state fiscal years may discontinue live racing, if the permitholder elects to discontinue live racing during the 30-day period after the effective date of the bill (i.e., partial decoupling). A permitholder that makes the election must specify in its future operating license applications that it does not intend to conduct live racing. The bill specifies the circumstances under which a decoupled thoroughbred permitholder with a slot machine license may continue to operate its slot machine facility, if any, and cardroom, if any, pursuant to ch. 551, F.S., and s. 849.086, F.S., as amended by the bill.

Permitholders that discontinue live racing or games, (i.e., decouple), are required by the bill to make certain payments for the benefit of live thoroughbred horse racing purses. (*See Sections 41 and 50.*)

A greyhound racing permitholder is authorized to receive an operating license to conduct pari-mutuel wagering activities at another permitholder's greyhound racing facility pursuant to s. 550.475, F.S.; however, the permitholders must be located within 35 miles of each other.

The division may approve changes in racing dates for Fiscal Year 2017-2018, if the requests are received before August 31, 2017.

A summer jai alai permitholder is authorized to operate a jai alai fronton only for the summer season each year, on dates selected by the permitholder between May 1 and November 30. Summer jai alai permitholders are subject to all taxes, rules, and provisions of ch. 550, F.S., that apply to winter jai alai permitholders, but are not eligible to operate a cardroom or operate a slot machine facility. Winter and summer jai alai permitholders are prohibited from operating on the same days or in competition with each other, but leasing of a winter jai alai facility for the operation of a summer meet is authorized.

Existing law authorizing the conversion of certain permits is repealed; this provision allowed a permit originally converted from a jai alai permit to a greyhound racing permit, to convert back to a jai alai permit if greyhound racing was never conducted or the permitholder had not conducted greyhound racing for 12 consecutive months.

### ***Annual Report by Division***

#### **Present Situation:**

An annual report must be made by the division to the Governor, of its own actions, receipts from activities under ch. 550, F.S., and any suggestions to accomplishing the purposes of the pari-mutuel wagering act.<sup>116</sup>

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<sup>116</sup> See s. 550.0251(1), F.S.



### **Effect of Proposed Changes:**

**Section 18** amends s. 550.0251, F.S., to expand the required content of the annual report from the division, and require that the report be provided to the President of the Senate and the Speaker of the House of Representatives, as well as to the Governor. The report must include, at a minimum:

- Recent events in the gaming industry, including pending litigation involving permitholders; pending permitholder, facility, cardroom, slot, or operating license applications; and new and pending rules;
- Actions of the DBPR relating to the implementation and administration of ch. 550, F.S., (Pari-Mutuel Wagering, ch. 551, F.S., (Slot Machines), and ch. 849, F.S., (Gambling);
- The state revenues and expenses associated with each form of authorized gaming; revenues and expenses associated with pari-mutuel wagering must be further delineated by the class of license;
- The performance of each pari-mutuel wagering licensee, cardroom licensee, and slot machine licensee;
- A summary of disciplinary actions taken by the department; and
- Any suggestions to more effectively achieve the purposes of the Pari-Mutuel Wagering Act (ch. 550, F.S.).

### **Pari-Mutuel Permit Relocation and Conversion, and Violations by Permitholders**

#### **Present Situation:**

The permit of a harness horse permitholder or thoroughbred horse permitholder who does not pay tax on handle for live performances for a full schedule of live races during any 2 consecutive state fiscal years is void and escheats to and becomes property of the state, unless the failure to operate and pay tax on handle is the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control.<sup>117</sup> Financial hardship of the permitholder does not constitute just cause for either failure.<sup>118</sup>

Pursuant to s. 550.054(9)(b), F.S., the division may revoke or suspend any permit or license upon the willful violation by the permitholder or licensee of any provision of ch. 550, F.S., or any administrative rule adopted by the division.

In lieu of suspending or revoking a permit or license, the division may impose a civil penalty against the permitholder or licensee for a violation of ch. 550 or any rule adopted by the division. An administrative fine may not exceed \$1,000 for each count or separate offense. All fines imposed and collected are deposited to the General Revenue Fund.

Section 550.0555, F.S., addresses relocation of a greyhound racing permit in a county in which there is only one greyhound permit and relocation of a jai alai permit in a county where there is only one jai alai permit under specified circumstances, in order to protect the revenue-producing

<sup>117</sup> See s. 550.09512(3), F.S. and s. 550.09515(3), F.S.

<sup>118</sup> *Id.*

ability of the permitholder and the associated state revenues without negatively impacting the financial strength of any other pari-mutuel permitholder within 50 miles.

Section 550.0475, F.S., concerns conversions of pari-mutuel wagering permits from one class to another, in limited circumstances. The prohibitions in other sections of ch. 550, F.S., preventing the location and operation of jai alai frontons within a specified distance from the location of another jai alai fronton or other permittee, or the issuance of any permit by the division at a location within a certain designated area, do not apply and do not prevent the issuance an operating license under s. 550.475, F.S.

### **Effect of Proposed Changes:**

**Section 19** amends s. 550.054, F.S., relating to applications for pari-mutuel wagering permits and:

- Requires the division to revoke a permit if the permitholder: (a) has not obtained an operating license for a period of more than 24 consecutive months after June 30, 2012, or (b) fails to make payments for taxes due on handle for more than 24 months, unless the failure to obtain an operating license was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. Financial hardship of the permitholder does not constitute just cause for either failure. A revoked permit may not be reissued.
- Provides that a new pari-mutuel permit may not be approved or issued *30 days after the effective date of the act* (i.e., the publication of the proposed 2015 Gaming Compact, as amended as required by the bill, in the Federal Register), and a revoked permit is void and may not be reissued.
- Allows a permit to be placed in inactive status for 12 months for good cause and allows renewal of inactive status for up to 12 months; however, a permit may not be inactive for more than 24 consecutive months, and entities with inactive permits are not eligible for licensure for pari-mutuel wagering, slot machines, or cardrooms.
- Provides that a pari-mutuel license may not be transferred or reissued so as to change the location of a pari-mutuel facility, cardroom, or slot machine facility and deletes authority for the transfer of a thoroughbred permit to another racetrack and for conversion of a jai alai permit to a greyhound racing permit.
- Repeals provisions authorizing conversion and relocation of pari-mutuel permits under specified conditions (*see Section 20*).

**Section 20** amends s. 550.0555, F.S., relating to the procedures for relocation by certain permitholders to another location within 30 miles under certain revised conditions. Permitholders eligible to seek approval to move their pari-mutuel operations include any holder of a valid and outstanding:

- Greyhound racing permit previously converted from a jai alai permit;
- Greyhound racing permit in a county with only one greyhound permit; or
- Jai alai permit in a county with only one jai alai permit.

The conditions for a new location include:

- The move does not cross county boundaries;

- The new location must be at least 10 miles from any existing pari-mutuel facility, as determined by the division;
- The new location, if within a county with three or more pari-mutuel permits, must be at least 10 miles from the Atlantic Ocean; and
- The relocation is approved under the zoning regulations of the county or municipality in which the permit is to be relocated.

**Section 21** repeals s. 550.0745, F.S., relating to the procedure to convert a pari-mutuel permit to a summer jai alai permit.

### *Taxation of Pari-mutuel Wagering and Permit Revocation for Failure to Pay Taxes*

#### **Present Situation:**

Section 550.002(13), F.S., defines “handle” as the aggregate contributions (bets or wagers) to pari-mutuel pools. There are four types of handle detailed in annual reports<sup>119</sup> of the division:

- Live ontrack, from live races or games at a track/fronton;
- Simulcast, from live races or games originating out-of-state and broadcast to a Florida track or fronton;
- Intertrack, from a Florida track or fronton (acting as host) broadcasting live races or games to other Florida tracks or frontons; and
- Intertrack simulcast, from rebroadcasting of simulcast signals received by a Florida track or fronton to other Florida tracks or frontons.

The stated tax rates on greyhound racing handle (i.e., on live ontrack, simulcast, intertrack, and intertrack simulcast handle as described above) vary considerably. Section 550.0951(3), F.S., specifies rates of 5.5 percent, 7.6 percent, 3.9 percent, and 0.5 percent of handle that depend on the type of wager (and the location of the tracks involved in any intertrack wagering).

Intertrack wagering is taxed at the rate of 7.1 percent if the host track is a jai alai fronton. The rate drops significantly to a rate of 0.5 percent (one-half of one percent) if: (1) both the host and guest tracks are thoroughbred permitholders, or (2) a guest track is located more than 25 miles away from the host track and within 25 miles of a thoroughbred permitholder currently conducting live racing.

Each permitholder receives a tax credit based on the number of live races conducted in the previous year multiplied by the daily license fee.<sup>120</sup> This works out to a 100 percent refund of daily license fees for every live race conducted. The daily license credit may also be transferred for payment in full by a host track to a transferring permitholder.

As provided in s. 550.09514(1), F.S., all greyhound racing permitholders that conduct a full schedule of live racing in a year are eligible for tax exemptions in the form of a credit that directly reduces their state taxes, in the following amounts:

<sup>119</sup> See, <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2014-2015--84th--20160408.pdf>, at page 2 (last visited Jan. 23, 2017).

<sup>120</sup> Section 550.0951(1)(a), F.S.

- \$500,000 annually to each permitholder that conducted a full schedule of live racing in 1995, and “are closest to another state that authorizes greyhound pari-mutuel wagering.” These requirements qualify three greyhound racing permitholders (Washington County Kennel Club (Ebro), Pensacola Greyhound, and Jefferson County Kennel Club (Monticello); and
- \$360,000 annually to each of the other greyhound racing permitholders.

If a permitholder cannot use its full tax exemption amount, then it may transfer the unused portion of the exemption to another permitholder that has acted as a host track by accepting intertrack wagering.<sup>121</sup> The transfer may occur only once per state fiscal year, and there must be a dollar-for-dollar payment (no discount) by the host track.

Section 550.09512, F.S., imposes a 0.5 percent tax on the handle from harness horse racing. If a harness horse permitholder fails to pay taxes on a full schedule of live races during any 2 consecutive state fiscal years, the permit is void and escheats to (is forfeited) and becomes the property of the state, unless the failure to operate and pay tax on handle was the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control. Financial hardship to the permitholder does not, in and of itself, constitute just cause for failure to operate and pay tax on handle.

The permit of a thoroughbred horse racing permitholder who does not pay tax on handle for live thoroughbred horse performances for a full schedule of live races during any 2 consecutive state fiscal years is void and escheats to and becomes property of the state, unless the failure to operate and pay tax on handle is the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control.<sup>122</sup> Financial hardship of the permitholder does not constitute just cause for either failure.<sup>123</sup>

An escheated harness horse permit or thoroughbred horse permit must be reissued by the division to a qualified applicant, using the procedures mandated for issuance of an initial permit. The requirements for a referendum before issuance of a pari-mutuel permit do not apply to reissuance of an escheated harness horse or thoroughbred horse permit.<sup>124</sup>

Section 550.1645, F.S., provides that after one year, the winnings from all unclaimed pari-mutuel tickets become property of the state, and permitholders must pay the unclaimed (escheated) winnings to the state. The funds are deposited into the State School Fund and are used for the maintenance of public free schools. Section 550.1647, F.S., provides that permitholders who pay escheated winnings to the state are entitled to a 100 percent credit equal to the escheated winnings payment, to be credited in the next fiscal year against greyhound racing taxes; however, the permitholder must pay an amount equal to 10 percent of the escheat credit to qualified greyhound adoption programs.

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<sup>121</sup> Section 550.0951(1)(b), F.S.

<sup>122</sup> See s. 550.09515(3), F.S.

<sup>123</sup> *Id.*

<sup>124</sup> See ss. 550.09512(3)(b) and 550.09515(3)(b), F.S.

**Effect of Proposed Changes:**

**Section 22** amends s. 550.0951, F.S., on the payment of daily license fee and taxes and:

- Deletes the tax exemption specified in s. 550.09514(1), F.S., of \$360,000 or \$500,000 for each greyhound racing permitholder, and deletes other tax credits.
- Deletes current law allowing transfer of the tax exemption or other credits among greyhound racing permitholders.
- Reduces the tax on handle for greyhound racing to 1.28 percent from 5.5 percent.
- Imposes a tax of 0.5 percent if the host and guest tracks are thoroughbred racing permitholders, or if the guest track is located outside the market area of a host track that is not a greyhound racing track and within the market of a thoroughbred racing permitholder currently conducting a live meet.

**Section 23** amends s. 550.09512, F.S., on harness horse racing and:

- Requires the division to revoke a harness horse racing permit that has not paid the tax due on the handle for a full live schedule of harness racing for more than 24 consecutive months, unless the failure to operate and pay tax was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. A revoked permit is void and may not be reissued.
- Repeals a provision allowing reissuance of a revoked harness horse permit that has been revoked for nonpayment of taxes.

**Section 24** amends s. 550.09514, F.S., on greyhound racing taxes and purse requirements and:

- Removes available tax credits of \$360,000 and \$500,000.
- Requires greyhound racing permitholders that conduct live racing during a fiscal year to pay an additional purse amount annually of \$60 for each live race conducted in the preceding fiscal year.
- Deletes requirements for purses equal to 75 percent of the daily license fees.
- Requires purses be disbursed weekly during the permitholder's race meet.
- Clarifies that the tax rate on handle for intertrack wagering is provided in ch. 2000-354, s. 6, Laws of Fla.

**Section 25** amends s. 550.09515, F.S., on thoroughbred racing taxes and:

- Requires the division to revoke a thoroughbred racing permit that has not paid the tax due on handle for a full live schedule of thoroughbred horse performances for more than 24 consecutive months, unless the failure to operate and pay tax was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. A revoked permit is void and may not be reissued.
- Repeals a provision allowing reissuance of a thoroughbred horse permit that has been revoked for nonpayment of taxes.

**Section 26** amends s. 550.1625, F.S., relating to greyhound racing taxes to repeal a reference to a greyhound racing permitholder paying the breaks tax.

**Section 27** repeals s. 550.1647, F.S., relating to unclaimed, uncashed, or abandoned pari-mutuel tickets which have remained in the custody of a greyhound racing permitholder.

### ***Greyhound Adoption and Reporting of Injuries to Racing Greyhounds***

#### **Present Situation:**

Section 550.1648, F.S., requires each operating greyhound racing permitholder to provide for a greyhound adoption booth to be located at the track facility. The greyhound adoption booth must be operated on weekends by personnel or volunteers from a bona fide organization that promotes or encourages the adoption of greyhounds as defined in s. 550.1647, F.S.

Information pamphlets and application forms shall be provided to the public upon request. In addition, the kennel operator or owner shall notify the permitholder that a greyhound is available for adoption, and the permitholder shall provide information concerning the adoption of a greyhound in each race program. Adoption information must be posted at conspicuous locations throughout the track facility. Any greyhound that is participating in a race and that will be available for future adoption must be noted in the race program. The permitholder shall allow greyhounds to be walked through the track facility to publicize the greyhound adoption program.

A greyhound racing permitholder may fund the greyhound adoption program by holding a charity racing day designated as "Greyhound Adopt-A-Pet Day." All profits derived from the operation of the charity day must be placed into a fund used to support activities at the track facility which promote the adoption of greyhounds. Proceeds from this authorized charity day may not be used to pay the amounts required to be paid to a bona fide organization pursuant to s. 550.1647, F.S.,

The division may impose a penalty for violations, including suspension or revocation of a permit, and may require the permitholder to take corrective action. Administrative fines may not exceed \$1,000 for each count or separate offense. All fines imposed and collected are deposited to the General Revenue Fund. Imposition of the above penalties does not exclude a prosecution for cruelty to animals or for any other criminal act.

#### **Effect of Proposed Changes:**

**Section 28** amends s. 550.1648, F.S., to require, as a condition of greyhound adoption, that a bona fide organization must provide sterilization of greyhounds by a licensed veterinarian before relinquishing custody of the greyhound to the adopter; the sterilization fee may be included in adoption cost adoption.

**Section 31** creates s. 550.2416, F.S., and requires specified, detailed reporting of racing greyhound injuries. The bill requires greyhound track veterinarians to prepare and sign detailed reports under oath, on a form adopted by the division, of all injuries to racing greyhounds that occur while the greyhounds are on a racetrack. Penalties for false reporting are provided.

### ***Pari-Mutuel Permit Reduction Program***

#### **Present Situation:**

Current law does not provide for the reduction of pari-mutuel permits.

**Effect of Proposed Changes:**

**Section 29** creates s. 550.1752, F.S., and establishes a \$20 million pari-mutuel permit reduction program and authorizes the division to purchase and cancel active pari-mutuel permits. Funding for the program would be generated by revenue share payments made by the Seminole Tribe under the Gaming Compact received by the State after October 31, 2015 (i.e., funds held in reserve related to banked card games). Funding the program is calculated monthly, until the division determines sufficient funds are available

A pari-mutuel permitholder may not submit an offer to sell its permit unless it is actively conducting racing or jai-alai required by law and satisfies all applicable permit requirements. The value of the permit must be based upon the permit's fair market value by one or more independent appraisers selected by the division and may not include the valuation of real estate or personal property. The division may establish a lower value for a permit than the amount determined by the independent appraiser, but not a higher value.

The division must accept the offer or offers that best use the available funding, but, may also accept offers that it determines are the most likely to reduce gaming in Florida. A permit purchased through the program must be cancelled. This section expires July 1, 2019, unless reenacted.

***Thoroughbred Purse Pool Contributions*****Present Situation:**

Section 550.2625, F.S., describes the requirements for contributions to purses and breeders' and owners' awards by horse racing permitholders (harness, quarter horse, and thoroughbred permitholders).

Thoroughbred racing permitholders must contribute:

- 7.5 percent of all pari-mutuel wagering handle;
- An additional 0.625 percent on thoroughbred racing conducted between January 3 and March 16;
- An additional 0.225 percent on thoroughbred racing conducted between March 17 and May 22; and
- An additional 0.85 percent on thoroughbred racing conducted between May 23 and January 2.<sup>125</sup>

Any thoroughbred permitholder whose total handle on live performances during the 1991-1992 state fiscal year was not greater than \$34 million is not subject to the additional purse payments above 7.5 percent.<sup>126</sup>

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<sup>125</sup> Section 550.2625(2)(a), F.S.

<sup>126</sup> *Id.*

A thoroughbred permitholder may withhold from the handle an additional amount equal to 1 percent on exotic wagering for use as owners' awards, and may withhold from the handle an amount equal to 2 percent on exotic wagering for use as overnight purses. No permitholder may withhold in excess of 20 percent from the handle without withholding all of the amounts listed above.<sup>127</sup>

A portion of purses generated through intertrack wagering and interstate simulcasting equal to 8.5 percent is used for owners awards; certain thoroughbred permitholders may be exempt from this requirement.<sup>128</sup> Each horseracing permitholder conducting any thoroughbred race, including any intertrack or interstate simulcast races taken by the permitholder, must pay a sum equal to 0.955 percent on all pari-mutuel pools conducted during any such races for the payment of authorized breeders', stallion, or special racing awards, including Breeder's Cup races conducted outside Florida.

On any race originating live in this state which is broadcast out-of-state to any location at which wagers are accepted, the host track is required to pay 3.475 percent of the gross revenue derived from such out-of-state broadcasts as breeders', stallion, or special racing awards. The Florida Thoroughbred Breeders' Association is authorized to receive these payments from the permitholders and make payments of awards earned. The Florida Thoroughbred Breeders' Association has the right to withhold up to 10 percent of the permitholder's payments as a fee for administering the payments of awards and for general promotion of the industry.<sup>129</sup>

#### **Effect of Proposed Changes:**

**Section 30** creates s. 550.1753, F.S., and establishes a long-term thoroughbred purse supplement program, effective July 1, 2019, to maintain an active and viable live thoroughbred racing, owning, and breeding industry in Florida.

Funding for the program is generated by revenue share payments made by the Seminole Tribe under the Gaming Compact and received by the State after July 1, 2019. Funding the program is calculated monthly, until the division determines sufficient funds are available; the funding limit is \$20 million. The purse supplement program expires June 30, 2036, the day the proposed 2015 Gaming Compact, as amended, will expire.

Funds are distributed by the division on a pro rata basis based upon the number of live race days to be conducted by each thoroughbred permitholder per its annual racing license. If a permitholder fails to conduct a race day, then the allocated funds associated with that day must be returned to the division, so that it may reapportion the allocation of funds.

See also, **Section 41**, (Slot Machine gaming licensees; live thoroughbred horse racing purse payments), and **Section 50** (lines 3128 - 3148), (Cardrooms; live thoroughbred horse racing purse payments).

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<sup>127</sup> *Id.*

<sup>128</sup> Section 550.2625(2)(e), F.S.

<sup>129</sup> *Id.*



### ***Limited Thoroughbred Racing Permits Transfer and Relocation***

#### **Present Situation:**

The issuance of limited thoroughbred racing permits (through conversion from a quarter horse permit as allowed by ch. 2010-29, Laws of Fla.), is addressed in s. 550.3345, F.S. The State provided a limited opportunity for the conduct of live thoroughbred horseracing, with net revenues dedicated to the enhancement of thoroughbred purses and breeders,' stallion, and special racing awards under ch. 550, F.S., promotion of the thoroughbred horse breeding industry, and the care of retired thoroughbred horses in Florida.<sup>130</sup>

#### **Effect of Proposed Changes:**

**Section 33** amends s. 550.3345, F.S., relating to the issuance of limited thoroughbred racing permits (through conversion from a quarter horse permit as allowed by ch. 2010-29, Laws of Fla.) and:

- Prohibits the transfer of a limited thoroughbred racing permit to another person or entity.
- Removes obsolete language.
- Retains existing law allowing for relocation of the permit, but allows relocation to another county without a referendum, if the permit “is situated in such a manner that it is located in more than one county.” A relocation remains subject to the requirement in s. 550.3345(2)(d), F.S., that the relocation be approved under zoning and land use regulations in the new county or municipality.

### ***Leasing of Pari-mutuel Facilities***

#### **Present Situation:**

Section 550.475, F.S., provides that a pari-mutuel permitholder with a valid permit for the conduct of any jai alai games, greyhound racing, or thoroughbred and harness (standardbred) horse racing in this state are entitled to lease any and all of their facilities to any other permitholder of a same class with a valid permit for jai alai games, greyhound racing, or thoroughbred or harness (standardbred) horse racing, when located within a 35-mile radius of each other, and the lessee is entitled to a permit and license to operate its race meet or jai alai games at the leased premises.

#### **Effect of Proposed Changes:**

**Section 35** amends s. 550.475, F.S., to prohibit permitholders from leasing facilities from a permitholder that is not conducting a full schedule of live racing.<sup>131</sup>

<sup>130</sup> See s. 550.2625(3), F.S.

<sup>131</sup> According to information in the latest available Fiscal Year 2014-2015 Annual Report from the Division of Pari-Mutuel Wagering, both Jacksonville Kennel Club and Bayard Raceways (St. Johns Greyhound Park) conduct races at Orange Park Kennel Club; H&T Gaming conducts racing at Mardi Gras; Palm Beach Greyhound Racing conducts racing at Palm Beach Kennel Club; Tampa Greyhound conducts races at St. Petersburg Kennel Club (Derby Lane); West Volusia Racing conducts races at Daytona Beach Kennel Club; Dania Summer Jai Alai conducts games at Dania Jai Alai; Tropical Park conducts races at Calder Race Course. Available at <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2014-2015--84th--20160408.pdf>, at pp. 25-34 (last visited Jan. 23, 2017).

### *Thoroughbred Permitholder Applications for Operating Licenses*

#### **Present Situation:**

Section 550.5251, F.S., regulates the applications for thoroughbred permitholders, which are required annually.

#### **Effect of Proposed Changes:**

**Section 36** repeals s. 550.5251(1), F.S., which requires thoroughbred permitholders to annually file applications to conduct race meetings that specify the number and dates of all performances that the permitholder intends to conduct. **Section 17** amends s. 550.01215(1), F.S., to require all pari-mutuel permitholders to apply for an annual operating license. In addition, certain thoroughbred permitholders may elect not to conduct live racing, as provided under **Section 17**.

### *Intertrack Wagering and Simulcast Wagering*

#### **Present Situation:**

Section 550.615(2), F.S., allows any permitholder that has conducted a full schedule of live racing in the preceding year to receive broadcasts and accept wagers on any type of pari-mutuel race or game conducted by other licensed pari-mutuel permitholders in the state. This type of wagering is defined as “intertrack wagering.”<sup>132</sup>

Wagering on a simulcast event occurs when a wager is placed on: (1) a live race or game that is broadcast outside the state from an in-state location, or (2) a live race or game that occurs outside the state but is broadcast to a permitholder in the state.<sup>133</sup>

#### **Effect of Proposed Changes:**

**Section 34** amends s. 550.3551, F.S., relating to transmission of racing and jai alai information, to remove an outdated reference and to remove a reference to live racing requirements for intertrack wagering by harness horse permitholders.

**Section 37** amends s. 550.615, F.S., relating to intertrack wagering, as to which tracks or frontons may receive broadcasts of any type of race or game, and accept wagering on them. Only tracks that have conducted a full schedule of live racing for at least five consecutive years since 2010 may receive such broadcasts. Section 550.615(4), F.S., is amended to provide that a greyhound racing permitholder which accepts intertrack wagers is not required to obtain the written consent of another greyhound racing permitholder within its market area.

Section 550.615(9), F.S., is created to address the acceptance of pari-mutuel wagers by a greyhound racing permitholder that has conducted a full schedule of live racing for at least five consecutive years since 2010, but has requested and been issued an operating license that specifies no live racing will be conducted. Wagering on live races conducted at out-of-state

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<sup>132</sup> Section 550.002(17), F.S.

<sup>133</sup> Section 550.002(32), F.S.

greyhound tracks may be accepted, but only on the days when the permitholder receives broadcasts of all live races that any Florida greyhound host track makes available

Sections 550.615(6) and (7), F.S., are deleted; those provisions:

- Limit intertrack wagering where there are three or more horserace permitholders within 25 miles of each other, and require the consent of a permitholder where there are only two permits (greyhound racing and jai alai) in the county; and
- Require a greyhound racing permitholder that accepts intertrack wagers on live greyhound signals to obtain written consent from any operating greyhound racing permitholder within its market area.

### ***Limited Intertrack Wagering License***

#### **Present Situation:**

Under s. 550.6308, F.S., a limited amount of intertrack wagering is authorized by statute for one permanent thoroughbred sales facility.<sup>134</sup> In order to qualify for a license, the facility must have at least 15 days of thoroughbred horse sales at a permanent sales facility in this state for at least three consecutive years. Additionally, the facility must have conducted at least one day of nonwagering thoroughbred racing in this state, with a purse structure of at least \$250,000 per year for two consecutive years before application for a license.

A limited intertrack wagering licensee is limited to conducting intertrack wagering during:

- The 21 days in connection with thoroughbred sales;
- Between November 1 and May 8;
- Between May 9 and October 31, if:
  - No permitholder within the county is conducting live events.
  - Permitholders operating live events within the county consent.
  - For the weekend of the Kentucky Derby, the Preakness, the Belmont, and a Breeders' Cup Meet.

The licensee is further limited to intertrack wagering on thoroughbred racing, unless all permitholders in the same county consent.<sup>135</sup> The licensee must pay 2.5 percent of total wagers on jai alai or greyhound racing to thoroughbred permitholders operating live races for purses.<sup>136</sup>

#### **Effect of Proposed Changes:**

**Section 38** amends s. 550.6308, F.S., to:

- Reduce the required number of days of sales to eight days from fifteen days; and
- Remove the requirement to conduct at least one day of nonwagering thoroughbred racing with a \$250,000 purse per year for two consecutive years.

<sup>134</sup> Section 550.6308, F.S.

<sup>135</sup> See s. 550.6308(4), F.S.

<sup>136</sup> See s. 550.6308(5), F.S.

Certain restrictions and requirements for intertrack wagering are deleted, including the requirements that intertrack wagering must be conducted:

- For up to 21 days in connection with sales;
- Between November 1 and May 8;
- Only with the consent of other permitholders that run live racing in the county, between May 9 and October 31; and
- During the weekend of the Kentucky Derby, the Preakness, the Belmont, and a Breeders' Cup Meet conducted after May 8 and before November 1.

The following requirements imposed on the limited intertrack wagering permitholder are deleted:

- That intertrack wagering must be conducted only on thoroughbred racing, unless the consent of all thoroughbred, jai alai, and greyhound racing permitholders in the same county is obtained; and
- That a contribution to a purse pool of 2.5 percent be made for intertrack wagering on greyhound or jai alai.

### ***Slot Machines, Thoroughbred Purse Pools, and Horsemen's Agreements***

#### **Present Situation:**

Chapter 551, F.S., authorizes slot machine gaming at the location of certain licensed pari-mutuel locations in Miami-Dade County or Broward County and provides for state regulation.<sup>137</sup> Currently eight facilities in Miami-Dade and Broward Counties are authorized to operate slot machines. Voters in each county approved slot machine facilities after an amendment to the State Constitution was approved in 2004.<sup>138</sup>

The Florida Supreme Court has under review, in *Gretna Racing, LLC v. Department of Business and Professional Regulation, Division of Pari-mutuel Wagering*, whether additional licenses to conduct slot machine gaming may be issued for pari-mutuel locations in counties other than Broward and Miami-Dade Counties.<sup>139</sup> Previously, the First District Court of Appeal (First DCA) affirmed the denial by the division of Gretna Racing's application for a license to conduct slot machine gaming that was filed by Gretna Racing in 2013.<sup>140</sup> Gretna Racing's facilities are located in Gadsden County, which held a countywide non-binding vote, in which a majority of the voters favored slot machines at pari-mutuel facilities in the county.<sup>141</sup> The First DCA held that "nothing in the language, structure, or history of slot machine legislation, . . . provides authorization for the holding of slot machine referenda in counties other than Miami-Dade and Broward counties," including the Gadsden County referendum.<sup>142</sup>

<sup>137</sup> See ch. 551, F.S., relating to the regulation of slot machine gaming at pari-mutuel locations.

<sup>138</sup> See FLA. CONST., art. IX, s. 23 (1968).

<sup>139</sup> For information about the documents filed by the parties, see

[http://jweb.flcourts.org/pls/docket/ds\\_docket?p\\_caseyear=2015&p\\_casenum=1929&psCourt=FSC&psSearchType=](http://jweb.flcourts.org/pls/docket/ds_docket?p_caseyear=2015&p_casenum=1929&psCourt=FSC&psSearchType=) (last visited Jan. 23, 2017).

<sup>140</sup> See *Gretna Racing, LLC v. Dep't of Bus. & Prof'l Regulation, Div. of Pari-Mutuel Wagering*, 178 So. 3d 15 (Fla. 1st DCA 2015).

<sup>141</sup> *Id.* at p. 16.

<sup>142</sup> *Id.*

### Effect of Proposed Changes:

**Section 39** amends s. 551.101, F.S., to allow eligible slot machine facilities to conduct slot machine gaming pursuant to a pari-mutuel permit or license issued pursuant to s. 551.1043 (*see Section 43*) and to delete provisions referring to the eligibility requirements for a slot machine license under the state constitution.

**Section 40** amends the definition of “eligible facility” in s. 551.102, F.S., for the conduct of slot machine gaming to include (1) any licensed pari-mutuel facility or (2) any facility authorized to conduct slot machine gaming pursuant to s. 551.1043, F.S., (*see Section 43*), either of which meets the requirements of s. 551.104(2) (*see Section 41*). The bill also amends the definitions of “slot machine license” and “slot machine licensee” to include a licensee authorized under s. 550.1043, F.S.

**Section 41** amends s. 551.104, F.S., to:

- Authorize approval by the division of applications for a license to conduct slot machine gaming for:
  - The seven pari-mutuel facilities in Miami-Dade and Broward Counties that existed when the State Constitution was amended and slot machines in these counties were approved by county referenda;
  - A licensed pari-mutuel facility, if slot machines in the county are approved by voters in a countywide referendum, and if the permitholder conducted a full schedule of live racing for two consecutive years immediately preceding its application;<sup>143</sup>
  - The additional authorized slot machine gaming facilities (one in Miami-Dade County and one in Broward County (*see Section 43*)); or
  - Pari-mutuel facilities in other counties (except the seven pari-mutuel facilities in Miami-Dade and Broward Counties) by referendum if associated with a public-private partnership.
- Disqualify permitholders from receiving a slot machine license, if a permitholder includes, or previously included, an ultimate equitable owner whose permit was voluntarily or involuntarily surrendered, suspended, or revoked by the division within 10 years before the date of the permitholder’s application for a slot machine license.
- Revise conditions for licensure and for maintaining continued authority for conducting slot machine gaming to reflect that certain pari-mutuel permitholders are authorized to discontinue conducting live racing or games (i.e., decouple).

If a slot machine licensee is not running a full schedule of live racing under its pari-mutuel permit, then the licensee must contribute the lesser of \$2 million or 3 percent of the permitholder’s prior fiscal year slots revenue to the thoroughbred purse pool created in s. 551.04((c)(2), F.S. This requirement is repealed July 1, 2036 (the day after the proposed 2015 Gaming Compact ends). The purse pool is for the benefit of slot machine licensees that conduct at least 160 days of live thoroughbred racing. There is a dollar-for-dollar credit for payments made to a horsemen’s association under a binding written agreement entered into by the permitholder pursuant to s. 551.104(10), F.S. The requirement in existing law for a

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<sup>143</sup> As of November 2016, eight counties have adopted referenda approving slot machines: Brevard, Duval, Gadsden, Hamilton, Lee, Palm Beach, St. Lucie, and Washington.

thoroughbred racing permitholder to have a horsemen's agreement governing the payment of purses on live thoroughbred racing does not apply to a summer thoroughbred racing permitholder. *See* also, **Section 30**, (Thoroughbred Purse Supplement Program), and **Section 50** (lines 3128 - 3148), (Cardrooms; live thoroughbred horse racing purse payments).

- Allow live racing or games to be conducted at a leased facility of a permitholder pursuant to s. 550.475, F.S, if the leasing permitholder has operated its live races or games by lease for at least 10 consecutive years prior to its slot machine license application.
- Delete the requirement that a quarter horse racing permitholder have a horsemen's agreement governing the payment of purses on live quarter horse races.

**Section 42** creates s. 551.1042, F.S., to prohibit the relocation of a slot machine facility.

**Section 43** creates s. 551.1043, F.S., to provide two additional slot machine licenses in Broward County or a county as defined in s. 125.011, F.S.,<sup>144</sup> for the purpose of enhancing live pari-mutuel activity. Only one of these licenses may be issued in each county.

Any person that is not a slot machine licensee may apply for one of the two additional licenses, upon payment of a \$2 million nonrefundable application fee. The fee must be used by the division and the Department of Law Enforcement for investigations, the regulation of slot machine gaming, and the enforcement of slot machine gaming under ch. 551, F.S. In the event of a successful award of the license to a licensee, the license application fee will be credited against the license application fee required by s. 551.106, F.S.

If there is more than one applicant for the additional slot machine gaming license in a county, the license will be awarded by the division to the applicant that receives the highest score based on legislatively specified criteria; however, the relative value or points the division must assign to the selection criteria are not specified.

The division must complete its evaluations at least 120 days after the submission of applications and notice its intent to award the license within that time. Any protest of the intent to award the license will be heard by the Division of Administrative Hearings under an expedited schedule. Any appeal of a license denial must be made to the First District Court of Appeal and must be accompanied by the posting of a supersedeas bond in an amount determined by the division to be equal to the projected annual slot machine revenue to be generated by the successful licensee.

The division is authorized to adopt emergency rules to implement this section.

The additional slot machine gaming licensees are authorized to operate a cardroom and to operate up to 25 house banked blackjack tables notwithstanding that the licensee does not have a pari-mutuel permit, under the same wagering requirements and tax rate as set forth in **Section 45**, and are exempt from ch. 550 (Pari-Mutuel Wagering). The licensees are also exempt from certain requirements relating to pari-mutuel permitholders operating a slot machine facility which are contained in s. 551.104(3), (4)(b) and (c)(1), (5) and (10), and s. 551.114(4), F.S.

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<sup>144</sup> Currently, the only county that meets the definition in s. 125.011, F.S., is Miami-Dade County.

An applicant shall submit an application to the division, with the same disclosures as required of persons seeking to conduct pari-mutuel wagering in the state. Any person prohibited from holding any horseracing or greyhound permit or jai alai fronton permit pursuant to s. 550.1815, F.S., is ineligible to apply for the additional slot machine license.

### ***House Banked Blackjack***

#### **Present Situation:**

The conduct of house banked blackjack is authorized pursuant to the 2010 Gaming Compact only at five of the seven<sup>145</sup> tribal casinos the Seminole Tribe for a five-year period that ended on August 31, 2015.

The playing of house banked blackjack under limited circumstances is an exception to the exclusivity provided to the Seminole Tribe under the proposed 2015 Gaming Compact.<sup>146</sup> Not more than fifteen blackjack card game tables are authorized, limited to the locations of the eight pari-mutuel facilities in Broward and Miami-Dade Counties (the Broward and Miami-Dade slot machine facilities), provided the facility has a current operating license for Fiscal Year 2015-2016.<sup>147</sup>

Other limitations on the conduct of house banked blackjack in pari-mutuel facilities under the proposed 2015 Gaming Compact include:

- The maximum bet allowed for such games may not exceed \$15.00 for each initial two card wager;
- All wagers on splits and/or double downs may not exceed the initial two card wager;
- With the exception of a single side bet of not more than \$1.00, no bonus or progressive components are permitted;
- Each blackjack card game table must have a maximum of seven betting spots;
- Such licenses may not be transferred or otherwise used to move or operate blackjack card game tables at any other location; and
- The operation of blackjack card tables must be approved by a county-wide referendum held after the effective date of the proposed 2015 Gaming Compact.

In addition under the proposed 2015 Gaming Compact, the Broward and Miami-Dade slot machine facilities may be authorized by state law to add not more than ten additional blackjack card game tables at each such facility, subject to all of the above limitations above, except that the maximum bet allowed for the additional blackjack card game tables shall not exceed \$25.00 for each initial two card wager. These ten additional blackjack card game tables may not be authorized until the fiscal year after the combined total of all annual revenue generated by the

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<sup>145</sup> See the executed 2010 Gaming Compact available at [http://www.myfloridalicense.com/dbpr/pmw/documents/2010\\_Compact-Signed1.pdf](http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf) (last visited Jan. 23, 2017). The 2010 Gaming Compact provides that banking or banked card games may not be offered at the Brighton or Big Cypress facilities unless and until the state allows any other person or entity to offer those games, as set forth in paragraph F.2. of Part III of the 2010 Gaming Compact, at page 4. In addition, in paragraph B of Part XVI, at page 49, the period of authorization to conduct table games is five years. F

<sup>146</sup> See subparagraph 3 of paragraph C of Part XII of the proposed 2015 Gaming Compact at pp. 46-47.

<sup>147</sup> *Id.*

Seminole Tribe from its banking or banked card games at its facilities in Broward County and all blackjack card game tables operated by the pari-mutuel facilities in Broward and Miami-Dade Counties has increased by at least 40 percent above the revenue generated by such banking or banked card games and blackjack card tables during the "base fiscal year."<sup>148</sup>

Changes to the tax rate paid to the state by pari-mutuel permitholders for the operation of slot machines and/or blackjack will not violate the exclusivity granted to the Seminole Tribe, provided that the effective tax rate is not less than 25 percent.<sup>149</sup>

### **Effect of Proposed Changes:**

**Section 44** creates s. 551.1044, F.S., to authorize house banked blackjack table games, with a maximum of 25 such tables at each facility, at:

- The seven facilities in Miami-Dade and Broward counties that are eligible under the slot machines constitutional amendment where live racing or games were conducted during calendar years 2002 and 2003; and
- The facilities located in a county defined under s. 125.011, F.S., where a full schedule of live horse racing has been conducted for two consecutive years.

Each of the two new slot machine gaming facilities authorized under **Section 43** also could operate the same number of house banked blackjack tables.

Wagers may not exceed \$100 for each initial two card wager. Subsequent wagers on splits or double downs are allowed, but may not exceed the initial two card wager. Single side bets of not more than \$5 are also allowed.

Each pari-mutuel permitholder offering banked blackjack (as well as the two new slot machine gaming facilities authorized under **Section 43**) must pay a tax to the state of 25 percent of the blackjack operator's monthly gross receipts.

### ***Slot Machines Tax Rate Reduction***

#### **Present Situation:**

The tax rate on slot machine revenues is 35 percent pursuant to s. 550.106(2), F.S. If, during any state fiscal year, the aggregate amount of tax paid to the state by all slot machine licensees in Broward and Miami-Dade Counties is less than the aggregate amount of tax paid to the state by

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<sup>148</sup> The "base fiscal year" means the first fiscal year after both of the following conditions have been satisfied: (a) the Broward and Miami-Dade slot machine facilities have each offered 15 blackjack card tables for a full fiscal year, and (b) the Tribe's expansion projects at the Seminole Hard Rock Hotel & Casino - Tampa and Seminole Hard Rock Hotel & Casino - Hollywood have been fully completed and are open to the public. *See* subparagraph 3 of paragraph C of Part XII of the proposed 2015 Gaming Compact at p. 66-47.

<sup>149</sup> If the effective tax rate on the operation of slot machines and/or blackjack is less than 25%, then the Seminole Tribe shall be relieved of its obligations to make guaranteed minimum payments and any further guaranteed revenue sharing cycle payment, but instead shall make payments to the state for all future revenue sharing cycles based on the percentage payments in the proposed 2015 Gaming Compact, exclusive of all revenue generated by slot machines at the Seminole Tribe's facilities in Broward County. *See* subparagraph 1 of paragraph F of Part XII of the proposed 2015 Gaming Compact at pp. 51-52.



all slot machine licensees in the 2008-2009 fiscal year, each slot machine licensee must pay to the state, within 45 days after the end of the state fiscal year, a surcharge equal to its pro rata share of an amount equal to the difference between the aggregate amount of tax paid to the state by all slot machine licensees in the 2008-2009 fiscal year and the amount of tax paid during the fiscal year that resulted in the revenue shortfall. All revenue from slot machine gaming is deposited into the Educational Enhancement Trust Fund of the Department of Education.

**Effect of Proposed Changes:**

**Section 45** amends s. 551.106, F.S., to:

- Reduce the tax on slot machine revenues from 35 percent to 25 percent.
- Remove obsolete language relative to the slot machine license fee for Fiscal Year 2010-2011.
- Provide that slot machine revenues associated with a slot machine licensee licensed because it is associated with a public-private partnership be deposited into the Pari-mutuel Wagering Trust Fund and that 90 percent of those revenues be transferred to the Educational Enhancement Trust Fund and 10 percent be transferred to the responsible public entity for the public-private partnership of the licensee.

***Slot Machine Regulations***

**Present Situation:**

Section 551.108, F.S., currently prohibits contracts that provide for revenue sharing calculated on a percentage of slot machine revenues.

Provisions in ss. 551.114, 551.116 and 551.121, F.S., (1) Require slot machine licensees display pari-mutuel races or games to slot machine patrons in slot machine gaming areas; (2) Require slot machine gaming areas be within current live gaming areas or within a building contiguous or connected to the live gaming area; (3) Limit slot machine gaming to 18 hours per day, Monday through Friday, and 24 hours on Saturdays and Sundays; and (4) Prohibit serving complimentary or reduced cost alcoholic beverages to persons playing slot machines.

**Effect of Proposed Changes:**

**Section 46** amends s. 551.108, F.S., relating to prohibited relationships, to address contracts between slot machine licensees and a manufacturer or distributor and to exempt contracts related to a progressive system used in conjunction with slot machines to allow a revenue sharing provision. Currently that section prohibits contracts that provide for revenue sharing calculated on a percentage of slot machine revenues.

**Section 47** amends s. 551.114, F.S., to require slot machine licensees to display pari-mutuel races or games and offer slot machine patrons the ability to engage in wagering on live, intertrack, and simulcast races conducted or offered to patrons “if such races or games are available to the slot machine licensee.” The revised requirement is conditioned upon whether the races or games “are available” to the licensee; however, the term “are available” is not defined.

A limitation on the location of slot machine gaming areas is revised to allow a gaming area to be located anywhere within the property described in the licensee's pari-mutuel permit. Existing law requires that a gaming area be located within the live gaming facility or in an existing building that is contiguous and connected to the facility.

**Section 48** amends s. 551.116, F.S., to extend the number of hours that a slot machine gaming area may be open on weekdays, from 18 hours to 24 hours, the same allowed for weekend operating hours.

**Section 49** amends s. 551.121, F.S., to allow complimentary or reduced-costs alcoholic beverages to be served to a person playing a slot machine and allow slot machine licensees to authorize automatic teller machines (ATMs) or similar devices designed to provide credit or dispense cash, to be located in the gaming area.

### *Cardrooms and Designated Player Games*

#### **Present Situation:**

Chapter 849, F.S., authorizes cardrooms at certain pari-mutuel facilities.<sup>150</sup> In Fiscal Year 2016-2017, 24 cardrooms are authorized to operate.<sup>151</sup> Cardrooms are operated by 14 greyhound permitholders, four jai alai permitholders, one harness horse permitholder, three quarter horse permitholders, and two thoroughbred permitholders.<sup>152</sup> A license to offer pari-mutuel wagering, slot machine gaming, or a cardroom at a pari-mutuel facility is a privilege granted by the state.<sup>153</sup>

Section 849.086, F.S., provides that a licensed pari-mutuel permitholder that holds a valid pari-mutuel permit and license to conduct a full schedule of live racing or games may hold a cardroom license authorizing the operation of a cardroom and the conduct of authorized games at the cardroom. An authorized game is a game or series of games of poker or dominoes.<sup>154</sup> Such games must be played in a non-banking manner, where the participants play against each other, instead of against the house (cardroom). At least four percent of the gross cardroom receipts of greyhound racing permitholders and jai alai permitholders must be used to supplement greyhound purses, and quarter horse permitholders must also have a contract with a horsemen's

<sup>150</sup> Section 849.086, F.S. Section 849.086(2)(c), F.S., defines "cardroom" to mean a facility where authorized card games are played for money or anything of value and to which the public is invited to participate in such games and charges a fee for participation by the operator of such facility.

<sup>151</sup> See <http://www.myfloridalicense.com/dbpr/pmw/documents/MAP-Permitholders--WITH--2016-2017-OperatingLicenses-2016-07-15.pdf> (last visited Jan. 23, 2017).

<sup>152</sup> Cardroom locations, by class of permit held are: (1) greyhound racing: Bonita Springs (Lee Co.), Daytona Beach (Volusia Co.), Ebro (Washington Co.), Hallandale Beach (Broward Co.), Melbourne (Brevard Co.), Miami (Miami-Dade Co.) Orange Park (Clay Co.), Pensacola (Escambia Co.), St. Petersburg (Pinellas Co.), and West Palm Beach (Palm Beach. Co.); (2) jai alai: Dania Beach (Broward Co.), Ft. Pierce (St. Lucie Co.), Miami (Miami-Dade Co.), and Reddick (Marion Co.); (3) quarter horse: Gretna (Gadsden), Hialeah (Miami-Dade Co.) and Summerfield (Marion Co.); and (4) thoroughbred racing: Hallandale Beach (Broward Co.), and Tampa (Hillsborough Co.).

<sup>153</sup> See s. 550.1625(1), F.S., "...legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state." See also *Solimena v. State*, 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), review denied, 412 So.2d 470, which states "Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right," citing *State ex rel. Mason v. Rose*, 122 Fla. 413, 165 So. 347 (1936).

<sup>154</sup> See s. 849.086(2)(a), F.S.

association governing the payment of purses on live quarter horseraces conducted by the permitholder.<sup>155</sup>

Renewal of a cardroom license requires that a permitholder must, in its annual pari-mutuel license application, request to conduct at least 90 percent of the performances conducted either (1) in the year in which its first cardroom license was issued, or (2) in the state fiscal year immediately prior to the application if a full schedule of live racing was conducted.<sup>156</sup> If more than one permitholder is operating at a facility, each permitholder must have applied for a license to conduct a full schedule of live racing.<sup>157</sup>

Eleven of the 12 greyhound racing locations have cardrooms. As a result of the “90 percent rule,” the required minimum of live performances varies among greyhound racing permitholders, from 93 to 394 performances.<sup>158</sup>

There is only one harness horse permitholder, and it has a cardroom. The permitholder must request authorization to conduct a minimum of 140 live performances during the state fiscal year immediately prior to its application for an operating license.<sup>159</sup> As a result of the “90 percent rule,” the required minimum of live performances for the harness horse permitholder is 126 performances.<sup>160</sup>

Four of the six jai alai permitholders have cardrooms. As a result of the “90 percent rule,” the required minimum of live performances varies among jai alai permitholders, from 36 to 150 performances.<sup>161</sup>

Three of the five quarter horse permitholders have cardrooms. As a result of the “90 percent rule,” the required minimum of live performances varies among quarter horse permitholders, from 18 to 40 performances.<sup>162</sup>

Two of the three thoroughbred permitholders have cardrooms. As a result of the “90 percent rule,” the required minimum of live performances varies among thoroughbred racing permitholders, from 40 to 81 performances.<sup>163</sup>

If more than one permitholder is operating at a facility, each permitholder must have applied for a license to conduct a full schedule of live racing.<sup>164</sup>

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<sup>155</sup> See s. 849.086(13)(d), F.S.

<sup>156</sup> See s. 849.086(5)(b), F.S.

<sup>157</sup> *Id.*

<sup>158</sup> Telephone interview with division staff (Jan. 23, 2017).

<sup>159</sup> See s. 849.086(5)(b), F.S.

<sup>160</sup> *Id.*

<sup>161</sup> *Id.*

<sup>162</sup> *Id.*

<sup>163</sup> *Id.*

<sup>164</sup> See s. 849.086(5)(b), F.S.

Banking games are defined as those in which the house is a participant.<sup>165</sup> Designated player<sup>166</sup> games, if conducted as defined in Rule 61D-11.002(5), F.A.C., are not considered by the DBPR to be banking games. A designated player game is not authorized if it is not played in compliance with house rules required to be available for review by players or the division, which must:

- Establish uniform requirements to be a designated player;
- Ensure that the dealer button rotates clockwise around the card table for each hand, so that all players desiring to be a designated player have the opportunity to do so; and
- Not require the designated player to cover all potential wagers.<sup>167</sup>

The conducting of designated player games by cardroom operators is one of the issues in the federal court litigation between the State of Florida and the Seminole Tribe of Florida (Seminole Tribe); the federal district court (trial) decision was appealed by the State to the United States Court of Appeals for the Eleventh Circuit on January 19, 2017. The U.S. district court found that the exclusivity granted to the Seminole Tribe was reduced by the State's actions to allow designated player games because such games violated the exclusivity granted to the Seminole Tribe as to banked card games in the 2010 Gaming Compact. As a result, the court held the 2010 Gaming Compact allows the Seminole Tribe to conduct banked card games at all seven of its gaming facilities, for the Compact's full 20-year term (through July 31, 2030). The 2010 Gaming Compact permitted the Seminole Tribe to conduct banked card games at only five of its seven gaming locations for five years, unless the State authorized others to conduct banked games.<sup>168</sup> (See section on *Federal Litigation Regarding 2010 Gaming Compact*, above.)

The playing of poker in a nonbanking manner pursuant to state law,<sup>169</sup> is an exception to the exclusivity provided to the Seminole Tribe under the proposed 2015 Gaming Compact, however, any game “that involves banking by the house or any player, other than Designated Player Games . . .”<sup>170</sup> is not authorized. A designated player is defined in the proposed 2015 Gaming Compact as “the player identified by a button as the player in the dealer position, seated at any traditional player position in a Designated Player Game, who is not required to cover all wagers.”<sup>171</sup>

Designated player game(s) are defined in the proposed 2015 Gaming Compact as “games consisting of at least three (3) cards in which players compare their cards only to those cards of the player in the dealer position, who also pays winners and collects from losers,” and the ranking of poker hands in such games must be consistent with the definition of traditional poker hand rankings provided in Hoyle's Modern Encyclopedia of Card Games, 1974 Ed.<sup>172</sup>

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<sup>165</sup> Section 849.086(2)(b), F.S.

<sup>166</sup> Rule 61D-11.001(17), F.A.C., defines “designated player” as the “player identified by the button as the dealer in the player position.”

<sup>167</sup> See Rules 61D-11.002(3) and (5), F.A.C.

<sup>168</sup> See *Seminole Tribe of Florida v. State of Florida*, 2016 U.S. Dist. LEXIS \_\_\_\_\_ (N.D. Fla. Nov. 9, 2016) Case No.: 4:15-cv-516-RH/CAS, Document 103. at p. 19.

<sup>169</sup> Section 849.086(2)(a), F.S.

<sup>170</sup> See subparagraph 7 of paragraph C of Part XII of the proposed 2015 Gaming Compact at pp. 48-49.

<sup>171</sup> *Id.* at paragraph I of Part III of the proposed 2015 Gaming Compact at p. 5.

<sup>172</sup> *Id.* at paragraph J of Part III of the proposed 2015 Gaming Compact at p. 5.

The following conditions apply to designated player games at cardrooms under the proposed 2015 Gaming Compact:<sup>173</sup>

- The maximum wager in any such designated player game may not exceed \$25;
- A player participating as a designated player must occupy a playing position at the table;
- Each player participating in a designated player game must be offered, in a clockwise rotation, the opportunity to be the designated player after each hand;
- Any player participating as a designated player for thirty (30) consecutive hands must subsequently play as a non-designated player for at least two (2) consecutive hands before resuming play as a designated player;
- Designated players may not be required to cover more than ten (10) times the minimum posted bet for players seated during any one game;
- Pari-mutuel locations that offer slot machines and/or Video Race Terminals<sup>174</sup> may not offer designated player games; and
- Pari-mutuel cardroom locations offering designated player games may not have designated player game tables in excess of 25 percent of the total poker tables authorized at that cardroom.

### Effect of Proposed Changes:

**Section 50** amends s. 849.086, F.S., to:

- Allow operation 24 hours daily, (currently 8 hours Monday through Friday and 24 hours on Saturday and Sunday); the same hours that a slot machine gaming area may be open pursuant to the amendments in **Section 48**.
- Remove the ability of a permitholder to amend a renewal application for a cardroom,
- Delete the 90 percent rule in existing law mandating the minimum number of races that must be conducted by a permitholder to renew a cardroom license.  
Require that a permitholder conducting less than a full schedule of live racing or games have a contract with a thoroughbred permitholder that conducts live racing and does not possess a slot machine gaming license; the contract must provide that the (decoupled) permitholder will pay four percent of gross cardroom receipts to the thoroughbred permitholder for use as purses during its next racing meet. *See also*, **Section 30**, (Thoroughbred Purse Supplement Program) and **Section 41**, (Slot Machine gaming licensees; live thoroughbred horse racing purse payments).
- Provide that a designated player game is not a banking game, and that a designated player is the player in the dealer position seated at a traditional player position who pays winning players and collects from losing players.

<sup>173</sup> *Id.* at subparagraph 7 of paragraph C of Part XII of the proposed 2015 Gaming Compact at pp. 48-49.

<sup>174</sup> The offering of video race terminals is permitted to certain permitholders in limited conditions as an exception to exclusivity granted to the Seminole Tribe under the proposed 2015 Gaming Compact; "Video Race Terminal" means "an individual race terminal linked to a central server as part of a network-based video game, where the terminals allow pari-mutuel wagering by players on the results of previously conducted horse races, but only if the game is certified in advance by an independent testing laboratory licensed or contracted by the Division of Pari-Mutuel Wagering as complying with all of the following requirements" *See* subparagraph 4 of paragraph C of Part XII of the proposed 2015 Gaming Compact at pp. 47-48 and paragraph KK of Part III of the proposed 2015 Gaming Compact at page 14.

A designated player game is defined as “a game in which the players compare their cards only to the cards of the designated player or to a combination of cards held by the designated player and cards common and available for play by all players.” All cardroom operators may offer designated player games.

The cardroom operator may not serve as a designated player, but may collect a rake as posted at the table. If there are multiple designated players at a table, the dealer button must be rotated clockwise after each hand. A cardroom operator may not allow a designated player to pay an opposing player who holds a lower ranked hand.

Prohibited activities are revised to address banking game issues. A designated player game is deemed a banking game if any of the following elements apply:

- Any designated player is required by the rules of a game or by the rules of a cardroom to cover all wagers posted by opposing players;
- The dealer button remains in a fixed position without being offered for rotation;
- The cardroom, or any cardroom licensee, contracts with or receives compensation other than a posted table rake from any player to participate in any game to serve as a designated player; and
- In any designated player game in which the designated player possesses a higher ranked hand, the designated player is required to pay on an opposing player’s wager who holds a lower ranked hand.

Transfer or relocation of a cardroom is prohibited.

### ***Revocation of Pari-Mutuel Permits***

#### **Present Situation:**

Section 550.1815, F.S., addresses the revocation and suspension of pari-mutuel permits, and provides that the division must refuse to issue or renew, or suspend as appropriate, any permit if the permitholder or affiliated persons has been convicted of a felony in Florida or in any other state, or convicted of a felony under the laws of the United States.

The permit of a harness horse permitholder or thoroughbred horse permitholder who does not pay tax on handle for live performances for a full schedule of live races during any 2 consecutive state fiscal years is void and escheats to and becomes property of the state, unless the failure to operate and pay tax on handle is the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control.<sup>175</sup> Financial hardship to the permitholder does not, in and of itself, constitute just cause for failure to operate and pay tax on handle.<sup>176</sup>

#### **Effect of Proposed Changes:**

**Section 51** provides that the division must revoke any permit to conduct pari-mutuel wagering if a permitholder has not conducted live events within the 24 months preceding the effective date

<sup>175</sup> Section 550.09512(3), F.S. and s. 550.09515(3), F.S.

<sup>176</sup> *Id.*

of the bill, unless the permit is a limited thoroughbred racing permit that was issued under s. 550.3345, F.S. A permit revoked for failure to conduct live events within the 24 months preceding the effective date of the bill may not be reissued.

### **Directives to Division of Law Revision and Information**

**Section 52** directs the Division of Law Revision and Information to replace references to the “effective date of this act” throughout the bill with the actual date the bill is effective.

### **Effective Dates**

The bill (excluding **Sections 4** and **53**):

- Is effective only if the proposed 2015 Gaming Compact, as amended as required in Section 4, is approved, or deemed approved, by the United States Department of Interior pursuant to the Indian Gaming Regulatory Act; and
- Takes effect upon the date that the approved compact is published in the Federal Register.

## **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

## **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

SB 8 has not been reviewed by the Revenue Estimating Conference.

The bill requires the proposed 2015 Gaming Compact between the Seminole Tribe of Florida (the Seminole Tribe) and the State of Florida, executed by the Seminole Tribe and the Governor on December 7, 2015, (the proposed 2015 Gaming Compact) be amended to incorporate additional exceptions from the exclusivity to be provided to the Seminole Tribe under the proposed 2015 Gaming Compact, without any impact or change to the payments to the state under the proposed 2015 Gaming Compact. Whether Seminole Tribe will agree to the amendments to the proposed 2015 Gaming Compact required by the bill is unknown.

With two exceptions, SB 8 is effective only if the proposed 2015 Gaming Compact, as amended, is approved or “deemed approved” by the United State Department of Interior

under the Indian Gaming Regulatory Act of 1988. The bill takes effect upon the date that the approved compact is published in the Federal Register. Whether the U. S. Department of Interior will approve the proposed 2015 Gaming Compact, as amended, and publish the required notice also is unknown.

SB 8 is similar to SBs 7072 and 7074 from the 2016 Regular Session and also contains provisions similar to CS/SB 832 from the 2016 Regular Session. During the 2016 Regular Session, the Revenue Estimating Conference held an impact conference on SBs 7072 and 7074 (2016). The Conference determined that the overall impact of SBs 7072 and 7074 was plus or minus indeterminate “[b]ecause [the bills’] provisions contemplate a significant renegotiation of the Compact executed by the Governor and the [Seminole] Tribe on December 7, 2015, [and] the final impact to the state from the interaction of the two bills is currently unknown.” The Conference did not hold an impact conference on CS/SB 832 (2016).

Accordingly, the fiscal impact of SB 8 is likely to be indeterminate, as well.

However, during the 2016 Regular Session, the Revenue Estimating Conference estimated the impacts of individual elements of SB 7072 (2016). The impacts of the individual elements of SB 7072 (2016) included within SB 8 are shown below, with the following caveats:

1. The impact analysis for SBs 7072 and 7074 was based on revenue forecasts from December 2015 that have been subsequently revised.
2. The impact analysis for SBs 7072 and 7074 was based on one potential new slots gaming facility in Miami-Dade , while SB 8 includes the potential for new slots gaming facilities in Broward and Miami-Dade.
3. The impact analysis for SBs 7072 and 7074 assumed six referendum counties would add slots facilities; there are now eight.
4. While Blackjack was authorized for certain facilities in SBs 7072 and 7074, it was not clear how it would be taxed or what tax rate would apply. SB 8 establishes a tax rate of 25 percent of the blackjack operator’s monthly gross receipts.

When taken into consideration, the caveats described above produce both independent and interactive effects that will change the estimates developed in 2016.



| <b>SB 8 Fiscal Impact (based upon Fiscal Impact of SB 7072 (2016))<sup>1</sup></b>  |  |  |                      |
|---|--|--|----------------------|
| <ul style="list-style-type: none"> <li>Assuming proposed 2015 Gaming Compact Payments are unchanged</li> <li>All estimates are compared to current estimates, including 2010 Gaming Compact revenues</li> </ul>   |  |  |                      |
| <b>Issue</b>  | <b>First Fiscal Year after USDOJ approval of proposed 2015 Compact, as amended (\$ millions)</b> | <b>Recurring Impact 5<sup>th</sup> Fiscal Year after USDOJ approval of proposed 2015 Compact, as amended (\$ millions)</b> | <b>Affected Fund</b> |
| <b>Indian Gaming Revenue from ratification of proposed 2015 Compact, as amended<sup>2</sup></b>   | 201.3  | 342.7  | GR                   |
| Slot Machine Tax Rate Reduction   | (55.8)   | (59.2)   | EETF                 |
| New Slot Machine Facilities in Referendum Counties <sup>3</sup>   | 0.0  | 82.1   | EETF                 |
| New Slot Machine Facilities in Broward and Miami-Dade Counties  | 0.0  | 3.3  | EETF                 |
| Slot Machine License Fees <sup>4</sup>  | 0.0  | 16.0   | PMWTF                |
| New Slot Machine Facilities Broward and Miami Dade - Application Fees <sup>5</sup>  | 4.0  | 0.0  | PMWTF                |
| Diverted Sales Tax  | 0.0  | (20.1)   | GR                   |
| Permit Reduction Program - Thoroughbred Purse Supplement Program  | (20.0)   | (20.0)   | GR                   |
| Pari-mutuel Decoupling  | 2.1  | 2.6  | PMWTF                |
| Escheated Ticket Loss   | 0.0  | (0.3)  | SSTF                 |
| Point-of-Sale Lottery Terminals   | **   | **   | EETF                 |
| House Banked Blackjack <sup>6</sup>   | **   | **   | PMWTF                |
| Deactivated Permits   | (**)   | (**)   | PMWTF                |
| Construction-Related Sales Tax  | **   | **   | GR                   |
| <b>Total-Non Indian Gaming Revenue:</b>   |  |  |                      |
|   | (20.0)   | (40.1)   | GR                   |
|   | (55.8)   | 26.2   | EETF                 |
|   | 0.0  | (0.3)  | SSTF                 |
|   | 6.1  | 18.6   | PMWTF                |
| GR=General Revenue Fund; EETF=Educational Enhancement Trust Fund; SSTF=State School Trust Fund; PMWTF=Pari-mutuel Wagering Trust Fund   |  |  |                      |
| ** = Positive Indeterminate (***) = Negative Indeterminate  |  |  |                      |
| <sup>1</sup> Except where noted, the first year impact is that for SB 7072 (2016) for FY 2016-17; recurring impact is the recurring impact for SB 7072 (2016) 5 fiscal years thereafter.  |  |  |                      |
| <sup>2</sup> Indian Gaming Revenues shown are the difference between the Minimum Guarantee Payment under the proposed 2015 Gaming Compact for Fiscal Year 2017-2018 (Recurring is Fiscal Year 2022-2023) and the estimated net revenues for Indian Gaming projected for that Fiscal Year under the 2010 Gaming Compact, by the December 2016 REC. First Year impact does <i>not</i> include non-recurring impact of amounts paid for banking games under the 2010 Gaming Compact placed in GR reserve due to pending federal litigation; \$152.5 million, as of 11.30.2016. |  |  |                      |
| <sup>3</sup> Projected revenues are based on the 6 counties which had passed slot machine referenda when SB 7072 (2016) was considered; as of November 2016, 8 counties have approved slot machines in referenda.   |  |  |                      |
| <sup>4</sup> Adjusted to reflect 8 counties now, rather than 6 counties when the SB 7072 (2016) impact estimate was done.   |  |  |                      |
| <sup>5</sup> Adjusted to reflect 2 facilities in SB 8, rather than only 1 in SB 7072 (2016).  |  |  |                      |
| <sup>6</sup> SB 8 includes a 25% tax on blackjack operators' monthly gross; SB 7072 (2016) did not include any tax. So, the impact is now positive indeterminate.   |  |  |                      |

**B. Private Sector Impact:**

The bill creates additional gambling opportunities for Floridians and visitors. It allows certain pari-mutuel permitholders to offer slot machines or blackjack, creates two additional slot machine facilities (one in each county) to be located in Broward County or a county defined in s. 125.011, F.S., (presently only Miami-Dade County), and expands the hours slot machine facilities and cardrooms may operate. By allowing pari-mutuel permitholders to decouple their live racing and games from cardrooms and slot machine operations, the bill may adversely affect employees and businesses that support live racing and games. The thoroughbred purse supplement program, however, will benefit the thoroughbred racing industry in the state.

Pari-mutuel permitholders who hold active, dormant, and inactive permits must evaluate the impact of the provisions of the bill on their operations and business interests. Greyhound racing permitholders, jai alai permitholders, harness racing permitholders, and quarter horse racing permitholders must determine, on an annual basis, whether to offer live racing or games at their pari-mutuel facilities, (i.e., decoupling), but may continue to offer slot machines or cardrooms. Tax rates are lowered for pari-mutuel permitholders and slot machine licensees.

Certain thoroughbred horse racing permitholders may elect to discontinue live racing within the 30-day period after the effective date of the bill (i.e., partial decoupling), but continue to operate their licensed slot machine facilities and/or cardrooms.

Any of the eight pari-mutuel permitholders in Broward and Miami-Dade Counties that have a slot machine license may operate up to 25 house banked blackjack tables at their facilities, but must pay a 25% tax on gross receipts associated with wagering on those table games.

**C. Government Sector Impact:**

The Division of Pari-mutuel Wagering (division) must implement the provisions of the bill, and adopt forms and procedures for the pari-mutuel permit reduction program, and for the issuance of additional slot machine licenses in the eight counties which have approved slot machine gaming (Brevard, Duval, Gadsden, Hamilton, Lee, Palm Beach, St. Lucie, and Washington), as well as for the two additional slot machine facilities (one in each county) to be located in Broward County or a county defined in s. 125.011, F.S., (presently only Miami-Dade County).

An analysis of the bill has not been issued by the DBPR.

The Department of the Lottery indicates it is likely that the implementation of **Sections 1, 2, and 3** of the bill relating to the point-of-sale terminals for the sale of lottery tickets or games will result in some increase in sales of lottery products as well as transfers to

education, although the amount is undetermined.<sup>177</sup> Any increase in sales would result in increased sales commissions to retailers in an undetermined amount.<sup>178</sup>

## **VI. Technical Deficiencies:**

The bill provides that the penalty provisions do not apply to a fantasy contest operator who applies for a license within 90 days after the effective date of the act and receives a license within 240 days after the effective date of the act; see lines 970 to 974. However, the bill does not address penalties that may be imposed against licensed fantasy contest operators for violations of the act after they are licensed.

## **VII. Related Issues:**

None.

## **VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 24.103, 24.105, 24.112, 285.710, 285.712, 550.002, 550.01215, 550.0251, 550.054, 550.0555, 550.0951, 550.09512, 550.09514, 550.09515, 550.1625, 550.1648, 550.26165, 550.3345, 550.3551, 550.475, 550.5251, 550.615, 550.6308, 551.101, 551.102, 551.104, 551.1042, 551.1043, 551.1044, 551.106, 551.108, 551.114, 551.116, 551.121, and 849.086.

This bill creates the following sections of the Florida Statutes: 546.11, 546.12, 546.13, 546.14, 546.15, 546.16, 546.17, 546.18, 550.1752, 550.1753, 550.2416, 551.1042, 551.1043, and 551.1044.

This bill repeals the following sections of the Florida Statutes: 550.0745 and 550.1647.

This bill creates three undesignated sections of the Florida Statutes.

## **IX. Additional Information:**

### **A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

### **B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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<sup>177</sup> See 2017 Agency Legislative Bill Analysis issued by the Department of the Lottery for SB 8, dated January 20, 2017 (on file with Senate Committee on Regulated Industries) at page 3.

<sup>178</sup> *Id.* at page 4.



By Senator Galvano

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1                   A bill to be entitled  
2           An act relating to gaming; amending and reordering s.  
3           24.103, F.S.; defining the term "point-of-sale  
4           terminal"; amending s. 24.105, F.S.; authorizing the  
5           Department of the Lottery to create a program that  
6           authorizes certain persons to purchase a ticket or  
7           game at a point-of-sale terminal; authorizing the  
8           department to adopt rules; providing requirements for  
9           the rules; amending s. 24.112, F.S.; authorizing the  
10          department, a retailer operating from one or more  
11          locations, or a vendor approved by the department to  
12          use a point-of-sale terminal to sell a lottery ticket  
13          or game; requiring a point-of-sale terminal to perform  
14          certain functions; specifying that the point-of-sale  
15          terminal may not reveal winning numbers; prohibiting a  
16          point-of-sale terminal from including or making use of  
17          video reels or mechanical reels or other video  
18          depictions of slot machine or casino game themes or  
19          titles for game play; prohibiting a point-of-sale  
20          terminal from being used to redeem a winning ticket;  
21          amending s. 285.710, F.S.; redefining the term  
22          "compact;" ratifying and approving a specified compact  
23          executed by the Governor and the Seminole Tribe of  
24          Florida contingent upon the adoption of a specified  
25          amendment to the compact; superseding the compact  
26          approved by the Legislature in 2010, subject to  
27          certain requirements; directing the Governor to  
28          cooperate with the Tribe in seeking approval of the  
29          amended compact from the United States Secretary of  
30          the Interior; directing the Secretary of the  
31          Department of Business and Professional Regulation to  
32          provide written notice of the effective date of the

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33 compact to specified persons under certain  
34 circumstances; specifying the provisions that must be  
35 included in the compact to be deemed ratified and  
36 approved; expanding the games authorized to be  
37 conducted and the counties in which such games may be  
38 offered; amending s. 285.712, F.S.; correcting a  
39 citation; creating s. 546.11, F.S.; providing a short  
40 title; creating s. 546.12, F.S.; providing legislative  
41 findings and intent; creating s. 546.13, F.S.;  
42 defining terms; creating s. 546.14, F.S.; creating the  
43 Office of Amusements within the Department of Business  
44 and Professional Regulation; requiring that the office  
45 be under the supervision of a senior manager who is  
46 exempt from the Career Service System and is appointed  
47 by the secretary of the department; providing duties  
48 of the office; providing for rulemaking; creating s.  
49 546.15, F.S.; providing licensing requirements for  
50 contest operators offering fantasy contests; providing  
51 licensing application and renewal fees; requiring the  
52 office to grant or deny a license within a specified  
53 timeframe; providing that a completed application is  
54 deemed approved 120 days after receipt by the office  
55 under certain circumstances; exempting applications  
56 for a contest operator's license from certain  
57 licensure timeframe requirements; providing  
58 requirements for the license application; providing  
59 that specified persons or entities are not eligible  
60 for licensure under certain circumstances; defining  
61 the term "convicted"; requiring a contest operator to

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62 provide evidence of a surety bond; requiring the  
63 surety bond to be kept during the term of the license  
64 and any renewal term thereafter; authorizing the  
65 office to suspend, revoke, or deny a license under  
66 certain circumstances; creating s. 546.16, F.S.;  
67 requiring a contest operator to implement specified  
68 consumer protection procedures under certain  
69 circumstances; requiring a contest operator to  
70 annually contract with a third party to perform an  
71 independent audit under certain circumstances;  
72 requiring a contest operator to submit the audit  
73 results to the office; creating s. 546.17, F.S.;  
74 requiring contest operators to keep and maintain  
75 certain records for a specified period; providing  
76 requirements; providing for rulemaking; requiring a  
77 contest operator to file a quarterly report with the  
78 office; creating s. 546.18, F.S.; providing a civil  
79 penalty; providing applicability; exempting fantasy  
80 contests from certain provisions in ch. 849, F.S.;  
81 providing a directive to the Division of Law Revision  
82 and Information; amending s. 550.002, F.S.; redefining  
83 the term "full schedule of live racing or games";  
84 amending s. 550.01215, F.S.; revising provisions for  
85 applications for pari-mutuel operating licenses;  
86 authorizing a greyhound racing permitholder to specify  
87 certain intentions on its application; authorizing a  
88 greyhound racing permitholder to receive an operating  
89 license to conduct pari-mutuel wagering activities at  
90 another permitholder's greyhound racing facility;

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91 authorizing a thoroughbred horse racing permitholder  
92 to elect not to conduct live racing under certain  
93 circumstances; authorizing a thoroughbred horse racing  
94 permitholder that elects not to conduct live racing to  
95 retain its permit and requiring the permitholder to  
96 specify its intention not to conduct live racing in  
97 future applications; authorizing such thoroughbred  
98 racing permitholder's facility to remain an eligible  
99 facility, to continue to be eligible for a slot  
100 machine license, to be exempt from certain provisions  
101 of chs. 550 and 551, to be eligible as a guest track  
102 for intertrack wagering and interstate simulcast, and  
103 to remain eligible for a cardroom license; exempting  
104 certain harness racing permitholders, quarter horse  
105 racing permitholders, and jai alai permitholders from  
106 specified live racing or live games requirements;  
107 authorizing such permitholders to specify certain  
108 intentions on their applications; authorizing the  
109 Division of Pari-mutuel Wagering of the Department of  
110 Business and Professional Regulation to approve  
111 changes in racing dates for permitholders under  
112 certain circumstances; providing requirements for  
113 licensure of certain jai alai permitholders; deleting  
114 a provision for conversion of certain converted  
115 permits to jai alai permits; amending s. 550.0251,  
116 F.S.; requiring the division to annually report to the  
117 Governor and the Legislature; specifying requirements  
118 for the content of the report; amending s. 550.054,  
119 F.S.; requiring the division to revoke a pari-mutuel



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120 wagering operating permit under certain circumstances;  
121 prohibiting issuance or approval of new pari-mutuel  
122 permits after a specified date; authorizing a  
123 permitholder to apply to the division to place a  
124 permit in inactive status; revising provisions that  
125 prohibit transfer or assignment of a pari-mutuel  
126 permit; deleting provisions authorizing a jai alai  
127 permitholder to convert such permit to conduct  
128 greyhound racing; deleting a provision requiring the  
129 division to convert such permits under certain  
130 circumstances; deleting provisions for certain  
131 converted permits; amending s. 550.0555, F.S.;  
132 authorizing specified permitholders to relocate their  
133 greyhound racing permits within a specified distance  
134 under certain circumstances; deleting a provision  
135 requiring the relocation to be necessary to ensure the  
136 revenue-producing capability of the permittee without  
137 deteriorating the revenue-producing capability of any  
138 other pari-mutuel permittee within a certain distance;  
139 revising how certain distances are measured; repealing  
140 s. 550.0745, F.S., relating to the conversion of pari-  
141 mutuel permits to summer jai alai permits; amending s.  
142 550.0951, F.S.; deleting provisions for certain  
143 credits for a greyhound racing permitholder; revising  
144 the tax on handle for live greyhound racing and  
145 intertrack wagering if the host track is a greyhound  
146 racing track; amending s. 550.09512, F.S.; providing  
147 for the revocation of certain harness horse racing  
148 permits; specifying that a revoked permit may not be

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149 reissued; amending s. 550.09514, F.S.; deleting  
150 certain provisions that prohibit tax on handle until a  
151 specified amount of tax savings have resulted;  
152 revising purse requirements of a greyhound racing  
153 permitholder that conducts live racing; amending s.  
154 550.09515, F.S.; providing for the revocation of  
155 certain thoroughbred racing permits; specifying that a  
156 revoked permit may not be reissued; amending s.  
157 550.1625, F.S.; deleting the requirement that a  
158 greyhound racing permitholder pay the breaks tax;  
159 repealing s. 550.1647, F.S., relating to unclaimed  
160 tickets and breaks held by greyhound racing  
161 permitholders; amending s. 550.1648, F.S.; revising  
162 requirements for a greyhound racing permitholder to  
163 provide a greyhound adoption booth at its facility;  
164 requiring sterilization of greyhounds before adoption;  
165 authorizing the fee for such sterilization to be  
166 included in the cost of adoption; defining the term  
167 "bona fide organization that promotes or encourages  
168 the adoption of greyhounds"; creating s. 550.1752,  
169 F.S.; creating the permit reduction program within the  
170 division; providing a purpose for the program;  
171 providing for funding for the program up to a  
172 specified maximum amount; requiring the division to  
173 purchase pari-mutuel permits from permitholders under  
174 certain circumstances; requiring that permitholders  
175 who wish to make an offer to sell meet certain  
176 requirements; requiring the division to adopt a  
177 certain form by rule; requiring that the division

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178 establish the value of a pari-mutuel permit based on  
179 the valuation of one or more independent appraisers;  
180 authorizing the division to establish a value that is  
181 lower than the valuation of the independent appraiser;  
182 requiring the division to accept the offers that best  
183 utilize available funding; requiring the division to  
184 cancel permits that it purchases through the program;  
185 providing for expiration of the program; creating s.  
186 550.1753, F.S.; creating the thoroughbred purse  
187 supplement program within the division; providing a  
188 purpose for the program; providing for funding for the  
189 program; requiring the division to adopt a certain  
190 form by rule; requiring the division to apportion  
191 purse supplement funds in a certain manner; requiring  
192 a thoroughbred permitholder to return any unused  
193 portion of a purse supplement fund under certain  
194 circumstances; authorizing rulemaking; providing for  
195 expiration of the program; creating s. 550.2416, F.S.;  
196 requiring injuries to racing greyhounds to be reported  
197 within a certain timeframe on a form adopted by the  
198 division; requiring such form to be completed and  
199 signed under oath or affirmation by certain  
200 individuals; providing penalties; specifying  
201 information that must be included on the form;  
202 requiring the division to maintain the forms as public  
203 records for a specified time; specifying disciplinary  
204 action that may be taken against a licensee of the  
205 Department of Business and Professional Regulation who  
206 makes false statements on an injury form or who fails

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207 to report an injury; exempting injuries to certain  
208 animals from reporting requirements; requiring the  
209 division to adopt rules; amending s. 550.26165, F.S.;  
210 conforming a cross-reference; amending s. 550.3345,  
211 F.S.; deleting obsolete provisions; revising  
212 requirements for a permit previously converted from a  
213 quarter horse racing permit to a limited thoroughbred  
214 racing permit; amending s. 550.3551, F.S.; deleting a  
215 provision that limits the number of out-of-state races  
216 on which wagers are accepted by a greyhound racing  
217 permitholder; deleting a provision prohibiting a  
218 permitholder from conducting fewer than eight live  
219 races or games under certain circumstances; deleting a  
220 provision requiring certain permitholders to conduct a  
221 full schedule of live racing to receive certain full-  
222 card broadcasts and accept certain wagers; conforming  
223 a cross-reference; amending s. 550.475, F.S.;  
224 prohibiting a permitholder from leasing from certain  
225 pari-mutuel permitholders; amending s. 550.5251, F.S.;  
226 deleting a provision relating to requirements for  
227 thoroughbred permitholders; amending s. 550.615, F.S.;  
228 revising eligibility requirements for certain pari-  
229 mutuel facilities to qualify to receive certain  
230 broadcasts; providing that certain greyhound racing  
231 permitholders are not required to obtain certain  
232 written consent; deleting requirements that intertrack  
233 wagering be conducted between certain permitholders;  
234 deleting a provision prohibiting certain intertrack  
235 wagering in certain counties; specifying conditions

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236 under which greyhound racing permitholders may accept  
237 wagers; amending s. 550.6308, F.S.; revising the  
238 number of days of thoroughbred horse sales required  
239 for an applicant to obtain a limited intertrack  
240 wagering license; revising eligibility requirements  
241 for such licenses; revising requirements for such  
242 wagering; deleting provisions requiring a licensee to  
243 make certain payments to the daily pari-mutuel pool;  
244 amending s. 551.101, F.S.; revising the facilities  
245 that may possess slot machines and conduct slot  
246 machine gaming; deleting certain provisions requiring  
247 a countywide referendum to approve slot machines at  
248 certain facilities; amending s. 551.102, F.S.;

249 revising definitions; amending s. 551.104, F.S.;

250 prohibiting the division from issuing a slot machine  
251 license to certain pari-mutuel permitholders; revising  
252 conditions of licensure and conditions for maintaining  
253 authority to conduct slot machine gaming; exempting a  
254 summer thoroughbred racing permitholder from certain  
255 purse requirements; providing applicability; deleting  
256 a provision prohibiting the division from issuing or  
257 renewing a license for an applicant holding a permit  
258 under ch. 550, F.S., under certain circumstances;

259 providing an expiration for a provision requiring  
260 certain slot machine licensees to remit a certain  
261 amount for the payment of purses on live races;

262 conforming provisions to changes made by the act;

263 creating s. 551.1042, F.S.; prohibiting the transfer  
264 of a slot machine license or relocation of a slot

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265 machine facility; creating s. 551.1043, F.S.;

266 providing legislative findings; authorizing two

267 additional slot machine licenses to be awarded and

268 renewed annually to persons located in specified

269 counties; providing that no more than one license may

270 be awarded in each of those counties; authorizing

271 certain persons to apply for such licenses; providing

272 that certain persons are ineligible to apply for the

273 additional slot machine licenses; providing a license

274 application fee; requiring the deposit of the fee in

275 the Pari-mutuel Wagering Trust Fund; requiring the

276 Division of Pari-mutuel Wagering to award the license

277 to the applicant that best meets the selection

278 criteria; providing selection criteria; requiring the

279 division to complete a certain evaluation by a

280 specified date; specifying grounds for denial of an

281 application; providing that certain protests be

282 forwarded to the Division of Administrative Hearings;

283 providing requirements for appeals; authorizing the

284 Division of Pari-mutuel Wagering to adopt certain

285 emergency rules; authorizing the licensee of the

286 additional slot machine license to operate a cardroom

287 and a specified number of house banked blackjack table

288 games at its facility under certain circumstances;

289 providing that such licensee is subject to specified

290 provisions of ch. 849, F.S., and exempt from specified

291 provisions of chs. 550 and 551, F.S.; creating s.

292 551.1044, F.S.; authorizing blackjack table games at

293 certain pari-mutuel facilities; specifying limits on

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294 wagers; requiring a permitholder that offers banked  
295 blackjack to pay a tax to the state; providing that  
296 such tax is subject to certain provisions of ch. 849,  
297 F.S.; amending s. 551.106, F.S.; deleting obsolete  
298 provisions; revising the tax rate on slot machine  
299 revenues under certain conditions; revising the taxes  
300 to be paid to the division for deposit into the Pari-  
301 mutuel Wagering Trust Fund; requiring certain funds to  
302 be transferred into the Educational Enhancement Trust  
303 Fund and to specified entities; amending s. 551.108,  
304 F.S.; providing applicability; amending s. 551.114,  
305 F.S.; revising the areas where a designated slot  
306 machine gaming area may be located; amending s.  
307 551.116, F.S.; deleting a restriction on the number of  
308 hours per day that slot machine gaming areas may be  
309 open; amending s. 551.121, F.S.; authorizing the  
310 serving of complimentary or reduced-cost alcoholic  
311 beverages to persons playing slot machines;  
312 authorizing the location of an automated teller  
313 machine or similar device within designated slot  
314 machine gaming areas; amending s. 849.086, F.S.;  
315 amending legislative intent; revising definitions;  
316 deleting certain license renewal requirements;  
317 deleting provisions relating to restrictions on hours  
318 of operation; authorizing certain cardroom operators  
319 to offer certain designated player games; requiring  
320 the designated player to be licensed; prohibiting  
321 cardroom operators from serving as the designated  
322 player in a game and from having a financial interest

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323 in a designated player; authorizing a cardroom  
 324 operator to collect a rake, subject to certain  
 325 requirements; requiring the dealer button to be  
 326 rotated under certain circumstances; prohibiting a  
 327 cardroom operator from allowing a designated player to  
 328 pay an opposing player under certain circumstances;  
 329 providing elements of a designated player game;  
 330 revising requirements for a cardroom license to be  
 331 issued or renewed; requiring a certain written  
 332 agreement with a thoroughbred permitholder; providing  
 333 contract requirements for the agreement; conforming  
 334 provisions to changes made by the act; directing the  
 335 Division of Pari-mutuel Wagering to revoke certain  
 336 pari-mutuel permits; specifying that the revoked  
 337 permits may not be reissued; providing a directive to  
 338 the Division of Law Revision and Information;  
 339 providing effective dates; providing a contingent  
 340 effective date.

341

342 Be It Enacted by the Legislature of the State of Florida:

343

344 Section 1. Section 24.103, Florida Statutes, is reordered  
 345 and amended to read:

346 24.103 Definitions.—As used in this act, the term:

347 (1) "Department" means the Department of the Lottery.

348 (6)~~(2)~~ "Secretary" means the secretary of the department.

349 (3) "Person" means any individual, firm, association, joint  
 350 adventure, partnership, estate, trust, syndicate, fiduciary,  
 351 corporation, or other group or combination and includes an ~~shall~~



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352 ~~include any agency or political subdivision of the state.~~

353 (4) "Point-of-sale terminal" means an electronic device  
354 used to process credit card, debit card, or other similar charge  
355 card payments at retail locations which is supported by networks  
356 that enable verification, payment, transfer of funds, and  
357 logging of transactions.

358 (2)~~(4)~~ "Major procurement" means a procurement for a  
359 contract for the printing of tickets for use in any lottery  
360 game, consultation services for the startup of the lottery, any  
361 goods or services involving the official recording for lottery  
362 game play purposes of a player's selections in any lottery game  
363 involving player selections, any goods or services involving the  
364 receiving of a player's selection directly from a player in any  
365 lottery game involving player selections, any goods or services  
366 involving the drawing, determination, or generation of winners  
367 in any lottery game, the security report services provided for  
368 in this act, or any goods and services relating to marketing and  
369 promotion which exceed a value of \$25,000.

370 (5) "Retailer" means a person who sells lottery tickets on  
371 behalf of the department pursuant to a contract.

372 (7)~~(6)~~ "Vendor" means a person who provides or proposes to  
373 provide goods or services to the department, but does not  
374 include an employee of the department, a retailer, or a state  
375 agency.

376 Section 2. Present subsections (19) and (20) of section  
377 24.105, Florida Statutes, are redesignated as subsections (20)  
378 and (21), respectively, and a new subsection (19) is added to  
379 that section, to read:

380 24.105 Powers and duties of department.—The department

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381 shall:

382 (19) Have the authority to create a program that allows a  
383 person who is at least 18 years of age to purchase a lottery  
384 ticket or game at a point-of-sale terminal. The department may  
385 adopt rules to administer the program. Such rules shall include,  
386 but are not limited to, the following:

387 (a) Limiting the dollar amount of lottery tickets or games  
388 that a person may purchase at point-of-sale terminals;

389 (b) Creating a process to enable a customer to restrict or  
390 prevent his or her own access to lottery tickets or games; and

391 (c) Ensuring that the program is administered in a manner  
392 that does not breach the exclusivity provisions of any Indian  
393 gaming compact to which this state is a party.

394 Section 3. Section 24.112, Florida Statutes, is amended to  
395 read:

396 24.112 Retailers of lottery tickets; ~~authorization of~~  
397 ~~vending machines; point-of-sale terminals to dispense lottery~~  
398 ~~tickets.-~~

399 (1) The department shall adopt ~~promulgate~~ rules specifying  
400 the terms and conditions for contracting with retailers who will  
401 best serve the public interest and promote the sale of lottery  
402 tickets.

403 (2) In the selection of retailers, the department shall  
404 consider factors such as financial responsibility, integrity,  
405 reputation, accessibility of the place of business or activity  
406 to the public, security of the premises, the sufficiency of  
407 existing retailers to serve the public convenience, and the  
408 projected volume of the sales for the lottery game involved. In  
409 the consideration of these factors, the department may require

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410 the information it deems necessary of any person applying for  
411 authority to act as a retailer. However, the department may not  
412 establish a limitation upon the number of retailers and shall  
413 make every effort to allow small business participation as  
414 retailers. It is the intent of the Legislature that retailer  
415 selections be based on business considerations and the public  
416 convenience and that retailers be selected without regard to  
417 political affiliation.

418 (3) The department may ~~shall~~ not contract with any person  
419 as a retailer who:

420 (a) Is less than 18 years of age.

421 (b) Is engaged exclusively in the business of selling  
422 lottery tickets; however, this paragraph may ~~shall~~ not preclude  
423 the department from selling lottery tickets.

424 (c) Has been convicted of, or entered a plea of guilty or  
425 nolo contendere to, a felony committed in the preceding 10  
426 years, regardless of adjudication, unless the department  
427 determines that:

428 1. The person has been pardoned or the person's civil  
429 rights have been restored;

430 2. Subsequent to such conviction or entry of plea the  
431 person has engaged in the kind of law-abiding commerce and good  
432 citizenship that would reflect well upon the integrity of the  
433 lottery; or

434 3. If the person is a firm, association, partnership,  
435 trust, corporation, or other entity, the person has terminated  
436 its relationship with the individual whose actions directly  
437 contributed to the person's conviction or entry of plea.

438 (4) The department shall issue a certificate of authority

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439 to each person with whom it contracts as a retailer for purposes  
440 of display pursuant to subsection (6). The issuance of the  
441 certificate may ~~shall~~ not confer upon the retailer any right  
442 apart from that specifically granted in the contract. The  
443 authority to act as a retailer may ~~shall~~ not be assignable or  
444 transferable.

445 (5) A ~~Any~~ contract executed by the department pursuant to  
446 this section shall specify the reasons for any suspension or  
447 termination of the contract by the department, including, but  
448 not limited to:

449 (a) Commission of a violation of this act or rule adopted  
450 pursuant thereto.

451 (b) Failure to accurately account for lottery tickets,  
452 revenues, or prizes as required by the department.

453 (c) Commission of any fraud, deceit, or misrepresentation.

454 (d) Insufficient sale of tickets.

455 (e) Conduct prejudicial to public confidence in the  
456 lottery.

457 (f) Any material change in any matter considered by the  
458 department in executing the contract with the retailer.

459 (6) Each ~~Every~~ retailer shall post and keep conspicuously  
460 displayed in a location on the premises accessible to the public  
461 its certificate of authority and, with respect to each game, a  
462 statement supplied by the department of the estimated odds of  
463 winning a ~~some~~ prize for the game.

464 (7) A ~~No~~ contract with a retailer may not ~~shall~~ authorize  
465 the sale of lottery tickets at more than one location, and a  
466 retailer may sell lottery tickets only at the location stated on  
467 the certificate of authority.

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468 (8) With respect to any retailer whose rental payments for  
469 premises are contractually computed, in whole or in part, on the  
470 basis of a percentage of retail sales, and where such  
471 computation of retail sales is not explicitly defined to include  
472 sales of tickets in a state-operated lottery, the compensation  
473 received by the retailer from the department shall be deemed to  
474 be the amount of the retail sale for the purposes of such  
475 contractual compensation.

476 (9) (a) The department may require each ~~every~~ retailer to  
477 post an appropriate bond as determined by the department, using  
478 an insurance company acceptable to the department, in an amount  
479 not to exceed twice the average lottery ticket sales of the  
480 retailer for the period within which the retailer is required to  
481 remit lottery funds to the department. For the first 90 days of  
482 sales of a new retailer, the amount of the bond may not exceed  
483 twice the average estimated lottery ticket sales for the period  
484 within which the retailer is required to remit lottery funds to  
485 the department. This paragraph does ~~shall~~ not apply to lottery  
486 tickets that ~~which~~ are prepaid by the retailer.

487 (b) In lieu of such bond, the department may purchase  
488 blanket bonds covering all or selected retailers or may allow a  
489 retailer to deposit and maintain with the Chief Financial  
490 Officer securities that are interest bearing or accruing and  
491 that, with the exception of those specified in subparagraphs 1.  
492 and 2., are rated in one of the four highest classifications by  
493 an established nationally recognized investment rating service.  
494 Securities eligible under this paragraph shall be limited to:

495 1. Certificates of deposit issued by solvent banks or  
496 savings associations organized and existing under the laws of

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497 this state or under the laws of the United States and having  
498 their principal place of business in this state.

499 2. United States bonds, notes, and bills for which the full  
500 faith and credit of the government of the United States is  
501 pledged for the payment of principal and interest.

502 3. General obligation bonds and notes of any political  
503 subdivision of the state.

504 4. Corporate bonds of any corporation that is not an  
505 affiliate or subsidiary of the depositor.

506

507 Such securities shall be held in trust and shall have at all  
508 times a market value at least equal to an amount required by the  
509 department.

510 (10) Each ~~Every~~ contract entered into by the department  
511 pursuant to this section shall contain a provision for payment  
512 of liquidated damages to the department for any breach of  
513 contract by the retailer.

514 (11) The department shall establish procedures by which  
515 each retailer shall account for all tickets sold by the retailer  
516 and account for all funds received by the retailer from such  
517 sales. The contract with each retailer shall include provisions  
518 relating to the sale of tickets, payment of moneys to the  
519 department, reports, service charges, and interest and  
520 penalties, if necessary, as the department shall deem  
521 appropriate.

522 (12) ~~No~~ Payment by a retailer to the department for tickets  
523 may not shall be in cash. All such payments shall be in the form  
524 of a check, bank draft, electronic fund transfer, or other  
525 financial instrument authorized by the secretary.

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526 (13) Each retailer shall provide accessibility for disabled  
527 persons on habitable grade levels. This subsection does not  
528 apply to a retail location that ~~which~~ has an entrance door  
529 threshold more than 12 inches above ground level. As used in  
530 ~~herein and for purposes of~~ this subsection only, the term  
531 "accessibility for disabled persons on habitable grade levels"  
532 means that retailers shall provide ramps, platforms, aisles and  
533 pathway widths, turnaround areas, and parking spaces to the  
534 extent these are required for the retailer's premises by the  
535 particular jurisdiction where the retailer is located.  
536 Accessibility shall be required to only one point of sale of  
537 lottery tickets for each lottery retailer location. The  
538 requirements of this subsection shall be deemed to have been met  
539 if, in lieu of the foregoing, disabled persons can purchase  
540 tickets from the retail location by means of a drive-up window,  
541 provided the hours of access at the drive-up window are not less  
542 than those provided at any other entrance at that lottery  
543 retailer location. Inspections for compliance with this  
544 subsection shall be performed by those enforcement authorities  
545 responsible for enforcement pursuant to s. 553.80 in accordance  
546 with procedures established by those authorities. Those  
547 enforcement authorities shall provide to the Department of the  
548 Lottery a certification of noncompliance for any lottery  
549 retailer not meeting such requirements.

550 (14) The secretary may, after filing with the Department of  
551 State his or her manual signature certified by the secretary  
552 under oath, execute or cause to be executed contracts between  
553 the department and retailers by means of engraving, imprinting,  
554 stamping, or other facsimile signature.

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555 (15) A vending machine may be used to dispense online  
556 lottery tickets, instant lottery tickets, or both online and  
557 instant lottery tickets.

558 (a) The vending machine must:

559 1. Dispense a lottery ticket after a purchaser inserts a  
560 coin or currency in the machine.

561 2. Be capable of being electronically deactivated for a  
562 period of 5 minutes or more.

563 3. Be designed to prevent its use for any purpose other  
564 than dispensing a lottery ticket.

565 (b) In order to be authorized to use a vending machine to  
566 dispense lottery tickets, a retailer must:

567 1. Locate the vending machine in the retailer's direct line  
568 of sight to ensure that purchases are only made by persons at  
569 least 18 years of age.

570 2. Ensure that at least one employee is on duty when the  
571 vending machine is available for use. However, if the retailer  
572 has previously violated s. 24.1055, at least two employees must  
573 be on duty when the vending machine is available for use.

574 (c) A vending machine that dispenses a lottery ticket may  
575 dispense change to a purchaser but may not be used to redeem any  
576 type of winning lottery ticket.

577 (d) The vending machine, or any machine or device linked to  
578 the vending machine, may not include or make use of video reels  
579 or mechanical reels or other video depictions of slot machine or  
580 casino game themes or titles for game play. This does not  
581 preclude the use of casino game themes or titles on such tickets  
582 or signage or advertising displays on the machines.

583 (16) The department, a retailer operating from one or more



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584 locations, or a vendor approved by the department may use a  
585 point-of-sale terminal to facilitate the sale of a lottery  
586 ticket or game.

587 (a) A point-of-sale terminal must:

588 1. Dispense a paper lottery ticket with numbers selected by  
589 the purchaser or selected randomly by the machine after the  
590 purchaser uses a credit card, debit card, or other similar  
591 charge card issued by a bank, savings association, credit union,  
592 or charge card company or issued by a retailer pursuant to part  
593 II of chapter 520 for payment;

594 2. Recognize a valid driver license or use another age  
595 verification process approved by the department to ensure that  
596 only persons at least 18 years of age may purchase a lottery  
597 ticket or game;

598 3. Process a lottery transaction through a platform that is  
599 certified or otherwise approved by the department; and

600 4. Be in compliance with all applicable department  
601 requirements related to the lottery ticket or game offered for  
602 sale.

603 (b) A point-of-sale terminal does not reveal winning  
604 numbers, which are selected at a subsequent time and different  
605 location through a drawing by the state lottery.

606 (c) A point-of-sale terminal, or any machine or device  
607 linked to the point-of-sale terminal, may not include or make  
608 use of video reels or mechanical reels or other video depictions  
609 of slot machine or casino game themes or titles for game play.  
610 This does not preclude the use of casino game themes or titles  
611 on a lottery ticket or game or on the signage or advertising  
612 displays on the terminal.

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613 (d) A point-of-sale terminal may not be used to redeem a  
614 winning ticket.

615 Section 4. Effective upon becoming a law, paragraph (a) of  
616 subsection (1) and subsection (3) of section 285.710, Florida  
617 Statutes, are amended, present subsections (4) through (14) of  
618 that section are redesignated as subsections (5) through (15),  
619 respectively, and a new subsection (4) is added to that section,  
620 to read:

621 285.710 Compact authorization.—

622 (1) As used in this section, the term:

623 (a) "Compact" means the Gaming Compact between the Seminole  
624 Tribe of Florida and the State of Florida, ~~executed on April 7,~~  
625 ~~2010.~~

626 (3) ~~(a) A~~ The gaming compact between the Seminole Tribe of  
627 Florida and the State of Florida, executed by the Governor and  
628 the Tribe on April 7, 2010, was ~~is~~ ratified and approved by  
629 chapter 2010-29, Laws of Florida. ~~The Governor shall cooperate~~  
630 ~~with the Tribe in seeking approval of the compact from the~~  
631 ~~United States Secretary of the Interior.~~

632 (b) The Gaming Compact between the Seminole Tribe of  
633 Florida and the State of Florida, which was executed by the  
634 Governor and the Tribe on December 7, 2015, shall be deemed  
635 ratified and approved only if amended as specified in subsection  
636 (4).

637 (c) Upon approval or deemed approval by the United States  
638 Department of Interior and publication in the Federal Register,  
639 the amended Gaming Compact supersedes the gaming compact  
640 ratified and approved by chapter 2010-29, Laws of Florida. The  
641 Governor shall cooperate with the Tribe in seeking approval of

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642 the amended Gaming Compact from the United States Secretary of  
643 the Interior. The Secretary of the Department of Business and  
644 Professional Regulation is directed to notify in writing the  
645 Governor, the President of the Senate, the Speaker of the House  
646 of Representatives, and the Division of Law Revision and  
647 Information of the effective date of the compact, amended as  
648 required by this act, which has been published in the Federal  
649 Register by the Department of the Interior within 5 days after  
650 such publication.

651 (4) The compact executed on December 7, 2015, shall be  
652 amended by an agreement between the Governor and the Tribe to:

653 (a) Become effective after it is approved as a tribal-state  
654 compact within the meaning of the Indian Gaming Regulatory Act  
655 by action of the United States Secretary of the Interior or by  
656 operation of law under 25 U.S.C. s. 2710(d)(8), and upon  
657 publication of a notice of approval in the Federal Register  
658 under 25 U.S.C. s. 2710(d)(8)(D).

659 (b) Require that the State of Florida and the Tribe  
660 dismiss, with prejudice, any and all pending motions for  
661 rehearing or any pending appeals arising from State of Florida  
662 v. Seminole Tribe of Florida (Consolidated Case No. 4:15cv516-  
663 RH/CAS; United States District Court in and for the Northern  
664 District of Florida); and

665 (c) Incorporate the following exceptions to the exclusivity  
666 provided to the Tribe under the gaming compact executed on  
667 December 7, 2015:

668 1. Point-of-sale lottery ticket sales are permitted in  
669 accordance with chapter 24, Florida Statutes, as amended by this  
670 act;

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- 671       2. Fantasy contests conducted in accordance with ss.  
672 546.11-546.18, as created by this act;
- 673       3. Slot machines operated in accordance with chapter 551,  
674 Florida Statutes, as amended by this act;
- 675       4. The game of blackjack conducted at cardrooms, in  
676 accordance with chapter 849, Florida Statutes, as amended by  
677 this act;
- 678       5. Designated player games of poker conducted at cardrooms  
679 in accordance with chapter 849, Florida Statutes, as amended by  
680 this act, and in compliance with Rule Chapter 61D-11, Florida  
681 Administrative Code;
- 682       6. Those activities claimed to be violations of the gaming  
683 compact between the Seminole Tribe of Florida and the State of  
684 Florida, executed by the Governor and the Tribe on April 7,  
685 2010, in the legal actions consolidated and heard in State of  
686 Florida v. Seminole Tribe of Florida (Consolidated Case No.  
687 4:15cv516-RH/CAS; United States District Court in and for the  
688 Northern District of Florida); and
- 689       7. All activities authorized and conducted pursuant to  
690 Florida law, as amended by this act.

691

692 The incorporation of all such provisions shall not impact or  
693 change the payments required to the State under Part XI. of the  
694 compact.

695       Section 5. Subsection (14) of section 285.710, Florida  
696 Statutes, as amended by this act, is amended to read:

697       285.710 Compact authorization.—

698       (14) For the purpose of satisfying the requirement in 25  
699 U.S.C. s. 2710(d)(1)(B) that the gaming activities authorized

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700 under an Indian gaming compact must be permitted in the state  
 701 for any purpose by any person, organization, or entity, the  
 702 following class III games or other games specified in this  
 703 section are hereby authorized to be conducted by the Tribe  
 704 pursuant to the compact:

705 (a) Slot machines, as defined in s. 551.102(8).

706 (b) Banking or banked card games, including baccarat,  
 707 chemin de fer, and blackjack or 21 ~~at the tribal facilities in~~  
 708 ~~Broward County, Collier County, and Hillsborough County.~~

709 (c) Dice games, such as craps and sic-bo.

710 (d) Wheel games, such as roulette and big six.

711 (e) ~~(e)~~ Raffles and drawings.

712 Section 6. Subsection (4) of section 285.712, Florida  
 713 Statutes, is amended to read:

714 285.712 Tribal-state gaming compacts.—

715 (4) Upon receipt of an act ratifying a tribal-state  
 716 compact, the Secretary of State shall forward a copy of the  
 717 executed compact and the ratifying act to the United States  
 718 Secretary of the Interior for his or her review and approval, in  
 719 accordance with 25 U.S.C. s. 2710(d)(8) ~~s. 2710(8)(d)~~.

720 Section 7. Section 546.11, Florida Statutes, is created to  
 721 read:

722 546.11 Short title.—Sections 546.11-546.18 may be cited as  
 723 the "Fantasy Contest Amusement Act."

724 Section 8. Section 546.12, Florida Statutes, is created to  
 725 read:

726 546.12. Legislative intent.—It is the intent of the  
 727 Legislature to ensure public confidence in the integrity of  
 728 fantasy contests and fantasy contest operators. This act is

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729 designed to strictly regulate the operators of fantasy contests  
730 and individuals who participate in such contests and to adopt  
731 consumer protections related to fantasy contests. Furthermore,  
732 the Legislature finds that fantasy contests, as that term is  
733 defined in s. 546.13, involve the skill of contest participants.

734 Section 9. Section 546.13, Florida Statutes, is created to  
735 read:

736 546.13 Definitions.—As used in ss. 546.11-546.18, the term:

737 (1) "Confidential information" means information related to  
738 the playing of fantasy contests by contest participants which is  
739 obtained solely as a result of a person's employment with, or  
740 work as an agent of, a contest operator.

741 (2) "Contest operator" means a person or entity that offers  
742 fantasy contests for a cash prize to members of the public.

743 (3) "Contest participant" means a person who pays an entry  
744 fee for the ability to participate in a fantasy contest offered  
745 by a contest operator.

746 (4) "Entry fee" means the cash or cash equivalent amount  
747 that is required to be paid by a person to a contest operator to  
748 participate in a fantasy contest.

749 (5) "Fantasy contest" means a fantasy or simulation sports  
750 game or contest offered by a contest operator or a noncommercial  
751 contest operator in which a contest participant manages a  
752 fantasy or simulation sports team composed of athletes from an  
753 amateur or professional sports organization and which meets the  
754 following conditions:

755 (a) All prizes and awards offered to winning contest  
756 participants are established and made known to the contest  
757 participants in advance of the game or contest and their value

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758 is not determined by the number of contest participants or the  
759 amount of any fees paid by those contest participants.

760 (b) All winning outcomes reflect the relative knowledge and  
761 skill of the contest participants and are determined  
762 predominantly by accumulated statistical results of the  
763 performance of the athletes participating in multiple real-world  
764 sporting or other events. However, a winning outcome may not be  
765 based:

766 1. On the score, point spread, or any performance or  
767 performances of a single real-world team or any combination of  
768 such teams;

769 2. Solely on any single performance of an individual  
770 athlete in a single real-world sporting or other event; or

771 3. On a live pari-mutuel event, as the term "pari-mutuel"  
772 is defined in s. 550.002.

773 (6) "Noncommercial contest operator" means a person who  
774 organizes and conducts a fantasy contest in which contest  
775 participants are charged entry fees for the right to  
776 participate; entry fees are collected, maintained, and  
777 distributed by the same person; and all entry fees are returned  
778 to the contest participants in the form of prizes.

779 (7) "Office" means the Office of Amusements created in s.  
780 546.14.

781 Section 10. Section 546.14, Florida Statutes is created to  
782 read:

783 546.14 Office of amusements.-

784 (1) The Office of Amusements is created within the  
785 Department of Business and Professional Regulation. The office  
786 shall operate under the supervision of a senior manager exempt

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787 under s. 110.205 in the Senior Management Service appointed by  
788 the Secretary of Business and Professional Regulation.

789 (2) The duties of the office include, but are not limited  
790 to, administering and enforcing this act and any rules adopted  
791 pursuant to this act and any other duties authorized by the  
792 secretary. The office may work with department personnel as  
793 needed to assist in fulfilling its duties.

794 (3) The office may:

795 (a) Conduct investigations and monitor the operation and  
796 play of fantasy contests.

797 (b) Review the books, accounts, and records of any current  
798 or former contest operator.

799 (c) Suspend or revoke any license, after a hearing, for any  
800 violation of state law or rule.

801 (d) Take testimony, issue summons and subpoenas for any  
802 witness, and issue subpoenas duces tecum in connection with any  
803 matter within its jurisdiction.

804 (e) Monitor and ensure the proper collection and  
805 safeguarding of entry fees and the payment of contest prizes in  
806 accordance with consumer protection procedures adopted pursuant  
807 to s. 546.16.

808 (4) The office may adopt rules to implement and administer  
809 this act.

810 Section 11. Section 546.15, Florida Statutes, is created to  
811 read:

812 546.15 Licensing.—

813 (1) A contest operator that offers fantasy contests for  
814 play by persons in this state must be licensed by the office to  
815 conduct fantasy contests within this state. The initial license



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816 application fee is \$500,000, and the annual license renewal fee  
817 is \$100,000; however, the respective fees may not exceed 10  
818 percent of the amount of entry fees collected by a contest  
819 operator from the operation of fantasy contests in this state,  
820 less the amount of cash or cash equivalents paid to contest  
821 participants. The office shall require the contest operator to  
822 provide written evidence of the proposed amount of entry fees  
823 and cash or cash equivalents to be paid to contest participants  
824 during the annual license period. Before renewing a license, the  
825 contest operator shall provide written evidence to the office of  
826 the actual entry fees collected and cash or cash equivalents  
827 paid to contest participants during the previous period of  
828 licensure. The contest operator shall remit to the office any  
829 difference in license fee which results from the difference  
830 between the proposed amount of entry fees and cash or cash  
831 equivalents paid to contest participants and the actual amounts  
832 collected and paid.

833 (2) The office shall grant or deny a completed application  
834 within 120 days after receipt. A completed application that is  
835 not acted upon by the office within 120 days after receipt is  
836 deemed approved, and the office shall issue the license.  
837 Applications for a contest operator's license are exempt from  
838 the 90-day licensure timeframe imposed in s. 120.60(1).

839 (3) The application must include:

840 (a) The full name of the applicant.

841 (b) If the applicant is a corporation, the name of the  
842 state in which the applicant is incorporated and the names and  
843 addresses of the officers, directors, and shareholders who hold  
844 5 percent or more equity.

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845 (c) If the applicant is a business entity other than a  
846 corporation, the names and addresses of the principals,  
847 partners, or shareholders who hold 5 percent or more equity.

848 (d) The names and addresses of the ultimate equitable  
849 owners of the corporation or other business entity, if different  
850 from those provided under paragraphs (b) and (c), unless the  
851 securities of the corporation or entity are registered pursuant  
852 to s. 12 of the Securities Exchange Act of 1934, 15 U.S.C. ss.  
853 78a-78kk, and:

854 1. The corporation or entity files with the United States  
855 Securities and Exchange Commission the reports required by s. 13  
856 of that act; or

857 2. The securities of the corporation or entity are  
858 regularly traded on an established securities market in the  
859 United States.

860 (e) The estimated number of fantasy contests to be  
861 conducted by the applicant annually.

862 (f) A statement of the assets and liabilities of the  
863 applicant.

864 (g) If required by the office, the names and addresses of  
865 the officers and directors of any debtor of the applicant and of  
866 stockholders who hold more than 10 percent of the stock of the  
867 debtor.

868 (h) For each individual listed in the application as an  
869 officer or director, a complete set of fingerprints taken by an  
870 authorized law enforcement officer. The office shall submit such  
871 fingerprints to the Federal Bureau of Investigation for national  
872 processing. A foreign national shall submit such documents as  
873 necessary to allow the office to conduct criminal history

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874 records checks in the individual's home country. The applicant  
875 must pay the full cost of processing fingerprints and required  
876 documentation. The office also may charge a \$2 handling fee for  
877 each set of fingerprints submitted.

878 (4) A person or entity is not eligible for licensure as a  
879 contest operator or for licensure renewal if the person or an  
880 officer or director of the entity is determined by the office,  
881 after investigation, not to be of good moral character or is  
882 found to have been convicted of a felony in this state, any  
883 offense in another jurisdiction which would be considered a  
884 felony if committed in this state, or a felony under the laws of  
885 the United States. As used in this subsection, the term  
886 "convicted" means having been found guilty, with or without  
887 adjudication of guilt, as a result of a jury verdict, nonjury  
888 trial, or entry of a plea of guilty or nolo contendere.

889 (5) The contest operator shall provide evidence of a surety  
890 bond in the amount of \$1 million, payable to the state,  
891 furnished by a corporate surety authorized to do business. The  
892 surety bond shall be kept in full force and effect by the  
893 contest operator during the term of the license and any renewal  
894 thereof. The office shall adopt by rule the form required for  
895 such surety bond.

896 (6) The office may suspend, revoke, or deny the license of  
897 a contest operator who fails to comply with this act or rules  
898 adopted pursuant thereto.

899 Section 12. Section 546.16, Florida Statutes, is created to  
900 read:

901 546.16 Consumer protection.—

902 (1) A contest operator that charges an entry fee to contest

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903 participants shall implement procedures for fantasy contests  
904 which:

905 (a) Prevent employees of the contest operator, and  
906 relatives living in the same household as such employees, from  
907 competing in a fantasy contest in which a cash prize is awarded.

908 (b) Prohibit the contest operator from being a contest  
909 participant in a fantasy contest that he or she offers.

910 (c) Prevent employees or agents of the contest operator  
911 from sharing with a third party confidential information that  
912 could affect fantasy contest play until the information has been  
913 made publicly available.

914 (d) Verify that contest participants are 18 years of age or  
915 older.

916 (e) Restrict an individual who is a player, a game  
917 official, or another participant in a real-world game or  
918 competition from participating in a fantasy contest that is  
919 determined, in whole or in part, on the performance of that  
920 individual, the individual's real-world team, or the accumulated  
921 statistical results of the sport or competition in which he or  
922 she is a player, game official, or other participant.

923 (f) Allow individuals to restrict or prevent their own  
924 access to such a fantasy contest and take reasonable steps to  
925 prevent those individuals from entering a fantasy contest.

926 (g) Limit the number of entries a single contest  
927 participant may submit to each fantasy contest and take  
928 reasonable steps to prevent participants from submitting more  
929 than the allowable number of entries.

930 (h) Segregate contest participants' funds from operational  
931 funds and maintain a reserve in the form of cash, cash

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932 equivalents, an irrevocable letter of credit, a bond, or a  
933 combination thereof in the total amount of deposits in contest  
934 participants' accounts for the benefit and protection of  
935 authorized contest participants' funds held in fantasy contest  
936 accounts.

937 (2) A contest operator that offers fantasy contests in this  
938 state which require contest participants to pay an entry fee  
939 shall annually contract with a third party to perform an  
940 independent audit, consistent with the standards established by  
941 the Public Company Accounting Oversight Board, to ensure  
942 compliance with this act. The contest operator shall submit the  
943 results of the independent audit to the office.

944 Section 13. Section 546.17, Florida Statutes is created to  
945 read:

946 546.17 Records and reports.-

947 (1) Each contest operator shall keep and maintain daily  
948 records of its operations and shall maintain such records for at  
949 least 3 years. The records must sufficiently detail all  
950 financial transactions to determine compliance with the  
951 requirements of this section and must be available for audit and  
952 inspection by the office or other law enforcement agencies  
953 during the contest operator's regular business hours. The office  
954 shall adopt rules to implement this subsection.

955 (2) Each contest operator shall file quarterly with the  
956 office a report that includes the required records and any  
957 additional information deemed necessary by the office. The  
958 report shall be submitted on forms prescribed by the office and  
959 is deemed public records once filed.

960 Section 14. Section 546.18, Florida Statutes, is created to

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961 read:

962 546.18 Penalties; applicability; exemption.-

963 (1) (a) A contest operator, or an employee or agent thereof,  
964 who violates this act is subject to a civil penalty, not to  
965 exceed \$5,000 for each violation and not to exceed \$100,000 in  
966 the aggregate, which shall accrue to the state. An action to  
967 recover such penalties may be brought by the office or the  
968 Department of Legal Affairs in the circuit courts in the name  
969 and on behalf of the state.

970 (b) The penalty provisions established in this subsection  
971 do not apply to a contest operator who applies for a license  
972 within 90 days after the effective date of this section and  
973 receives a license within 240 days after the effective date of  
974 this section.

975 (2) Fantasy contests conducted by a contest operator or  
976 noncommercial contest operator in accordance with this act are  
977 not subject to s. 849.01, s. 849.08, s. 849.09, s. 849.11, s.  
978 849.14, or s. 849.25.

979 Section 15. The Division of Law Revision and Information is  
980 directed to replace the phrase "the effective date of this  
981 section" wherever it occurs in s. 546.18, Florida Statutes, with  
982 the date that section becomes effective. This section is  
983 effective upon becoming a law.

984 Section 16. Subsection (11) of section 550.002, Florida  
985 Statutes, is amended to read:

986 550.002 Definitions.—As used in this chapter, the term:

987 (11) (a) "Full schedule of live racing or games" means: ~~r~~

988 1. For a greyhound racing permitholder or jai alai  
989 permitholder, the conduct of a combination of at least 100 live

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990 ~~evening or matinee performances during the preceding year.~~† for  
 991 ~~a permitholder who has a converted permit or filed an~~  
 992 ~~application on or before June 1, 1990, for a converted permit,~~  
 993 ~~the conduct of a combination of at least 100 live evening and~~  
 994 ~~matinee wagering performances during either of the 2 preceding~~  
 995 ~~years;~~

996 2. For a jai alai permitholder ~~that~~ who does not possess a  
 997 operate slot machine license machines in its pari-mutuel  
 998 facility, ~~who~~ has conducted at least 100 live performances per  
 999 year for at least 10 years after December 31, 1992, and has had  
 1000 ~~whose~~ handle on live jai alai games conducted at its pari-mutuel  
 1001 facility which was ~~has been~~ less than \$4 million per state  
 1002 fiscal year for at least 2 consecutive years after June 30,  
 1003 1992, the conduct of ~~a combination of~~ at least 40 live evening  
 1004 ~~or matinee~~ performances during the preceding year.†

1005 3. For a jai alai permitholder that possesses a ~~who~~  
 1006 operates slot machine license machines in its pari-mutuel  
 1007 facility, the conduct of ~~a combination of~~ at least 150  
 1008 performances during the preceding year.†

1009 4. For a summer jai alai permitholder that does not possess  
 1010 a slot machine license, the conduct of at least 58 live  
 1011 performances during the preceding year, unless the permitholder  
 1012 meets the requirements of subparagraph 2.

1013 5. For a harness horse racing permitholder, the conduct of  
 1014 at least 100 live regular wagering performances during the  
 1015 preceding year.†

1016 6. For a quarter horse racing permitholder at its facility,  
 1017 unless an alternative schedule of at least 20 live regular  
 1018 wagering performances each year is agreed upon by the

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1019 permitholder and either the Florida Quarter Horse Racing  
1020 Association or the horsemen ~~horsemen's~~ association representing  
1021 the majority of the quarter horse owners and trainers at the  
1022 facility and filed ~~with the division along~~ with its annual  
1023 operating license ~~date~~ application. ~~;~~

1024 a. In the 2010-2011 fiscal year, the conduct of at least 20  
1025 regular wagering performances. ~~;~~

1026 b. In the 2011-2012 and 2012-2013 fiscal years, the conduct  
1027 of at least 30 live regular wagering performances. ~~;~~ and

1028 c. For every fiscal year after the 2012-2013 fiscal year,  
1029 the conduct of at least 40 live regular wagering performances. ~~;~~

1030 7. For a quarter horse racing permitholder leasing another  
1031 licensed racetrack, the conduct of 160 events at the leased  
1032 facility during the preceding year. ~~;~~ and

1033 8. For a thoroughbred racing permitholder, the conduct of  
1034 at least 40 live regular wagering performances during the  
1035 preceding year.

1036 ~~(b) For a permitholder which is restricted by statute to~~  
1037 ~~certain operating periods within the year when other members of~~  
1038 ~~its same class of permit are authorized to operate throughout~~  
1039 ~~the year, the specified number of live performances which~~  
1040 ~~constitute a full schedule of live racing or games shall be~~  
1041 ~~adjusted pro rata in accordance with the relationship between~~  
1042 ~~its authorized operating period and the full calendar year and~~  
1043 ~~the resulting specified number of live performances shall~~  
1044 ~~constitute the full schedule of live games for such permitholder~~  
1045 ~~and all other permitholders of the same class within 100 air~~  
1046 ~~miles of such permitholder. A live performance must consist of~~  
1047 no fewer than eight races or games conducted live for each of a



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1048 minimum of three performances each week at the permit holder's  
 1049 licensed facility under a single admission charge.

1050 Section 17. Subsections (1), (3), and (6) of section  
 1051 550.01215, Florida Statutes, are amended to read:

1052 550.01215 License application; periods of operation; bond,  
 1053 conversion of permit.—

1054 (1) Each permit holder shall annually, during the period  
 1055 between December 15 and January 4, file in writing with the  
 1056 division its application for an operating a license to conduct  
 1057 pari-mutuel wagering during the next fiscal year, including  
 1058 intertrack and simulcast race wagering for greyhound racing  
 1059 permit holders, jai alai permit holders, harness horse racing  
 1060 permit holders, quarter horse racing permit holders, and  
 1061 thoroughbred horse racing permit holders that do not ~~to~~ conduct  
 1062 live performances during the next state fiscal year. Each  
 1063 application for live performances must ~~shall~~ specify the number,  
 1064 dates, and starting times of all live performances that ~~which~~  
 1065 the permit holder intends to conduct. It must ~~shall~~ also specify  
 1066 which performances will be conducted as charity or scholarship  
 1067 performances.

1068 (a) ~~In addition,~~ Each application for an operating a  
 1069 license also must ~~shall~~ include:r

1070 1. For each permit holder, whether the permit holder intends  
 1071 to accept wagers on broadcast events.

1072 2. For each permit holder that elects ~~which elects~~ to  
 1073 operate a cardroom, the dates and periods of operation the  
 1074 permit holder intends to operate the cardroom. ~~or,~~

1075 3. For each thoroughbred racing permit holder that ~~which~~  
 1076 elects to receive or rebroadcast out-of-state races after 7

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1077 p.m., the dates for all performances which the permit holder  
1078 intends to conduct.

1079 (b) A greyhound racing permit holder that conducted a full  
1080 schedule of live racing for a period of at least 10 consecutive  
1081 state fiscal years after the 1996-1997 state fiscal year, or  
1082 that converted its permit to a permit to conduct greyhound  
1083 racing after the 1996-1997 state fiscal year, may specify in its  
1084 application for an operating license that it does not intend to  
1085 conduct live racing, or that it intends to conduct less than a  
1086 full schedule of live racing, in the next state fiscal year. A  
1087 greyhound racing permit holder may receive an operating license  
1088 to conduct pari-mutuel wagering activities at another  
1089 permit holder's greyhound racing facility pursuant to s. 550.475.

1090 (c)1. A thoroughbred horse racing permit holder that has  
1091 conducted live racing for at least 5 years and has had an  
1092 average annual handle of less than \$5 million on the conduct of  
1093 live racing in the last 2 state fiscal years may elect not to  
1094 conduct live racing, if such election is made within 30 days  
1095 after the effective date of this act. A thoroughbred horse  
1096 racing permit holder that made such election may retain such  
1097 permit and must specify in future applications for an operating  
1098 license that it does not intend to conduct live racing.

1099 2. If a thoroughbred horse racing permit holder made such  
1100 election and if such permit holder held a slot machine license  
1101 when such election was made, the facility where such permit is  
1102 located:

1103 a. Remains an eligible facility pursuant to s. 551.102(4),  
1104 and continues to be eligible for a slot machine license;

1105 b. Is exempt from ss. 550.5251, 550.334(8), 551.104(3) and

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1106 (4) (c), and 551.114(2) and (4);

1107 c. Is eligible, but not required, to be a guest track for  
1108 purposes of intertrack wagering and interstate simulcast; and

1109 d. Remains eligible for a cardroom license, notwithstanding  
1110 any requirement for the conduct of live racing pursuant to s.  
1111 849.086.

1112 3. A thoroughbred horse racing permitholder that makes such  
1113 election shall comply with all contracts regarding contributions  
1114 by such permitholder to thoroughbred horse purse supplements or  
1115 breeders' awards entered into before the effective date of this  
1116 act. This subparagraph expires December 31, 2020.

1117 (d) Any harness racing permitholder and any quarter horse  
1118 racing permitholder that has held an operating license for at  
1119 least 5 years and a cardroom license for at least 2 years is  
1120 exempt from the live racing requirements of this subsection and  
1121 may specify in its annual application for an operating license  
1122 that it does not intend to conduct live racing, or that it  
1123 intends to conduct less than a full schedule of live racing, in  
1124 the next state fiscal year.

1125 (e) A jai alai permitholder that has held an operating  
1126 license for at least 5 years is exempt from the live jai alai  
1127 requirements of this subsection and may specify in its annual  
1128 application for an operating license that it does not intend to  
1129 conduct live jai alai, or that it intends to conduct less than a  
1130 full schedule of live jai alai, in the next state fiscal year.

1131 (f) Permitholders ~~may~~ shall be entitled to amend their  
1132 applications through February 28.

1133 (3) The division shall issue each license no later than  
1134 March 15. Each permitholder shall operate all performances at

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1135 the date and time specified on its license. The division shall  
1136 have the authority to approve minor changes in racing dates  
1137 after a license has been issued. The division may approve  
1138 changes in racing dates after a license has been issued when  
1139 there is no objection from any operating permitholder located  
1140 within 50 miles of the permitholder requesting the changes in  
1141 operating dates. In the event of an objection, the division  
1142 shall approve or disapprove the change in operating dates based  
1143 upon the impact on operating permitholders located within 50  
1144 miles of the permitholder requesting the change in operating  
1145 dates. In making the determination to change racing dates, the  
1146 division shall take into consideration the impact of such  
1147 changes on state revenues. Notwithstanding any other provision  
1148 of law, and for the 2017-2018 fiscal year only, the division may  
1149 approve changes in racing dates for permitholders if the request  
1150 for such changes is received before August 31, 2017.

1151 (6) A summer jai alai permitholder may apply for an  
1152 operating license to operate a jai alai fronton only during the  
1153 summer season beginning May 1 and ending November 30 of each  
1154 year on such dates as may be selected by the permitholder. Such  
1155 permitholder is subject to the same taxes, rules, and provisions  
1156 of this chapter which apply to the operation of winter jai alai  
1157 frontons. A summer jai alai permitholder is not eligible for  
1158 licensure to conduct a cardroom or operate a slot machine  
1159 facility. A summer jai alai permitholder and a winter jai alai  
1160 permitholder may not operate on the same days or in competition  
1161 with each other. This subsection does not prevent a summer jai  
1162 alai licensee from leasing the facilities of a winter jai alai  
1163 licensee for the operation of a summer meet ~~Any permit which was~~

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1164 ~~converted from a jai alai permit to a greyhound permit may be~~  
1165 ~~converted to a jai alai permit at any time if the permitholder~~  
1166 ~~never conducted greyhound racing or if the permitholder has not~~  
1167 ~~conducted greyhound racing for a period of 12 consecutive~~  
1168 ~~months.~~

1169 Section 18. Subsection (1) of section 550.0251, Florida  
1170 Statutes, is amended to read:

1171 550.0251 The powers and duties of the Division of Pari-  
1172 mutuel Wagering of the Department of Business and Professional  
1173 Regulation.—The division shall administer this chapter and  
1174 regulate the pari-mutuel industry under this chapter and the  
1175 rules adopted pursuant thereto, and:

1176 (1) The division shall make an annual report for the prior  
1177 fiscal year to the Governor, the President of the Senate, and  
1178 the Speaker of the House of Representatives. The report shall  
1179 include, at a minimum:

1180 (a) Recent events in the gaming industry, including pending  
1181 litigation involving permitholders; pending permitholder,  
1182 facility, cardroom, slot, or operating license applications; and  
1183 new and pending rules.

1184 (b) Actions of the department relating to the  
1185 implementation and administration of this chapter, and chapters  
1186 551 and 849.

1187 (c) The state revenues and expenses associated with each  
1188 form of authorized gaming. Revenues and expenses associated with  
1189 pari-mutuel wagering must be further delineated by the class of  
1190 license.

1191 (d) The performance of each pari-mutuel wagering licensee,  
1192 cardroom licensee, and slot machine licensee.

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1193 (e) A summary of disciplinary actions taken by the  
1194 department.

1195 (f) Any suggestions to more effectively achieve ~~showing its~~  
1196 ~~own actions, receipts derived under the provisions of this~~  
1197 ~~chapter, the practical effects of the application of this~~  
1198 ~~chapter, and any suggestions it may approve for the more~~  
1199 ~~effectual accomplishments of the purposes of this chapter.~~

1200 Section 19. Paragraph (b) of subsection (9) of section  
1201 550.054, Florida Statutes, is amended, and paragraphs (c)  
1202 through (g) are added to that subsection, and paragraph (a) of  
1203 subsection (11) and subsections (13) and (14) of that section  
1204 are amended, to read:

1205 550.054 Application for permit to conduct pari-mutuel  
1206 wagering.—

1207 (9)

1208 (b) The division may revoke or suspend any permit or  
1209 license issued under this chapter upon a ~~the~~ willful violation  
1210 by the permitholder or licensee ~~of any provision~~ of this  
1211 chapter, chapter 551, chapter 849, or rules ~~of any rule~~ adopted  
1212 pursuant thereto ~~under this chapter.~~ With the exception of the  
1213 revocation of permits required in paragraphs (c), (d), (f), and  
1214 (g), ~~In lieu of suspending or revoking a permit or license,~~ the  
1215 division may, in lieu of suspending or revoking a permit or  
1216 license, impose a civil penalty against the permitholder or  
1217 licensee for a violation of this chapter, chapter 551, chapter  
1218 849, or rules adopted pursuant thereto ~~any rule adopted by the~~  
1219 ~~division.~~ The penalty so imposed may not exceed \$1,000 for each  
1220 count or separate offense. All penalties imposed and collected  
1221 must be deposited with the Chief Financial Officer to the credit

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1222 of the General Revenue Fund.

1223 (c) Unless a failure to obtain an operating license and to  
1224 operate was the direct result of fire, strike, war, or other  
1225 disaster or event beyond the permitholder's control, the  
1226 division shall revoke the permit of any permitholder that has  
1227 not obtained an operating license in accordance with s.  
1228 550.01215 for a period of more than 24 consecutive months after  
1229 June 30, 2012. The division shall revoke the permit upon  
1230 adequate notice to the permitholder. Financial hardship to the  
1231 permitholder does not, in and of itself, constitute just cause  
1232 for failure to operate.

1233 (d) The division shall revoke the permit of any  
1234 permitholder that fails to make payments that are due pursuant  
1235 to s. 550.0951 for more than 24 consecutive months unless such  
1236 failure to pay the tax due on handle was the direct result of  
1237 fire, strike, war, or other disaster or event beyond the  
1238 permitholder's control. Financial hardship to the permitholder  
1239 does not, in and of itself, constitute just cause for failure to  
1240 pay tax on handle.

1241 (e) Notwithstanding any other law, a new permit to conduct  
1242 pari-mutuel wagering may not be approved or issued 30 days after  
1243 the effective date of this act.

1244 (f) A permit revoked under this subsection is void and may  
1245 not be reissued.

1246 (g) A permitholder may apply to the division to place the  
1247 permit into inactive status for a period of 12 months pursuant  
1248 to division rule. The division, upon good cause shown by the  
1249 permitholder, may renew inactive status for a period of up to 12  
1250 months, but a permit may not be in inactive status for a period

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1251 of more than 24 consecutive months. Holders of permits in  
1252 inactive status are not eligible for licensure for pari-mutuel  
1253 wagering, slot machines, or cardrooms.

1254 (11) (a) A permit granted under this chapter may not be  
1255 transferred or assigned except upon written approval by the  
1256 division pursuant to s. 550.1815, ~~except that the holder of any~~  
1257 ~~permit that has been converted to a jai alai permit may lease or~~  
1258 ~~build anywhere within the county in which its permit is located.~~

1259 (13) ~~(a)~~ Notwithstanding any provision ~~provisions~~ of this  
1260 chapter or chapter 551, a pari-mutuel ~~no thoroughbred horse~~  
1261 ~~racine~~ permit or license issued under this chapter or chapter  
1262 551 may not shall be transferred, or reissued when such  
1263 reissuance is in the nature of a transfer so as to permit or  
1264 authorize a licensee to change the location of a pari-mutuel  
1265 facility, cardroom, or slot machine facility. ~~thoroughbred horse~~  
1266 ~~racetrack except upon proof in such form as the division may~~  
1267 ~~prescribe that a referendum election has been held:~~

1268 1. ~~If the proposed new location is within the same county~~  
1269 ~~as the already licensed location, in the county where the~~  
1270 ~~licensee desires to conduct the race meeting and that a majority~~  
1271 ~~of the electors voting on that question in such election voted~~  
1272 ~~in favor of the transfer of such license.~~

1273 2. ~~If the proposed new location is not within the same~~  
1274 ~~county as the already licensed location, in the county where the~~  
1275 ~~licensee desires to conduct the race meeting and in the county~~  
1276 ~~where the licensee is already licensed to conduct the race~~  
1277 ~~meeting and that a majority of the electors voting on that~~  
1278 ~~question in each such election voted in favor of the transfer of~~  
1279 ~~such license.~~



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1280 ~~(b) Each referendum held under the provisions of this~~  
1281 ~~subsection shall be held in accordance with the electoral~~  
1282 ~~procedures for ratification of permits, as provided in s.~~  
1283 ~~550.0651. The expense of each such referendum shall be borne by~~  
1284 ~~the licensee requesting the transfer.~~

1285 ~~(14) (a) Any holder of a permit to conduct jai alai may~~  
1286 ~~apply to the division to convert such permit to a permit to~~  
1287 ~~conduct greyhound racing in lieu of jai alai if:~~

1288 ~~1. Such permit is located in a county in which the division~~  
1289 ~~has issued only two pari-mutuel permits pursuant to this~~  
1290 ~~section;~~

1291 ~~2. Such permit was not previously converted from any other~~  
1292 ~~class of permit; and~~

1293 ~~3. The holder of the permit has not conducted jai alai~~  
1294 ~~games during a period of 10 years immediately preceding his or~~  
1295 ~~her application for conversion under this subsection.~~

1296 ~~(b) The division, upon application from the holder of a jai~~  
1297 ~~alai permit meeting all conditions of this section, shall~~  
1298 ~~convert the permit and shall issue to the permitholder a permit~~  
1299 ~~to conduct greyhound racing. A permitholder of a permit~~  
1300 ~~converted under this section shall be required to apply for and~~  
1301 ~~conduct a full schedule of live racing each fiscal year to be~~  
1302 ~~eligible for any tax credit provided by this chapter. The holder~~  
1303 ~~of a permit converted pursuant to this subsection or any holder~~  
1304 ~~of a permit to conduct greyhound racing located in a county in~~  
1305 ~~which it is the only permit issued pursuant to this section who~~  
1306 ~~operates at a leased facility pursuant to s. 550.475 may move~~  
1307 ~~the location for which the permit has been issued to another~~  
1308 ~~location within a 30-mile radius of the location fixed in the~~

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1309 ~~permit issued in that county, provided the move does not cross~~  
1310 ~~the county boundary and such location is approved under the~~  
1311 ~~zoning regulations of the county or municipality in which the~~  
1312 ~~permit is located, and upon such relocation may use the permit~~  
1313 ~~for the conduct of pari-mutuel wagering and the operation of a~~  
1314 ~~cardroom. The provisions of s. 550.6305(9)(d) and (f) shall~~  
1315 ~~apply to any permit converted under this subsection and shall~~  
1316 ~~continue to apply to any permit which was previously included~~  
1317 ~~under and subject to such provisions before a conversion~~  
1318 ~~pursuant to this section occurred.~~

1319 Section 20. Subsection (2) of section 550.0555, Florida  
1320 Statutes, is amended to read:

1321 550.0555 Permitholder ~~Greyhound dogracing permits;~~  
1322 relocation within a county; conditions.—

1323 (2) The following permitholders are ~~Any holder of a valid~~  
1324 ~~outstanding permit for greyhound dogracing in a county in which~~  
1325 ~~there is only one dogracing permit issued, as well as any holder~~  
1326 ~~of a valid outstanding permit for jai alai in a county where~~  
1327 ~~only one jai alai permit is issued, is authorized, without the~~  
1328 ~~necessity of an additional county referendum required under s.~~  
1329 ~~550.0651, to move the location for which the permit has been~~  
1330 ~~issued to another location within a 30-mile radius of the~~  
1331 ~~location fixed in the permit issued in that county, provided the~~  
1332 ~~move does not cross the county boundary, that such relocation is~~  
1333 ~~approved under the zoning regulations of the county or~~  
1334 ~~municipality in which the permit is to be located as a planned~~  
1335 ~~development use, consistent with the comprehensive plan, and~~  
1336 ~~that such move is approved by the department after it is~~  
1337 ~~determined~~ that the new location is at least 10 miles from an

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1338 existing pari-mutuel facility and, if within a county with three  
 1339 or more pari-mutuel permits, is at least 10 miles from the  
 1340 waters of the Atlantic Ocean:

1341 (a) Any holder of a valid outstanding greyhound racing  
 1342 permit that was previously converted from a jai alai permit;

1343 (b) Any holder of a valid outstanding greyhound racing  
 1344 permit in a county in which there is only one greyhound racing  
 1345 permit issued; and

1346 (c) Any holder of a valid outstanding jai alai permit in a  
 1347 county in which there is only one jai alai permit issued. ~~at a~~  
 1348 ~~proceeding pursuant to chapter 120 in the county affected that~~  
 1349 ~~the move is necessary to ensure the revenue-producing capability~~  
 1350 ~~of the permittee without deteriorating the revenue-producing~~  
 1351 ~~capability of any other pari-mutuel permittee within 50 miles;~~

1352  
 1353 The distances ~~distance~~ shall be measured on a straight line from  
 1354 the nearest property line of one racing plant or jai alai  
 1355 fronton to the nearest property line of the other and the  
 1356 nearest mean high tide line of the Atlantic Ocean.

1357 Section 21. Section 550.0745, Florida Statutes, is  
 1358 repealed.

1359 Section 22. Section 550.0951, Florida Statutes, is amended  
 1360 to read:

1361 550.0951 Payment of daily license fee and taxes;  
 1362 penalties.—

1363 (1) ~~(a)~~ DAILY LICENSE FEE.—Each person engaged in the  
 1364 business of conducting race meetings or jai alai games under  
 1365 this chapter, hereinafter referred to as the "permitholder,"  
 1366 "licensee," or "permittee," shall pay ~~to the division, for the~~

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1367 ~~use of the division,~~ a daily license fee on each live or  
1368 simulcast pari-mutuel event of \$100 for each horserace, and \$80  
1369 for each greyhound race, ~~dograce~~ and \$40 for each jai alai game,  
1370 any of which is conducted at a racetrack or fronton licensed  
1371 under this chapter. ~~A In addition to the tax exemption specified~~  
1372 ~~in s. 550.09514(1) of \$360,000 or \$500,000 per greyhound~~  
1373 ~~permitholder per state fiscal year, each greyhound permitholder~~  
1374 ~~shall receive in the current state fiscal year a tax credit~~  
1375 ~~equal to the number of live greyhound races conducted in the~~  
1376 ~~previous state fiscal year times the daily license fee specified~~  
1377 ~~for each dograce in this subsection applicable for the previous~~  
1378 ~~state fiscal year. This tax credit and the exemption in s.~~  
1379 ~~550.09514(1) shall be applicable to any tax imposed by this~~  
1380 ~~chapter or the daily license fees imposed by this chapter except~~  
1381 ~~during any charity or scholarship performances conducted~~  
1382 ~~pursuant to s. 550.0351. Each permitholder may not be required~~  
1383 ~~to shall pay daily license fees in excess of not to exceed \$500~~  
1384 ~~per day on any simulcast races or games on which such~~  
1385 ~~permitholder accepts wagers,~~ regardless of the number of out-of-  
1386 state events taken or the number of out-of-state locations from  
1387 which such events are taken. This license fee shall be deposited  
1388 with the Chief Financial Officer to the credit of the Pari-  
1389 mutuel Wagering Trust Fund.

1390 (b) ~~Each permitholder that cannot utilize the full amount~~  
1391 ~~of the exemption of \$360,000 or \$500,000 provided in s.~~  
1392 ~~550.09514(1) or the daily license fee credit provided in this~~  
1393 ~~section may, after notifying the division in writing, elect once~~  
1394 ~~per state fiscal year on a form provided by the division to~~  
1395 ~~transfer such exemption or credit or any portion thereof to any~~

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1396 ~~greyhound permitholder which acts as a host track to such~~  
1397 ~~permitholder for the purpose of intertrack wagering. Once an~~  
1398 ~~election to transfer such exemption or credit is filed with the~~  
1399 ~~division, it shall not be rescinded. The division shall~~  
1400 ~~disapprove the transfer when the amount of the exemption or~~  
1401 ~~credit or portion thereof is unavailable to the transferring~~  
1402 ~~permitholder or when the permitholder who is entitled to~~  
1403 ~~transfer the exemption or credit or who is entitled to receive~~  
1404 ~~the exemption or credit owes taxes to the state pursuant to a~~  
1405 ~~deficiency letter or administrative complaint issued by the~~  
1406 ~~division. Upon approval of the transfer by the division, the~~  
1407 ~~transferred tax exemption or credit shall be effective for the~~  
1408 ~~first performance of the next payment period as specified in~~  
1409 ~~subsection (5). The exemption or credit transferred to such host~~  
1410 ~~track may be applied by such host track against any taxes~~  
1411 ~~imposed by this chapter or daily license fees imposed by this~~  
1412 ~~chapter. The greyhound permitholder host track to which such~~  
1413 ~~exemption or credit is transferred shall reimburse such~~  
1414 ~~permitholder the exact monetary value of such transferred~~  
1415 ~~exemption or credit as actually applied against the taxes and~~  
1416 ~~daily license fees of the host track. The division shall ensure~~  
1417 ~~that all transfers of exemption or credit are made in accordance~~  
1418 ~~with this subsection and shall have the authority to adopt rules~~  
1419 ~~to ensure the implementation of this section.~~

1420 (2) ADMISSION TAX.—

1421 (a) An admission tax equal to 15 percent of the admission  
1422 charge for entrance to the permitholder's facility and  
1423 grandstand area, or 10 cents, whichever is greater, is imposed  
1424 on each person attending a horserace, greyhound race ~~dograce~~, or

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1425 jai alai game. The permitholder is ~~shall be~~ responsible for  
1426 collecting the admission tax.

1427 (b) The ~~No~~ admission tax imposed under this chapter and ~~or~~  
1428 chapter 212 may not ~~shall~~ be imposed on any free passes or  
1429 complimentary cards issued to persons for which there is no cost  
1430 to the person for admission to pari-mutuel events.

1431 (c) A permitholder may issue tax-free passes to its  
1432 officers, officials, and employees and to ~~or~~ other persons  
1433 actually engaged in working at the racetrack, including  
1434 accredited media ~~press~~ representatives such as reporters and  
1435 editors, and may also issue tax-free passes to other  
1436 permitholders for the use of their officers and officials. The  
1437 permitholder shall file with the division a list of all persons  
1438 to whom tax-free passes are issued under this paragraph.

1439 (3) TAX ON HANDLE.—Each permitholder shall pay a tax on  
1440 contributions to pari-mutuel pools, the aggregate of which is  
1441 hereinafter referred to as "handle," on races or games conducted  
1442 by the permitholder. The tax is imposed daily and is based on  
1443 the total contributions to all pari-mutuel pools conducted  
1444 during the daily performance. If a permitholder conducts more  
1445 than one performance daily, the tax is imposed on each  
1446 performance separately.

1447 (a) The tax on handle for quarter horse racing is 1.0  
1448 percent of the handle.

1449 (b)1. The tax on handle for greyhound racing ~~dogracing~~ is  
1450 1.28 ~~5.5~~ percent of the handle, ~~except that for live charity~~  
1451 ~~performances held pursuant to s. 550.0351, and for intertrack~~  
1452 ~~wagering on such charity performances at a guest greyhound track~~  
1453 ~~within the market area of the host, the tax is 7.6 percent of~~

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1454 ~~the handle.~~

1455       2. The tax on handle for jai alai is 7.1 percent of the  
1456 handle.

1457       (c)1. The tax on handle for intertrack wagering is:

1458       a. If the host track is a horse track, 2.0 percent of the  
1459 handle.

1460       b. If the host track is a harness horse racetrack track,  
1461 3.3 percent of the handle.

1462       c. If the host track is a greyhound racing harness track,  
1463 1.28 5.5 percent of the handle, to be remitted by the guest  
1464 track. if the host track is a dog track, and

1465       d. If the host track is a jai alai fronton, 7.1 percent of  
1466 the handle if the host track is a jai alai fronton.

1467       e. The tax on handle for intertrack wagering is 0.5  
1468 percent If the host track and the guest track are thoroughbred  
1469 racing permitholders or if the guest track is located outside  
1470 the market area of a the host track that is not a greyhound  
1471 racing track and within the market area of a thoroughbred racing  
1472 permitholder currently conducting a live race meet, 0.5 percent  
1473 of the handle.

1474       f. The tax on handle For intertrack wagering on  
1475 rebroadcasts of simulcast thoroughbred horseraces, is 2.4  
1476 percent of the handle and 1.5 percent of the handle for  
1477 intertrack wagering on rebroadcasts of simulcast harness  
1478 horseraces, 1.5 percent of the handle.

1479       2. The tax shall be deposited into the Pari-mutuel Wagering  
1480 Trust Fund.

1481       3.2. The tax on handle for intertrack wagers accepted by  
1482 any greyhound racing dog track located in an area of the state

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1483 in which there are only three permitholders, all of which are  
 1484 greyhound racing permitholders, located in three contiguous  
 1485 counties, from any greyhound racing permitholder also located  
 1486 within such area or any greyhound racing ~~dog~~ track or jai alai  
 1487 fronton located as specified in s. 550.615(7) ~~s. 550.615(6) or~~  
 1488 ~~(9)~~, on races or games received from any jai alai ~~the same class~~  
 1489 ~~of~~ permitholder located within the same market area is 1.28 ~~3.9~~  
 1490 percent of the handle if the host facility is a greyhound racing  
 1491 permitholder. ~~and,~~ If the host facility is a jai alai  
 1492 permitholder, the tax is rate shall be 6.1 percent of the handle  
 1493 until ~~except that it shall be 2.3 percent on handle at~~ such time  
 1494 as the total tax on intertrack handle paid to the division by  
 1495 the permitholder during the current state fiscal year exceeds  
 1496 the total ~~tax on intertrack handle~~ paid to the division by the  
 1497 permitholder during the 1992-1993 state fiscal year, in which  
 1498 case the tax is 2.3 percent of the handle.

1499 (d) Notwithstanding any other provision of this chapter, in  
 1500 order to protect the Florida jai alai industry, effective July  
 1501 1, 2000, a jai alai permitholder may not be taxed on live handle  
 1502 at a rate higher than 2 percent.

1503 (4) BREAKS TAX.—Effective October 1, 1996, each  
 1504 permitholder conducting jai alai performances shall pay a tax  
 1505 equal to the breaks. As used in this subsection, the term  
 1506 "breaks" means the money that remains in each pari-mutuel pool  
 1507 after funds are ~~The "breaks" represents that portion of each~~  
 1508 ~~pari-mutuel pool which is not~~ redistributed to the contributors  
 1509 and commissions are ~~or~~ withheld by the permitholder ~~as~~  
 1510 ~~commission.~~

1511 (5) PAYMENT AND DISPOSITION OF FEES AND TAXES.—Payments



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1512 imposed by this section shall be paid to the division. The  
1513 division shall deposit such payments ~~these sums~~ with the Chief  
1514 Financial Officer, to the credit of the Pari-mutuel Wagering  
1515 Trust Fund, hereby established. The permitholder shall remit to  
1516 the division payment for the daily license fee, the admission  
1517 tax, the tax on handle, and the breaks tax. Such payments must  
1518 ~~shall~~ be remitted by 3 p.m. on Wednesday of each week for taxes  
1519 imposed and collected for the preceding week ending on Sunday.  
1520 Beginning on July 1, 2012, such payments must ~~shall~~ be remitted  
1521 by 3 p.m. on the 5th day of each calendar month for taxes  
1522 imposed and collected for the preceding calendar month. If the  
1523 5th day of the calendar month falls on a weekend, payments must  
1524 ~~shall~~ be remitted by 3 p.m. the first Monday following the  
1525 weekend. Permitholders shall file a report under oath by the 5th  
1526 day of each calendar month for all taxes remitted during the  
1527 preceding calendar month. Such payments must ~~shall~~ be  
1528 accompanied by a report under oath showing the total of all  
1529 admissions, the pari-mutuel wagering activities for the  
1530 preceding calendar month, and any ~~such~~ other information ~~as may~~  
1531 ~~be~~ prescribed by the division.

1532 (6) PENALTIES.—

1533 (a) The failure of any permitholder to make payments as  
1534 prescribed in subsection (5) is a violation of this section, and  
1535 the ~~permitholder may be subjected by the division~~ may impose ~~to~~  
1536 a civil penalty against the permitholder of up to \$1,000 for  
1537 each day the tax payment is not remitted. All penalties imposed  
1538 and collected shall be deposited in the General Revenue Fund. If  
1539 a permitholder fails to pay penalties imposed by order of the  
1540 division under this subsection, the division may suspend or

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1541 revoke the license of the permitholder, cancel the permit of the  
1542 permitholder, or deny issuance of any further license or permit  
1543 to the permitholder.

1544 (b) In addition to the civil penalty prescribed in  
1545 paragraph (a), any willful or wanton failure by any permitholder  
1546 to make payments of the daily license fee, admission tax, tax on  
1547 handle, or breaks tax constitutes sufficient grounds for the  
1548 division to suspend or revoke the license of the permitholder,  
1549 to cancel the permit of the permitholder, or to deny issuance of  
1550 any further license or permit to the permitholder.

1551 Section 23. Section 550.09512, Florida Statutes, is amended  
1552 to read:

1553 550.09512 Harness horse racing taxes; abandoned interest in  
1554 a permit for nonpayment of taxes.-

1555 (1) Pari-mutuel wagering at harness horse racetracks in  
1556 this state is an important business enterprise, and taxes  
1557 derived therefrom constitute a part of the tax structure which  
1558 funds operation of the state. Harness horse racing permitholders  
1559 should pay their fair share of these taxes to the state. This  
1560 business interest should not be taxed to such an extent as to  
1561 cause any racetrack which is operated under sound business  
1562 principles to be forced out of business. Due to the need to  
1563 protect the public health, safety, and welfare, the gaming laws  
1564 of the state provide for the harness horse racing industry to be  
1565 highly regulated and taxed. The state recognizes that there  
1566 exist identifiable differences between harness horse racing  
1567 permitholders based upon their ability to operate under such  
1568 regulation and tax system.

1569 (2) (a) The tax on handle for live harness horse racing

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1570 performances is 0.5 percent of handle per performance.

1571 (b) For purposes of this section, the term "handle" shall  
1572 have the same meaning as in s. 550.0951, and shall not include  
1573 handle from intertrack wagering.

1574 (3) ~~(a)~~ The division shall revoke the permit of a harness  
1575 horse racing permitholder that ~~who~~ does not pay the tax due on  
1576 handle for live harness horse racing performances for a full  
1577 schedule of live races for more than 24 consecutive months  
1578 ~~during any 2 consecutive state fiscal years shall be void and~~  
1579 ~~shall escheat to and become the property of the state unless~~  
1580 ~~such failure to operate and pay tax on handle was the direct~~  
1581 ~~result of fire, strike, war, or other disaster or event beyond~~  
1582 ~~the ability of the permitholder to control. Financial hardship~~  
1583 ~~to the permitholder does shall not, in and of itself, constitute~~  
1584 ~~just cause for failure to operate and pay tax on handle. A~~  
1585 permit revoked under this subsection is void and may not be  
1586 reissued.

1587 ~~(b) In order to maximize the tax revenues to the state, the~~  
1588 ~~division shall reissue an escheated harness horse permit to a~~  
1589 ~~qualified applicant pursuant to the provisions of this chapter~~  
1590 ~~as for the issuance of an initial permit. However, the~~  
1591 ~~provisions of this chapter relating to referendum requirements~~  
1592 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~  
1593 ~~escheated harness horse permit. As specified in the application~~  
1594 ~~and upon approval by the division of an application for the~~  
1595 ~~permit, the new permitholder shall be authorized to operate a~~  
1596 ~~harness horse facility anywhere in the same county in which the~~  
1597 ~~escheated permit was authorized to be operated, notwithstanding~~  
1598 ~~the provisions of s. 550.054(2) relating to mileage limitations.~~

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1599 (4) In the event that a court of competent jurisdiction  
 1600 determines any of the provisions of this section to be  
 1601 unconstitutional, it is the intent of the Legislature that the  
 1602 provisions contained in this section shall be null and void and  
 1603 that the provisions of s. 550.0951 shall apply to all harness  
 1604 horse racing permitholders beginning on the date of such  
 1605 judicial determination. To this end, the Legislature declares  
 1606 that it would not have enacted any of the provisions of this  
 1607 section individually and, to that end, expressly finds them not  
 1608 to be severable.

1609 Section 24. Section 550.09514, Florida Statutes, is amended  
 1610 to read:

1611 550.09514 Greyhound racing ~~degracing~~ taxes; purse  
 1612 requirements.-

1613 ~~(1) Wagering on greyhound racing is subject to a tax on~~  
 1614 ~~handle for live greyhound racing as specified in s. 550.0951(3).~~  
 1615 ~~However, each permitholder shall pay no tax on handle until such~~  
 1616 ~~time as this subsection has resulted in a tax savings per state~~  
 1617 ~~fiscal year of \$360,000. Thereafter, each permitholder shall pay~~  
 1618 ~~the tax as specified in s. 550.0951(3) on all handle for the~~  
 1619 ~~remainder of the permitholder's current race meet. For the three~~  
 1620 ~~permitholders that conducted a full schedule of live racing in~~  
 1621 ~~1995, and are closest to another state that authorizes greyhound~~  
 1622 ~~pari-mutuel wagering, the maximum tax savings per state fiscal~~  
 1623 ~~year shall be \$500,000. The provisions of this subsection~~  
 1624 ~~relating to tax exemptions shall not apply to any charity or~~  
 1625 ~~scholarship performances conducted pursuant to s. 550.0351.~~

1626 (1)(2)(a) The division shall determine for each greyhound  
 1627 racing permitholder the annual purse percentage rate of live

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1628 handle for the state fiscal year 1993-1994 by dividing total  
1629 purses paid on live handle by the permitholder, exclusive of  
1630 payments made from outside sources, during the 1993-1994 state  
1631 fiscal year by the permitholder's live handle for the 1993-1994  
1632 state fiscal year. A greyhound racing ~~Each~~ permitholder  
1633 conducting live racing during a fiscal year shall pay as purses  
1634 for such live races conducted during its current race meet a  
1635 percentage of its live handle not less than the percentage  
1636 determined under this paragraph, exclusive of payments made by  
1637 outside sources, for its 1993-1994 state fiscal year.

1638 (b) Except as otherwise set forth herein, in addition to  
1639 the minimum purse percentage required by paragraph (a), each  
1640 greyhound racing permitholder conducting live racing during a  
1641 fiscal year shall pay as purses an annual amount of \$60 for each  
1642 live race conducted ~~equal to 75 percent of the daily license~~  
1643 ~~fees paid by the greyhound racing each permitholder in for the~~  
1644 preceding 1994-1995 fiscal year. ~~These~~ This ~~purse supplement~~  
1645 ~~shall be disbursed weekly during the permitholder's race meet in~~  
1646 ~~an amount determined by dividing the annual purse supplement by~~  
1647 ~~the number of performances approved for the permitholder~~  
1648 ~~pursuant to its annual license and multiplying that amount by~~  
1649 ~~the number of performances conducted each week. For the~~  
1650 ~~greyhound permitholders in the county where there are two~~  
1651 ~~greyhound permitholders located as specified in s. 550.615(6),~~  
1652 ~~such permitholders shall pay in the aggregate an amount equal to~~  
1653 ~~75 percent of the daily license fees paid by such permitholders~~  
1654 ~~for the 1994-1995 fiscal year. These permitholders shall be~~  
1655 ~~jointly and severally liable for such purse payments. The~~  
1656 ~~additional purses provided by this paragraph~~ must be used

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1657 exclusively for purses other than stakes and disbursed weekly  
1658 during the permitholder's race meet. The division shall conduct  
1659 audits necessary to ensure compliance with this section.

1660 (c)1. Each greyhound racing permitholder, l when conducting  
1661 at least three live performances during any week, l shall pay  
1662 purses in that week on wagers it accepts as a guest track on  
1663 intertrack and simulcast greyhound races at the same rate as it  
1664 pays on live races. Each greyhound racing permitholder, l when  
1665 conducting at least three live performances during any week, l  
1666 shall pay purses in that week, at the same rate as it pays on  
1667 live races, on wagers accepted on greyhound races at a guest  
1668 track that ~~which~~ is not conducting live racing and is located  
1669 within the same market area as the greyhound racing permitholder  
1670 conducting at least three live performances during any week.

1671 2. Each host greyhound racing permitholder shall pay purses  
1672 on its simulcast and intertrack broadcasts of greyhound races to  
1673 guest facilities that are located outside its market area in an  
1674 amount equal to one quarter of an amount determined by  
1675 subtracting the transmission costs of sending the simulcast or  
1676 intertrack broadcasts from an amount determined by adding the  
1677 fees received for greyhound simulcast races plus 3 percent of  
1678 the greyhound intertrack handle at guest facilities that are  
1679 located outside the market area of the host and that paid  
1680 contractual fees to the host for such broadcasts of greyhound  
1681 races.

1682 (d) The division shall require sufficient documentation  
1683 from each greyhound racing permitholder regarding purses paid on  
1684 live racing to assure that the annual purse percentage rates  
1685 paid by each greyhound racing permitholder conducting ~~on the~~

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1686 live races are not reduced below those paid during the 1993-1994  
1687 state fiscal year. The division shall require sufficient  
1688 documentation from each greyhound racing permitholder to assure  
1689 that the purses paid by each permitholder on the greyhound  
1690 intertrack and simulcast broadcasts are in compliance with the  
1691 requirements of paragraph (c).

1692 (e) In addition to the purse requirements of paragraphs  
1693 (a)-(c), each greyhound racing permitholder conducting live  
1694 races shall pay as purses an amount equal to one-third of the  
1695 amount of the tax reduction on live and simulcast handle  
1696 applicable to such permitholder as a result of the reductions in  
1697 tax rates provided by s. 6, chapter 2000-354, Laws of Florida  
1698 ~~this act through the amendments to s. 550.0951(3)~~. With respect  
1699 to intertrack wagering when the host and guest tracks are  
1700 greyhound racing permitholders not within the same market area,  
1701 an amount equal to the tax reduction applicable to the guest  
1702 track handle as a result of the reduction in tax rate provided  
1703 by s. 6, chapter 2000-354, Laws of Florida, ~~this act through the~~  
1704 ~~amendment to s. 550.0951(3)~~ shall be distributed to the guest  
1705 track, one-third of which amount shall be paid as purses at the  
1706 guest track. However, if the guest track is a greyhound racing  
1707 permitholder within the market area of the host or if the guest  
1708 track is not a greyhound racing permitholder, an amount equal to  
1709 such tax reduction applicable to the guest track handle shall be  
1710 retained by the host track, one-third of which amount shall be  
1711 paid as purses at the host track. These purse funds shall be  
1712 disbursed in the week received if the permitholder conducts at  
1713 least one live performance during that week. If the permitholder  
1714 does not conduct at least one live performance during the week

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1715 in which the purse funds are received, the purse funds shall be  
1716 disbursed weekly during the permitholder's next race meet in an  
1717 amount determined by dividing the purse amount by the number of  
1718 performances approved for the permitholder pursuant to its  
1719 annual license, and multiplying that amount by the number of  
1720 performances conducted each week. The division shall conduct  
1721 audits necessary to ensure compliance with this paragraph.

1722 (f) Each greyhound racing permitholder conducting live  
1723 racing shall, during the permitholder's race meet, supply kennel  
1724 operators and the Division of Pari-Mutuel Wagering with a weekly  
1725 report showing purses paid on live greyhound races and all  
1726 greyhound intertrack and simulcast broadcasts, including both as  
1727 a guest and a host together with the handle or commission  
1728 calculations on which such purses were paid and the transmission  
1729 costs of sending the simulcast or intertrack broadcasts, so that  
1730 the kennel operators may determine statutory and contractual  
1731 compliance.

1732 (g) Each greyhound racing permitholder conducting live  
1733 racing shall make direct payment of purses to the greyhound  
1734 owners who have filed with such permitholder appropriate federal  
1735 taxpayer identification information based on the percentage  
1736 amount agreed upon between the kennel operator and the greyhound  
1737 owner.

1738 (h) At the request of a majority of kennel operators under  
1739 contract with a greyhound racing permitholder conducting live  
1740 racing, the permitholder shall make deductions from purses paid  
1741 to each kennel operator electing such deduction and shall make a  
1742 direct payment of such deductions to the local association of  
1743 greyhound kennel operators formed by a majority of kennel



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1744 operators under contract with the permitholder. The amount of  
1745 the deduction shall be at least 1 percent of purses, as  
1746 determined by the local association of greyhound kennel  
1747 operators. ~~No~~ Deductions may not be taken pursuant to this  
1748 paragraph without a kennel operator's specific approval before  
1749 or after May 24, 1998 ~~the effective date of this act.~~

1750 (2) ~~(3)~~ As used in ~~For the purpose of~~ this section, the term  
1751 "live handle" means the handle from wagers placed at the  
1752 permitholder's establishment on the live greyhound races  
1753 conducted at the permitholder's establishment.

1754 Section 25. Section 550.09515, Florida Statutes, is amended  
1755 to read:

1756 550.09515 Thoroughbred racing ~~horse~~ taxes; abandoned  
1757 interest in a permit for nonpayment of taxes.—

1758 (1) Pari-mutuel wagering at thoroughbred horse racetracks  
1759 in this state is an important business enterprise, and taxes  
1760 derived therefrom constitute a part of the tax structure which  
1761 funds operation of the state. Thoroughbred horse permitholders  
1762 should pay their fair share of these taxes to the state. This  
1763 business interest should not be taxed to such an extent as to  
1764 cause any racetrack which is operated under sound business  
1765 principles to be forced out of business. Due to the need to  
1766 protect the public health, safety, and welfare, the gaming laws  
1767 of the state provide for the thoroughbred horse industry to be  
1768 highly regulated and taxed. The state recognizes that there  
1769 exist identifiable differences between thoroughbred horse  
1770 permitholders based upon their ability to operate under such  
1771 regulation and tax system and at different periods during the  
1772 year.

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1773 (2) (a) The tax on handle for live thoroughbred horserace  
1774 performances shall be 0.5 percent.

1775 (b) For purposes of this section, the term "handle" shall  
1776 have the same meaning as in s. 550.0951, and shall not include  
1777 handle from intertrack wagering.

1778 (3) ~~(a)~~ The division shall revoke the permit of a  
1779 thoroughbred racing horse permitholder that ~~who~~ does not pay the  
1780 tax due on handle for live thoroughbred horse performances for a  
1781 full schedule of live races for more than 24 consecutive months  
1782 ~~during any 2 consecutive state fiscal years shall be void and~~  
1783 ~~shall escheat to and become the property of the state unless~~  
1784 such failure to operate and pay tax on handle was the direct  
1785 result of fire, strike, war, or other disaster or event beyond  
1786 the ability of the permitholder to control. Financial hardship  
1787 to the permitholder does shall not, in and of itself, constitute  
1788 just cause for failure to operate and pay tax on handle. A  
1789 permit revoked under this subsection is void and may not be  
1790 reissued.

1791 ~~(b) In order to maximize the tax revenues to the state, the~~  
1792 ~~division shall reissue an escheated thoroughbred horse permit to~~  
1793 ~~a qualified applicant pursuant to the provisions of this chapter~~  
1794 ~~as for the issuance of an initial permit. However, the~~  
1795 ~~provisions of this chapter relating to referendum requirements~~  
1796 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~  
1797 ~~escheated thoroughbred horse permit. As specified in the~~  
1798 ~~application and upon approval by the division of an application~~  
1799 ~~for the permit, the new permitholder shall be authorized to~~  
1800 ~~operate a thoroughbred horse facility anywhere in the same~~  
1801 ~~county in which the escheated permit was authorized to be~~

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1802 ~~operated, notwithstanding the provisions of s. 550.054(2)~~  
1803 ~~relating to mileage limitations.~~

1804 (4) In the event that a court of competent jurisdiction  
1805 determines any of the provisions of this section to be  
1806 unconstitutional, it is the intent of the Legislature that the  
1807 provisions contained in this section shall be null and void and  
1808 that the provisions of s. 550.0951 shall apply to all  
1809 thoroughbred racing horse permitholders beginning on the date of  
1810 such judicial determination. To this end, the Legislature  
1811 declares that it would not have enacted any of the provisions of  
1812 this section individually and, to that end, expressly finds them  
1813 not to be severable.

1814 (5) Notwithstanding the provisions of s. 550.0951(3)(c),  
1815 the tax on handle for intertrack wagering on rebroadcasts of  
1816 simulcast horseraces is 2.4 percent of the handle; provided  
1817 however, that if the guest track is a thoroughbred track located  
1818 more than 35 miles from the host track, the host track shall pay  
1819 a tax of .5 percent of the handle, and additionally the host  
1820 track shall pay to the guest track 1.9 percent of the handle to  
1821 be used by the guest track solely for purses. The tax shall be  
1822 deposited into the Pari-mutuel Wagering Trust Fund.

1823 (6) A credit equal to the amount of contributions made by a  
1824 thoroughbred racing permitholder during the taxable year  
1825 directly to the Jockeys' Guild or its health and welfare fund to  
1826 be used to provide health and welfare benefits for active,  
1827 disabled, and retired Florida jockeys and their dependents  
1828 pursuant to reasonable rules of eligibility established by the  
1829 Jockeys' Guild is allowed against taxes on live handle due for a  
1830 taxable year under this section. A thoroughbred racing

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1831 permitholder may not receive a credit greater than an amount  
1832 equal to 1 percent of its paid taxes for the previous taxable  
1833 year.

1834 (7) If a thoroughbred racing permitholder fails to operate  
1835 all performances on its 2001-2002 license, failure to pay tax on  
1836 handle for a full schedule of live races for those performances  
1837 in the 2001-2002 fiscal year does not constitute failure to pay  
1838 taxes on handle for a full schedule of live races in a fiscal  
1839 year for the purposes of subsection (3). This subsection may not  
1840 be construed as forgiving a thoroughbred racing permitholder  
1841 from paying taxes on performances conducted at its facility  
1842 pursuant to its 2001-2002 license other than for failure to  
1843 operate all performances on its 2001-2002 license. This  
1844 subsection expires July 1, 2003.

1845 Section 26. Section 550.1625, Florida Statutes, is amended  
1846 to read:

1847 550.1625 Greyhound racing ~~dogracing~~; taxes.—

1848 (1) The operation of a greyhound racing ~~dog~~ track and  
1849 legalized pari-mutuel betting at greyhound racing ~~dog~~ tracks in  
1850 this state is a privilege and is an operation that requires  
1851 strict supervision and regulation in the best interests of the  
1852 state. Pari-mutuel wagering at greyhound racing ~~dog~~ tracks in  
1853 this state is a substantial business, and taxes derived  
1854 therefrom constitute part of the tax structures of the state and  
1855 the counties. The operators of greyhound racing ~~dog~~ tracks  
1856 should pay their fair share of taxes to the state; at the same  
1857 time, this substantial business interest should not be taxed to  
1858 such an extent as to cause a track that is operated under sound  
1859 business principles to be forced out of business.

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1860 (2) A permitholder that conducts a greyhound race ~~degrade~~  
1861 meet under this chapter must pay the daily license fee, the  
1862 admission tax, ~~the breaks tax,~~ and the tax on pari-mutuel handle  
1863 as provided in s. 550.0951 and is subject to all penalties and  
1864 sanctions provided in s. 550.0951(6).

1865 Section 27. Section 550.1647, Florida Statutes, is  
1866 repealed.

1867 Section 28. Section 550.1648, Florida Statutes, is amended  
1868 to read:

1869 550.1648 Greyhound adoptions.—

1870 ~~(1) A greyhound racing~~ Each degreacing permitholder that  
1871 conducts live racing at ~~operating~~ a greyhound racing degreacing  
1872 facility in this state shall provide for a greyhound adoption  
1873 booth to be located at the facility.

1874 (1) (a) The greyhound adoption booth must be operated on  
1875 weekends by personnel or volunteers from a bona fide  
1876 organization that promotes or encourages the adoption of  
1877 greyhounds ~~pursuant to s. 550.1647.~~ Such bona fide organization,  
1878 as a condition of adoption, must provide sterilization of  
1879 greyhounds by a licensed veterinarian before relinquishing  
1880 custody of the greyhound to the adopter. The fee for  
1881 sterilization may be included in the cost of adoption. As used  
1882 in this section, the term "weekend" includes the hours during  
1883 which live greyhound racing is conducted on Friday, Saturday, or  
1884 Sunday, and the term "bona fide organization that promotes or  
1885 encourages the adoption of greyhounds" means an organization  
1886 that provides evidence of compliance with chapter 496 and  
1887 possesses a valid exemption from federal taxation issued by the  
1888 Internal Revenue Service. Information pamphlets and application

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1889 forms shall be provided to the public upon request.

1890 (b) ~~In addition,~~ The kennel operator or owner shall notify  
1891 the permitholder that a greyhound is available for adoption and  
1892 the permitholder shall provide information concerning the  
1893 adoption of a greyhound in each race program and shall post  
1894 adoption information at conspicuous locations throughout the  
1895 greyhound racing ~~dogracing~~ facility. Any greyhound that is  
1896 participating in a race and that will be available for future  
1897 adoption must be noted in the race program. The permitholder  
1898 shall allow greyhounds to be walked through the track facility  
1899 to publicize the greyhound adoption program.

1900 (2) In addition to the charity days authorized under s.  
1901 550.0351, a greyhound racing permitholder may fund the greyhound  
1902 adoption program by holding a charity racing day designated as  
1903 "Greyhound Adopt-A-Pet Day." All profits derived from the  
1904 operation of the charity day must be placed into a fund used to  
1905 support activities at the racing facility which promote the  
1906 adoption of greyhounds. The division may adopt rules for  
1907 administering the fund. ~~Proceeds from the charity day authorized~~  
1908 ~~in this subsection may not be used as a source of funds for the~~  
1909 ~~purposes set forth in s. 550.1647.~~

1910 (3) (a) Upon a violation of this section by a permitholder  
1911 or licensee, the division may impose a penalty as provided in s.  
1912 550.0251(10) and require the permitholder to take corrective  
1913 action.

1914 (b) A penalty imposed under s. 550.0251(10) does not  
1915 exclude a prosecution for cruelty to animals or for any other  
1916 criminal act.

1917 Section 29. Section 550.1752, Florida Statutes, is created

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1918 to read:

1919 550.1752 Permit reduction program.-

1920 (1) The permit reduction program is created in the Division  
1921 of Pari-mutuel Wagering for the purpose of purchasing and  
1922 cancelling active pari-mutuel permits. The program shall be  
1923 funded from revenue share payments made by the Seminole Tribe of  
1924 Florida under the compact ratified by s. 285.710(3) and received  
1925 by the state after October 31, 2015. Compact payments payable  
1926 for the program shall be calculated on a monthly basis until  
1927 such time as the division determines that sufficient funds are  
1928 available to fund the program. The total funding allocated to  
1929 the program may not exceed \$20 million.

1930 (2) The division shall purchase pari-mutuel permits from  
1931 pari-mutuel permitholders when sufficient moneys are available  
1932 for such purchases. A pari-mutuel permitholder may not submit an  
1933 offer to sell a permit unless it is actively conducting pari-  
1934 mutuel racing or jai alai as required by law and satisfies all  
1935 applicable requirements for the permit. The division shall adopt  
1936 by rule the form to be used by a pari-mutuel permitholder for an  
1937 offer to sell a permit and shall establish a schedule for the  
1938 consideration of offers.

1939 (3) The division shall establish the value of a pari-mutuel  
1940 permit based upon the valuation of one or more independent  
1941 appraisers selected by the division. The valuation of a permit  
1942 must be based on the permit's fair market value and may not  
1943 include the value of the real estate or personal property. The  
1944 division may establish a value for the permit that is lower than  
1945 the amount determined by an independent appraiser but may not  
1946 establish a higher value.

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1947       (4) The division must accept the offer or offers that best  
1948 utilize available funding; however, the division may also accept  
1949 the offers that it determines are most likely to reduce the  
1950 incidence of gaming in this state.

1951       (5) The division shall cancel any permit purchased under  
1952 this section.

1953       (6) This section expires on July 1, 2019, unless reenacted  
1954 by the Legislature.

1955       Section 30. Section 550.1753, Florida Statutes, is created  
1956 to read:

1957       550.1753 Thoroughbred purse supplement program.-

1958       (1) Effective July 1, 2019, the thoroughbred purse  
1959 supplement program is created in the Division of Pari-mutuel  
1960 Wagering for the purpose of maintaining an active and viable  
1961 live thoroughbred racing, owning, and breeding industry in the  
1962 state. The program shall be funded from revenue share payments  
1963 made by the Seminole Tribe of Florida under the compact ratified  
1964 by s. 285.710(3) and received by the state after July 1, 2019.  
1965 Compact payments payable for the program shall be calculated on  
1966 a monthly basis until such time as the division determines that  
1967 sufficient funds are available to fund the program. The total  
1968 annual funding allocated to the program is \$20 million.

1969       (2) The division shall adopt by rule the form to be used by  
1970 a pari-mutuel permitholder for applying to receive purse  
1971 assistance from the program to be used to supplement purses for  
1972 its live racing meet.

1973       (3) The division shall distribute the purse supplement  
1974 funds on a pro rata basis based upon the number of live race  
1975 days to be conducted by each thoroughbred permitholder pursuant



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1976 to its annual racing license.

1977 (4) If a thoroughbred permitholder fails to conduct a live  
 1978 race day, the thoroughbred permitholder must return the unused  
 1979 purse supplement fund allocated for that day, and the division  
 1980 shall reapportion the allocation of purse supplement funds to  
 1981 the remaining race days to be conducted during the state fiscal  
 1982 year by that thoroughbred permitholder.

1983 (5) The division may adopt rules necessary to implement  
 1984 this section.

1985 (6) This section expires June 30, 2036.

1986 Section 31. Section 550.2416, Florida Statutes, is created  
 1987 to read:

1988 550.2416 Reporting of racing greyhound injuries.—

1989 (1) An injury to a racing greyhound which occurs while the  
 1990 greyhound is located in this state must be reported on a form  
 1991 adopted by the division within 7 days after the date on which  
 1992 the injury occurred or is believed to have occurred. The  
 1993 division may adopt rules defining the term "injury."

1994 (2) The form shall be completed and signed under oath or  
 1995 affirmation by the:

1996 (a) Racetrack veterinarian or director of racing, if the  
 1997 injury occurred at the racetrack facility; or

1998 (b) Owner, trainer, or kennel operator who had knowledge of  
 1999 the injury, if the injury occurred at a location other than the  
 2000 racetrack facility, including during transportation.

2001 (3) The division may fine, suspend, or revoke the license  
 2002 of any individual who knowingly violates this section.

2003 (4) The form must include the following:

2004 (a) The greyhound's registered name, right-ear and left-ear

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2005 tattoo numbers, and, if any, the microchip manufacturer and  
2006 number.

2007 (b) The name, business address, and telephone number of the  
2008 greyhound owner, the trainer, and the kennel operator.

2009 (c) The color, weight, and sex of the greyhound.

2010 (d) The specific type and bodily location of the injury,  
2011 the cause of the injury, and the estimated recovery time from  
2012 the injury.

2013 (e) If the injury occurred when the greyhound was racing:

2014 1. The racetrack where the injury occurred;

2015 2. The distance, grade, race, and post position of the  
2016 greyhound when the injury occurred; and

2017 3. The weather conditions, time, and track conditions when  
2018 the injury occurred.

2019 (f) If the injury occurred when the greyhound was not  
2020 racing:

2021 1. The location where the injury occurred, including, but  
2022 not limited to, a kennel, a training facility, or a  
2023 transportation vehicle; and

2024 2. The circumstances surrounding the injury.

2025 (g) Other information that the division determines is  
2026 necessary to identify injuries to racing greyhounds in this  
2027 state.

2028 (5) An injury form created pursuant to this section must be  
2029 maintained as a public record by the division for at least 7  
2030 years after the date it was received.

2031 (6) A licensee of the department who knowingly makes a  
2032 false statement concerning an injury or fails to report an  
2033 injury is subject to disciplinary action under this chapter or

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2034 chapters 455 and 474.

2035 (7) This section does not apply to injuries to a service  
2036 animal, personal pet, or greyhound that has been adopted as a  
2037 pet.

2038 (8) The division shall adopt rules to implement this  
2039 section.

2040 Section 32. Subsection (1) of section 550.26165, Florida  
2041 Statutes, is amended to read:

2042 550.26165 Breeders' awards.—

2043 (1) The purpose of this section is to encourage the  
2044 agricultural activity of breeding and training racehorses in  
2045 this state. Moneys dedicated in this chapter for use as  
2046 breeders' awards and stallion awards are to be used for awards  
2047 to breeders of registered Florida-bred horses winning horseraces  
2048 and for similar awards to the owners of stallions who sired  
2049 Florida-bred horses winning stakes races, if the stallions are  
2050 registered as Florida stallions standing in this state. Such  
2051 awards shall be given at a uniform rate to all winners of the  
2052 awards, may ~~shall~~ not be greater than 20 percent of the  
2053 announced gross purse, and may ~~shall~~ not be less than 15 percent  
2054 of the announced gross purse if funds are available. In  
2055 addition, at least ~~no less than~~ 17 percent, but not ~~not~~ more  
2056 than 40 percent, as determined by the Florida Thoroughbred  
2057 Breeders' Association, of the moneys dedicated in this chapter  
2058 for use as breeders' awards and stallion awards for  
2059 thoroughbreds shall be returned pro rata to the permitholders  
2060 that generated the moneys for special racing awards to be  
2061 distributed by the permitholders to owners of thoroughbred  
2062 horses participating in prescribed thoroughbred stakes races,

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2063 nonstakes races, or both, all in accordance with a written  
2064 agreement establishing the rate, procedure, and eligibility  
2065 requirements for such awards entered into by the permitholder,  
2066 the Florida Thoroughbred Breeders' Association, and the Florida  
2067 Horsemen's Benevolent and Protective Association, Inc., except  
2068 that the plan for the distribution by any permitholder located  
2069 in the area described in s. 550.615(7) ~~s. 550.615(9)~~ shall be  
2070 agreed upon by that permitholder, the Florida Thoroughbred  
2071 Breeders' Association, and the association representing a  
2072 majority of the thoroughbred racehorse owners and trainers at  
2073 that location. Awards for thoroughbred races are to be paid  
2074 through the Florida Thoroughbred Breeders' Association, and  
2075 awards for standardbred races are to be paid through the Florida  
2076 Standardbred Breeders and Owners Association. Among other  
2077 sources specified in this chapter, moneys for thoroughbred  
2078 breeders' awards will come from the 0.955 percent of handle for  
2079 thoroughbred races conducted, received, broadcast, or simulcast  
2080 under this chapter as provided in s. 550.2625(3). The moneys for  
2081 quarter horse and harness breeders' awards will come from the  
2082 breaks and uncashed tickets on live quarter horse and harness  
2083 horse racing performances and 1 percent of handle on intertrack  
2084 wagering. The funds for these breeders' awards shall be paid to  
2085 the respective breeders' associations by the permitholders  
2086 conducting the races.

2087 Section 33. Section 550.3345, Florida Statutes, is amended  
2088 to read:

2089 550.3345 ~~Conversion of quarter horse permit to a Limited~~  
2090 thoroughbred racing permit.-

2091 (1) In recognition of the important and long-standing

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2092 economic contribution of the thoroughbred horse breeding  
2093 industry to this state and the state's vested interest in  
2094 promoting the continued viability of this agricultural activity,  
2095 the state intends to provide a limited opportunity for the  
2096 conduct of live thoroughbred horse racing with the net revenues  
2097 from such racing dedicated to the enhancement of thoroughbred  
2098 purses and breeders', stallion, and special racing awards under  
2099 this chapter; the general promotion of the thoroughbred horse  
2100 breeding industry; and the care in this state of thoroughbred  
2101 horses retired from racing.

2102       (2) A limited thoroughbred racing permit previously  
2103 converted from ~~Notwithstanding any other provision of law, the~~  
2104 ~~holder of a quarter horse racing permit pursuant to chapter~~  
2105 2010-29, Laws of Florida, issued under s. 550.334 may only be  
2106 held by, ~~within 1 year after the effective date of this section,~~  
2107 ~~apply to the division for a transfer of the quarter horse racing~~  
2108 ~~permit to~~ a not-for-profit corporation formed under state law to  
2109 serve the purposes of the state as provided in subsection (1).  
2110 The board of directors of the not-for-profit corporation must be  
2111 composed ~~comprised~~ of 11 members, 4 of whom shall be designated  
2112 by the applicant, 4 of whom shall be designated by the Florida  
2113 Thoroughbred Breeders' Association, and 3 of whom shall be  
2114 designated by the other 8 directors, with at least 1 of these 3  
2115 members being an authorized representative of another  
2116 thoroughbred racing permitholder in this state. A limited  
2117 thoroughbred racing ~~The not-for-profit corporation shall submit~~  
2118 ~~an application to the division for review and approval of the~~  
2119 ~~transfer in accordance with s. 550.054. Upon approval of the~~  
2120 ~~transfer by the division, and notwithstanding any other~~

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2121 ~~provision of law to the contrary, the not-for-profit corporation~~  
2122 ~~may, within 1 year after its receipt of the permit, request that~~  
2123 ~~the division convert the quarter horse racing permit to a permit~~  
2124 ~~authorizing the holder to conduct pari-mutuel wagering meets of~~  
2125 ~~thoroughbred racing. Neither the transfer of the quarter horse~~  
2126 ~~racing permit nor its conversion to a limited thoroughbred~~  
2127 ~~permit shall be subject to the mileage limitation or the~~  
2128 ~~ratification election as set forth under s. 550.054(2) or s.~~  
2129 ~~550.0651. Upon receipt of the request for such conversion, the~~  
2130 ~~division shall timely issue a converted permit. The converted~~  
2131 ~~permit and the not-for-profit corporation are shall be subject~~  
2132 ~~to the following requirements:~~

2133 (a) All net revenues derived by the not-for-profit  
2134 corporation under the thoroughbred ~~horse~~ racing permit, after  
2135 the funding of operating expenses and capital improvements,  
2136 shall be dedicated to the enhancement of thoroughbred purses and  
2137 breeders', stallion, and special racing awards under this  
2138 chapter; the general promotion of the thoroughbred horse  
2139 breeding industry; and the care in this state of thoroughbred  
2140 horses retired from racing.

2141 (b) From December 1 through April 30, ~~no~~ live thoroughbred  
2142 racing may not be conducted under the permit on any day during  
2143 which another thoroughbred racing permitholder is conducting  
2144 live thoroughbred racing within 125 air miles of the not-for-  
2145 profit corporation's pari-mutuel facility unless the other  
2146 thoroughbred racing permitholder gives its written consent.

2147 (c) After ~~the conversion of the quarter horse racing permit~~  
2148 ~~and~~ the issuance of its initial license to conduct pari-mutuel  
2149 wagering meets of thoroughbred racing, the not-for-profit

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2150 corporation shall annually apply to the division for a license  
2151 pursuant to s. 550.5251.

2152 (d) Racing under the permit may take place only at the  
2153 location for which the original quarter horse racing permit was  
2154 issued, which may be leased by the not-for-profit corporation  
2155 for that purpose; however, the not-for-profit corporation may,  
2156 without the conduct of any ratification election pursuant to s.  
2157 550.054(13) or s. 550.0651, move the location of the permit to  
2158 another location in the same county or counties, if a permit is  
2159 situated in such a manner that it is located in more than one  
2160 county, provided that such relocation is approved under the  
2161 zoning and land use regulations of the applicable county or  
2162 municipality.

2163 (e) A limited thoroughbred racing ~~no~~ permit may not be  
2164 transferred ~~converted under this section is eligible for~~  
2165 ~~transfer~~ to another person or entity.

2166 (3) Unless otherwise provided in this section, ~~after~~  
2167 ~~conversion~~, the permit and the not-for-profit corporation shall  
2168 be treated under the laws of this state as a thoroughbred racing  
2169 permit and as a thoroughbred racing permitholder, respectively,  
2170 with the exception of ss. 550.054(9)(c) and (d) and s.  
2171 550.09515(3).

2172 Section 34. Subsection (6) of section 550.3551, Florida  
2173 Statutes, is amended to read:

2174 550.3551 Transmission of racing and jai alai information;  
2175 commingling of pari-mutuel pools.-

2176 (6) (a) ~~A maximum of 20 percent of the total number of races~~  
2177 ~~on which wagers are accepted by a greyhound permitholder not~~  
2178 ~~located as specified in s. 550.615(6) may be received from~~

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2179 ~~locations outside this state. A permitholder may not conduct~~  
2180 ~~fewer than eight live races or games on any authorized race day~~  
2181 ~~except as provided in this subsection. A thoroughbred racing~~  
2182 permitholder may not conduct fewer than eight live races on any  
2183 race day without the written approval of the Florida  
2184 Thoroughbred Breeders' Association and the Florida Horsemen's  
2185 Benevolent and Protective Association, Inc., unless it is  
2186 determined by the department that another entity represents a  
2187 majority of the thoroughbred racehorse owners and trainers in  
2188 the state. A harness horse racing permitholder may conduct fewer  
2189 than eight live races on any authorized race day, except that  
2190 such permitholder must conduct a full schedule of live racing  
2191 during its race meet consisting of at least eight live races per  
2192 authorized race day for at least 100 days. ~~Any harness horse~~  
2193 ~~permitholder that during the preceding racing season conducted a~~  
2194 ~~full schedule of live racing may, at any time during its current~~  
2195 ~~race meet, receive full card broadcasts of harness horse races~~  
2196 ~~conducted at harness racetracks outside this state at the~~  
2197 ~~harness track of the permitholder and accept wagers on such~~  
2198 ~~harness races. With specific authorization from the division for~~  
2199 special racing events, a permitholder may conduct fewer than  
2200 eight live races or games when the permitholder also broadcasts  
2201 out-of-state races or games. The division may not grant more  
2202 than two such exceptions a year for a permitholder in any 12-  
2203 month period, and those two exceptions may not be consecutive.

2204 (b) Notwithstanding any other provision of this chapter,  
2205 any harness horse racing permitholder accepting broadcasts of  
2206 out-of-state harness horse races when such permitholder is not  
2207 conducting live races must make the out-of-state signal



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2208 available to all permitholders eligible to conduct intertrack  
2209 wagering and shall pay to guest tracks located as specified in  
2210 s. 550.6305(9)(d) ~~ss. 550.615(6) and 550.6305(9)(d)~~ 50 percent  
2211 of the net proceeds after taxes and fees to the out-of-state  
2212 host track on harness horse race wagers which they accept. A  
2213 harness horse racing permitholder shall be required to pay into  
2214 its purse account 50 percent of the net income retained by the  
2215 permitholder on account of wagering on the out-of-state  
2216 broadcasts received pursuant to this subsection. Nine-tenths of  
2217 a percent of all harness horse race wagering proceeds on the  
2218 broadcasts received pursuant to this subsection shall be paid to  
2219 the Florida Standardbred Breeders and Owners Association under  
2220 the provisions of s. 550.2625(4) for the purposes provided  
2221 therein.

2222 Section 35. Section 550.475, Florida Statutes, is amended  
2223 to read:

2224 550.475 Lease of pari-mutuel facilities by pari-mutuel  
2225 permitholders.—Holders of valid pari-mutuel permits for the  
2226 conduct of any jai alai games, dogracing, or thoroughbred and  
2227 standardbred horse racing in this state are entitled to lease  
2228 any and all of their facilities to any other holder of a same  
2229 class,  valid pari-mutuel permit for jai alai games, dogracing,  
2230  or thoroughbred or standardbred horse racing, when they are  
2231  located within a 35-mile radius of each other, and such lessee  
2232 is entitled to a permit and license to operate its race meet or  
2233 jai alai games at the leased premises. A permitholder may not  
2234  lease facilities from a pari-mutuel permitholder that is not  
2235  conducting a full schedule of live racing.

2236 Section 36. Subsection (1) of section 550.5251, Florida

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2237 Statutes, is amended, and present subsections (2) and (3) of  
 2238 that section are redesignated as subsections (1) and (2),  
 2239 respectively, to read:

2240 550.5251 Florida thoroughbred racing; certain permits;  
 2241 operating days.—

2242 ~~(1) Each thoroughbred permitholder shall annually, during~~  
 2243 ~~the period commencing December 15 of each year and ending~~  
 2244 ~~January 4 of the following year, file in writing with the~~  
 2245 ~~division its application to conduct one or more thoroughbred~~  
 2246 ~~racing meetings during the thoroughbred racing season commencing~~  
 2247 ~~on the following July 1. Each application shall specify the~~  
 2248 ~~number and dates of all performances that the permitholder~~  
 2249 ~~intends to conduct during that thoroughbred racing season. On or~~  
 2250 ~~before March 15 of each year, the division shall issue a license~~  
 2251 ~~authorizing each permitholder to conduct performances on the~~  
 2252 ~~dates specified in its application. Up to February 28 of each~~  
 2253 ~~year, each permitholder may request and shall be granted changes~~  
 2254 ~~in its authorized performances; but thereafter, as a condition~~  
 2255 ~~precedent to the validity of its license and its right to retain~~  
 2256 ~~its permit, each permitholder must operate the full number of~~  
 2257 ~~days authorized on each of the dates set forth in its license.~~

2258 Section 37. Subsections (2), (4), (6), and (7) of section  
 2259 550.615, Florida Statutes, are amended, present subsections (8),  
 2260 (9), and (10) of that section are redesignated as subsections  
 2261 (6), (7), and (8), respectively, present subsection (9) of that  
 2262 section is amended, and a new subsection (9) is added to that  
 2263 section, to read:

2264 550.615 Intertrack wagering.—

2265 (2) A ~~Any~~ track or fronton licensed under this chapter

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2266 which has conducted a full schedule of live racing or games for  
2267 at least 5 consecutive calendar years since 2010 in the  
2268 ~~preceding year conducted a full schedule of live racing is~~  
2269 qualified to, at any time, receive broadcasts of any class of  
2270 pari-mutuel race or game and accept wagers on such races or  
2271 games conducted by any class of permitholders licensed under  
2272 this chapter.

2273 (4) ~~An In no event shall any intertrack wager~~ may not be  
2274 accepted on the same class of live races or games of any  
2275 permitholder without the written consent of such operating  
2276 permitholders conducting the same class of live races or games  
2277 if the guest track is within the market area of such operating  
2278 permitholder. A greyhound racing permitholder licensed under  
2279 this chapter which accepts intertrack wagers on live greyhound  
2280 signals is not required to obtain the written consent required  
2281 by this subsection from any operating greyhound racing  
2282 permitholder within its market area.

2283 ~~(6) Notwithstanding the provisions of subsection (3), in~~  
2284 ~~any area of the state where there are three or more horserace~~  
2285 ~~permitholders within 25 miles of each other, intertrack wagering~~  
2286 ~~between permitholders in said area of the state shall only be~~  
2287 ~~authorized under the following conditions: Any permitholder,~~  
2288 ~~other than a thoroughbred permitholder, may accept intertrack~~  
2289 ~~wagers on races or games conducted live by a permitholder of the~~  
2290 ~~same class or any harness permitholder located within such area~~  
2291 ~~and any harness permitholder may accept wagers on games~~  
2292 ~~conducted live by any jai alai permitholder located within its~~  
2293 ~~market area and from a jai alai permitholder located within the~~  
2294 ~~area specified in this subsection when no jai alai permitholder~~

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2295 ~~located within its market area is conducting live jai alai~~  
2296 ~~performances; any greyhound or jai alai permitholder may receive~~  
2297 ~~broadcasts of and accept wagers on any permitholder of the other~~  
2298 ~~class provided that a permitholder, other than the host track,~~  
2299 ~~of such other class is not operating a contemporaneous live~~  
2300 ~~performance within the market area.~~

2301 ~~(7) In any county of the state where there are only two~~  
2302 ~~permits, one for dogracing and one for jai alai, no intertrack~~  
2303 ~~wager may be taken during the period of time when a permitholder~~  
2304 ~~is not licensed to conduct live races or games without the~~  
2305 ~~written consent of the other permitholder that is conducting~~  
2306 ~~live races or games. However, if neither permitholder is~~  
2307 ~~conducting live races or games, either permitholder may accept~~  
2308 ~~intertrack wagers on horseraces or on the same class of races or~~  
2309 ~~games, or on both horseraces and the same class of races or~~  
2310 ~~games as is authorized by its permit.~~

2311 ~~(7)-(9)~~ (7) In any two contiguous counties of the state in which  
2312 there are located only four active permits, one for thoroughbred  
2313 horse racing, two for greyhound racing ~~dogracing~~, and one for  
2314 jai alai games, an ~~no~~ intertrack wager may not be accepted on  
2315 the same class of live races or games of any permitholder  
2316 without the written consent of such operating permitholders  
2317 conducting the same class of live races or games if the guest  
2318 track is within the market area of such operating permitholder.

2319 (9) A greyhound racing permitholder that is eligible to  
2320 receive broadcasts pursuant to subsection (2) and is operating  
2321 pursuant to a current year operating license that specifies that  
2322 no live performances will be conducted may accept wagers on live  
2323 races conducted at out-of-state greyhound tracks only on the

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2324 days when the permitholder receives all live races that any  
2325 greyhound host track in this state makes available.

2326 Section 38. Subsections (1), (4), and (5) of section  
2327 550.6308, Florida Statutes, are amended to read:

2328 550.6308 Limited intertrack wagering license.—In  
2329 recognition of the economic importance of the thoroughbred  
2330 breeding industry to this state, its positive impact on tourism,  
2331 and of the importance of a permanent thoroughbred sales facility  
2332 as a key focal point for the activities of the industry, a  
2333 limited license to conduct intertrack wagering is established to  
2334 ensure the continued viability and public interest in  
2335 thoroughbred breeding in Florida.

2336 (1) Upon application to the division on or before January  
2337 31 of each year, any person that is licensed to conduct public  
2338 sales of thoroughbred horses pursuant to s. 535.01 and, that has  
2339 conducted at least 8 ~~15~~ days of thoroughbred horse sales at a  
2340 permanent sales facility in this state for at least 3  
2341 consecutive years, ~~and that has conducted at least 1 day of~~  
2342 ~~nonwagering thoroughbred racing in this state, with a purse~~  
2343 ~~structure of at least \$250,000 per year for 2 consecutive years~~  
2344 before such application, shall be issued a license, subject to  
2345 the conditions set forth in this section, to conduct intertrack  
2346 wagering at such a permanent sales facility ~~during the following~~  
2347 ~~periods:~~

2348 ~~(a) Up to 21 days in connection with thoroughbred sales;~~

2349 ~~(b) Between November 1 and May 8;~~

2350 ~~(c) Between May 9 and October 31 at such times and on such~~  
2351 ~~days as any thoroughbred, jai alai, or a greyhound permitholder~~  
2352 ~~in the same county is not conducting live performances; provided~~

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2353 ~~that any such permitholder may waive this requirement, in whole~~  
2354 ~~or in part, and allow the licensee under this section to conduct~~  
2355 ~~intertrack wagering during one or more of the permitholder's~~  
2356 ~~live performances; and~~

2357 ~~(d) During the weekend of the Kentucky Derby, the~~  
2358 ~~Preakness, the Belmont, and a Breeders' Cup Meet that is~~  
2359 ~~conducted before November 1 and after May 8.~~

2360  
2361 Only ~~No more than~~ one such license may be issued, and no such  
2362 license may be issued for a facility located within 50 miles of  
2363 any for-profit thoroughbred permitholder's track.

2364 ~~(4) Intertrack wagering under this section may be conducted~~  
2365 ~~only on thoroughbred horse racing, except that intertrack~~  
2366 ~~wagering may be conducted on any class of pari-mutuel race or~~  
2367 ~~game conducted by any class of permitholders licensed under this~~  
2368 ~~chapter if all thoroughbred, jai alai, and greyhound~~  
2369 ~~permitholders in the same county as the licensee under this~~  
2370 ~~section give their consent.~~

2371 ~~(4)~~ (5) The licensee shall be considered a guest track under  
2372 this chapter. The licensee shall pay 2.5 percent of the total  
2373 contributions to the daily pari-mutuel pool on wagers accepted  
2374 at the licensee's facility on greyhound races or jai alai games  
2375 to the thoroughbred permitholder that is conducting live races  
2376 for purses to be paid during its current racing meet. If more  
2377 than one thoroughbred permitholder is conducting live races on a  
2378 day during which the licensee is conducting intertrack wagering  
2379 on greyhound races or jai alai games, the licensee shall  
2380 allocate these funds between the operating thoroughbred  
2381 permitholders on a pro rata basis based on the total live handle

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2382 ~~at the operating permitholders' facilities.~~

2383 Section 39. Section 551.101, Florida Statutes, is amended  
2384 to read:

2385 551.101 Slot machine gaming authorized.—A ~~Any~~ licensed  
2386 eligible pari-mutuel facility located in Miami Dade County or  
2387 Broward County existing at the time of adoption of s. 23, Art. X  
2388 of the State Constitution that has conducted live racing or  
2389 games during calendar years 2002 and 2003 may possess slot  
2390 machines and conduct slot machine gaming at the location where  
2391 the pari-mutuel permitholder is authorized to conduct pari-  
2392 mutuel wagering activities pursuant to such permitholder's valid  
2393 pari-mutuel permit or at the location where a licensee is  
2394 authorized to conduct slot machine gaming pursuant to s.  
2395 551.1043 ~~provided that a majority of voters in a countywide~~  
2396 ~~referendum have approved slot machines at such facility in the~~  
2397 ~~respective county.~~ Notwithstanding any other ~~provision of law,~~  
2398 it is not a crime for a person to participate in slot machine  
2399 gaming at a pari-mutuel facility licensed to possess slot  
2400 machines and conduct slot machine gaming or to participate in  
2401 slot machine gaming described in this chapter.

2402 Section 40. Subsections (4), (10), and (11) of section  
2403 551.102, Florida Statutes, are amended to read:

2404 551.102 Definitions.—As used in this chapter, the term:

2405 (4) "Eligible facility" means any licensed pari-mutuel  
2406 facility or any facility authorized to conduct slot machine  
2407 gaming pursuant to s. 551.1043, which meets the requirements of  
2408 s. 551.104(2) located in Miami Dade County or Broward County  
2409 ~~existing at the time of adoption of s. 23, Art. X of the State~~  
2410 ~~Constitution that has conducted live racing or games during~~

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2411 ~~calendar years 2002 and 2003 and has been approved by a majority~~  
2412 ~~of voters in a countywide referendum to have slot machines at~~  
2413 ~~such facility in the respective county; any licensed pari-mutuel~~  
2414 ~~facility located within a county as defined in s. 125.011,~~  
2415 ~~provided such facility has conducted live racing for 2~~  
2416 ~~consecutive calendar years immediately preceding its application~~  
2417 ~~for a slot machine license, pays the required license fee, and~~  
2418 ~~meets the other requirements of this chapter; or any licensed~~  
2419 ~~pari-mutuel facility in any other county in which a majority of~~  
2420 ~~voters have approved slot machines at such facilities in a~~  
2421 ~~countywide referendum held pursuant to a statutory or~~  
2422 ~~constitutional authorization after the effective date of this~~  
2423 ~~section in the respective county, provided such facility has~~  
2424 ~~conducted a full schedule of live racing for 2 consecutive~~  
2425 ~~calendar years immediately preceding its application for a slot~~  
2426 ~~machine license, pays the required licensed fee, and meets the~~  
2427 ~~other requirements of this chapter.~~

2428 (10) "Slot machine license" means a license issued by the  
2429 division authorizing a pari-mutuel permitholder or a licensee  
2430 authorized pursuant to s. 551.1043 to place and operate slot  
2431 machines as provided in ~~by~~ s. 23, Art. X of the State  
2432 Constitution, ~~the provisions of this chapter,~~ and by division  
2433 rule rules.

2434 (11) "Slot machine licensee" means a pari-mutuel  
2435 permitholder or a licensee authorized pursuant to s. 551.1043  
2436 which ~~who~~ holds a license issued by the division pursuant to  
2437 this chapter which ~~that~~ authorizes such person to possess a slot  
2438 machine ~~within facilities specified in s. 23, Art. X of the~~  
2439 ~~State Constitution~~ and allows slot machine gaming.



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2440 Section 41. Subsections (1) and (2), paragraph (c) of  
2441 subsection (4), and paragraphs (a) and (c) of subsection (10) of  
2442 section 551.104, Florida Statutes, are amended to read:

2443 551.104 License to conduct slot machine gaming.—

2444 (1) Upon application, ~~and~~ a finding by the division, after  
2445 investigation, that the application is complete and that the  
2446 applicant is qualified, and payment of the initial license fee,  
2447 the division may issue a license to conduct slot machine gaming  
2448 in the designated slot machine gaming area of the eligible  
2449 facility. Once licensed, slot machine gaming may be conducted  
2450 subject to ~~the requirements of~~ this chapter and rules adopted  
2451 pursuant thereto. The division may not issue a slot machine  
2452 license to any pari-mutuel permitholder that includes, or  
2453 previously included within its ownership group, an ultimate  
2454 equitable owner that was also an ultimate equitable owner of a  
2455 pari-mutuel permitholder whose permit was voluntarily or  
2456 involuntarily surrendered, suspended, or revoked by the division  
2457 within 10 years before the date of permitholder's filing of an  
2458 application for a slot machine license.

2459 (2) An application may be approved by the division only if:

2460 (a) The facility at which the applicant seeks to operate  
2461 slot machines is:

2462 1. A licensed pari-mutuel facility located in Miami-Dade  
2463 County or Broward County existing at the time of adoption of s.  
2464 23, Art. X of the State Constitution which conducted live racing  
2465 or games during calendar years 2002 and 2003, if such  
2466 permitholder pays the required license fee and meets the other  
2467 requirements of this chapter;

2468 2. A licensed pari-mutuel facility in any county in which a

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2469 majority of voters have approved slot machines in a countywide  
2470 referendum, if such permitholder has conducted a full schedule  
2471 of live racing or games as defined in s. 550.002(11) for 2  
2472 consecutive calendar years immediately preceding its application  
2473 for a slot machine license, pays the required license fee, and  
2474 meets the other requirements of this chapter;

2475 3. A facility at which a licensee is authorized to conduct  
2476 slot machine gaming pursuant to s. 551.1043, if such licensee  
2477 pays the required license fee and meets the other requirements  
2478 of this chapter; or

2479 4. A licensed pari-mutuel facility, except for a pari-  
2480 mutuel facility described in subparagraph 1., located on or  
2481 contiguous with property of the qualified project of a public-  
2482 private partnership consummated between the permitholder and a  
2483 responsible public entity in accordance with s. 255.065 in a  
2484 county in which the referendum required pursuant to paragraph  
2485 (b) is conducted on or after January 1, 2018, and concurrently  
2486 with a general election, if such permitholder has conducted a  
2487 full schedule of live racing or games as defined in s.  
2488 550.002(11) for 2 consecutive calendar years immediately  
2489 preceding its application for a slot machine license; provided  
2490 that a license may be issued under this subparagraph only after  
2491 a comprehensive agreement has been executed pursuant to s.  
2492 255.065(7), and the Gaming Compact between the Seminole Tribe of  
2493 Florida and the State of Florida, as amended, and ratified and  
2494 approved pursuant to s. 285.710, as amended by this act, has  
2495 been amended to exclude slot machine gaming at such facility  
2496 from the exclusivity provided to the Seminole Tribe of Florida.

2497 (b) after The voters of the county where the applicant's

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2498 facility is located have authorized by referendum slot machines  
 2499 within pari-mutuel facilities in that county ~~as specified in s.~~  
 2500 ~~23, Art. X of the State Constitution.~~

2501 (4) As a condition of licensure and to maintain continued  
 2502 authority for the conduct of slot machine gaming, a ~~the~~ slot  
 2503 machine licensee shall:

2504 (c)1. If conducting live racing or games, conduct no fewer  
 2505 than a full schedule of live racing or games as defined in s.  
 2506 550.002(11). A permitholder's responsibility to conduct a full  
 2507 schedule ~~such number~~ of live races or games as defined in s.  
 2508 550.002(11) shall be reduced by the number of races or games  
 2509 that could not be conducted due to the direct result of fire,  
 2510 war, hurricane, or other disaster or event beyond the control of  
 2511 the permitholder. A permitholder may conduct live races or games  
 2512 at another pari-mutuel facility pursuant to s. 550.475 if such  
 2513 permitholder has operated its live races or games by lease for  
 2514 at least 10 consecutive years immediately prior to the  
 2515 permitholder's application for a slot machine license; or

2516 2. If not licensed to conduct a full schedule of live  
 2517 racing or games as defined in s. 550.002(11), remit for the  
 2518 payment of purses on live races an amount equal to the lesser of  
 2519 \$2 million or 3 percent of its slot machine revenues from the  
 2520 previous state fiscal year to a slot machine licensee licensed  
 2521 to conduct not fewer than 160 days of thoroughbred racing. If no  
 2522 slot machine licensee is licensed for at least 160 days of live  
 2523 thoroughbred racing, no payments for purses are required. A slot  
 2524 machine licensee that meets the requirements of subsection (10)  
 2525 shall receive a dollar-for-dollar credit to be applied toward  
 2526 the payments required under this subparagraph which are made

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2527 pursuant to the binding agreement after the effective date of  
2528 this act. This subparagraph expires July 1, 2036.

2529 (10) (a) ~~1. A No~~ slot machine license or renewal thereof may  
2530 not shall be issued to an applicant holding a permit under  
2531 chapter 550 to conduct pari-mutuel wagering meets of  
2532 thoroughbred racing unless the applicant has on file with the  
2533 division a binding written agreement between the applicant and  
2534 the Florida Horsemen's Benevolent and Protective Association,  
2535 Inc., governing the payment of purses on live thoroughbred races  
2536 conducted at the licensee's pari-mutuel facility. In addition, a  
2537 ~~no~~ slot machine license or renewal thereof may not shall be  
2538 issued to such an applicant unless the applicant has on file  
2539 with the division a binding written agreement between the  
2540 applicant and the Florida Thoroughbred Breeders' Association,  
2541 Inc., governing the payment of breeders', stallion, and special  
2542 racing awards on live thoroughbred races conducted at the  
2543 licensee's pari-mutuel facility. The agreement governing purses  
2544 and the agreement governing awards may direct the payment of  
2545 such purses and awards from revenues generated by any wagering  
2546 or gaming the applicant is authorized to conduct under Florida  
2547 law. All purses and awards are shall be subject to the terms of  
2548 chapter 550. All sums for breeders', stallion, and special  
2549 racing awards shall be remitted monthly to the Florida  
2550 Thoroughbred Breeders' Association, Inc., for the payment of  
2551 awards subject to the administrative fee authorized in s.  
2552 550.2625(3). This paragraph does not apply to a summer  
2553 thoroughbred racing permitholder.

2554 ~~2. No slot machine license or renewal thereof shall be~~  
2555 ~~issued to an applicant holding a permit under chapter 550 to~~

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2556 ~~conduct pari-mutuel wagering meets of quarter horse racing~~  
2557 ~~unless the applicant has on file with the division a binding~~  
2558 ~~written agreement between the applicant and the Florida Quarter~~  
2559 ~~Horse Racing Association or the association representing a~~  
2560 ~~majority of the horse owners and trainers at the applicant's~~  
2561 ~~eligible facility, governing the payment of purses on live~~  
2562 ~~quarter horse races conducted at the licensee's pari-mutuel~~  
2563 ~~facility. The agreement governing purses may direct the payment~~  
2564 ~~of such purses from revenues generated by any wagering or gaming~~  
2565 ~~the applicant is authorized to conduct under Florida law. All~~  
2566 ~~purses shall be subject to the terms of chapter 550.~~

2567 (c)1. If an agreement required under paragraph (a) cannot  
2568 be reached prior to the initial issuance of the slot machine  
2569 license, either party may request arbitration or, in the case of  
2570 a renewal, if an agreement required under paragraph (a) is not  
2571 in place 120 days prior to the scheduled expiration date of the  
2572 slot machine license, the applicant shall immediately ask the  
2573 American Arbitration Association to furnish a list of 11  
2574 arbitrators, each of whom shall have at least 5 years of  
2575 commercial arbitration experience and no financial interest in  
2576 or prior relationship with any of the parties or their  
2577 affiliated or related entities or principals. Each required  
2578 party to the agreement shall select a single arbitrator from the  
2579 list provided by the American Arbitration Association within 10  
2580 days of receipt, and the individuals so selected shall choose  
2581 one additional arbitrator from the list within the next 10 days.

2582 2. If an agreement required under paragraph (a) is not in  
2583 place 60 days after the request under subparagraph 1. in the  
2584 case of an initial slot machine license or, in the case of a

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2585 renewal, 60 days prior to the scheduled expiration date of the  
2586 slot machine license, the matter shall be immediately submitted  
2587 to mandatory binding arbitration to resolve the disagreement  
2588 between the parties. The three arbitrators selected pursuant to  
2589 subparagraph 1. shall constitute the panel that shall arbitrate  
2590 the dispute between the parties pursuant to the American  
2591 Arbitration Association Commercial Arbitration Rules and chapter  
2592 682.

2593 3. At the conclusion of the proceedings, which shall be no  
2594 later than 90 days after the request under subparagraph 1. in  
2595 the case of an initial slot machine license or, in the case of a  
2596 renewal, 30 days prior to the scheduled expiration date of the  
2597 slot machine license, the arbitration panel shall present to the  
2598 parties a proposed agreement that the majority of the panel  
2599 believes equitably balances the rights, interests, obligations,  
2600 and reasonable expectations of the parties. The parties shall  
2601 immediately enter into such agreement, which shall satisfy the  
2602 requirements of paragraph (a) and permit issuance of the pending  
2603 annual slot machine license or renewal. The agreement produced  
2604 by the arbitration panel under this subparagraph shall be  
2605 effective until the last day of the license or renewal period or  
2606 until the parties enter into a different agreement. Each party  
2607 shall pay its respective costs of arbitration and shall pay one-  
2608 half of the costs of the arbitration panel, unless the parties  
2609 otherwise agree. If the agreement produced by the arbitration  
2610 panel under this subparagraph remains in place 120 days prior to  
2611 the scheduled issuance of the next annual license renewal, then  
2612 the arbitration process established in this paragraph will begin  
2613 again.

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2614 4. In the event that ~~neither of the agreements required~~  
2615 ~~under subparagraph (a)1. or the agreement required under~~  
2616 ~~subparagraph (a)2.~~ are not in place by the deadlines established  
2617 in this paragraph, arbitration regarding each agreement will  
2618 proceed independently, with separate lists of arbitrators,  
2619 arbitration panels, arbitration proceedings, and resulting  
2620 agreements.

2621 5. With respect to the agreements required under paragraph  
2622 (a) governing the payment of purses, the arbitration and  
2623 resulting agreement called for under this paragraph shall be  
2624 limited to the payment of purses from slot machine revenues  
2625 only.

2626 Section 42. Section 551.1042, Florida Statutes, is created  
2627 to read:

2628 551.1042 Transfer or relocation of slot machine license  
2629 prohibited.—A slot machine license issued under this chapter may  
2630 not be transferred or reissued when such reissuance is in the  
2631 nature of a transfer so as to permit or authorize a licensee to  
2632 change the location of a slot machine facility.

2633 Section 43. Section 551.1043, Florida Statutes, is created  
2634 to read:

2635 551.1043 Slot machine license to enhance live pari-mutuel  
2636 activity.—In recognition of the important and long-standing  
2637 economic contribution of the pari-mutuel industry to this state  
2638 and the state's vested interest in the revenue generated from  
2639 that industry and in the interest of promoting the continued  
2640 viability of the important statewide agricultural activities  
2641 that the industry supports, the Legislature finds that it is in  
2642 the state's interest to provide a limited opportunity for the

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2643 establishment of two additional slot machine licenses to be  
2644 awarded and renewed annually and located within Broward County  
2645 or a county as defined in s. 125.011.

2646 (1) (a) Within 120 days after the effective date of this  
2647 act, any person who is not a slot machine licensee may apply to  
2648 the division pursuant to s. 551.104(1) for one of the two slot  
2649 machine licenses created by this section to be located in  
2650 Broward County or a county as defined in s. 125.011. No more  
2651 than one of such licenses may be awarded in each of those  
2652 counties. An applicant shall submit an application to the  
2653 division which satisfies the requirements of s. 550.054(3). Any  
2654 person prohibited from holding any horse racing or dogracing  
2655 permit or jai alai fronton permit pursuant to s. 550.1815 is  
2656 ineligible to apply for the additional slot machine license  
2657 created by this section.

2658 (b) The application shall be accompanied by a nonrefundable  
2659 license application fee of \$2 million. The license application  
2660 fee shall be deposited into the Pari-mutuel Wagering Trust Fund  
2661 of the Department of Business and Professional Regulation to be  
2662 used by the division and the Department of Law Enforcement for  
2663 investigations, the regulation of slot machine gaming, and the  
2664 enforcement of slot machine gaming under this chapter. In the  
2665 event of a successful award, the license application fee shall  
2666 be credited toward the license application fee required by s.  
2667 551.106.

2668 (2) If there is more than one applicant for an additional  
2669 slot machine license, the division shall award such license to  
2670 the applicant that receives the highest score based on the  
2671 following criteria:



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2672       (a) The amount of slot machine revenues the applicant will  
2673 agree to dedicate to the enhancement of pari-mutuel purses and  
2674 breeders', stallion, and special racing or player awards to be  
2675 awarded to pari-mutuel activities conducted pursuant to chapter  
2676 550, in addition to those required pursuant to s.  
2677 551.104(4)(c)2. and s. 849.086(14)(d)2.;

2678       (b) The amount of slot machine revenues the applicant will  
2679 agree to dedicate to the general promotion of the state's pari-  
2680 mutuel industry;

2681       (c) The amount of slot machine revenues the applicant will  
2682 agree to dedicate to care provided in this state to injured or  
2683 retired animals, jockeys, or jai alai players;

2684       (d) The projected amount by which the proposed slot machine  
2685 facility will increase tourism, generate jobs, provide revenue  
2686 to the local economy, and provide revenue to the state. The  
2687 applicant and its partners shall document their previous  
2688 experience in constructing premier facilities with high-quality  
2689 amenities which complement a local tourism industry;

2690       (e) The financial history of the applicant and its  
2691 partners, including, but not limited to, any capital investments  
2692 in slot machine gaming and pari-mutuel facilities, and its bona  
2693 fide plan for future community involvement and financial  
2694 investment;

2695       (f) The history of investment by the applicant and its  
2696 partners in the communities in which its previous developments  
2697 have been located;

2698       (g) The ability to purchase and maintain a surety bond in  
2699 an amount established by the division to represent the projected  
2700 annual revenues generated by the proposed slot machine facility;

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2701       (h) The ability to demonstrate the financial wherewithal to  
2702 adequately capitalize, develop, construct, maintain, and operate  
2703 a proposed slot machine facility. The applicant must demonstrate  
2704 the ability to commit at least \$100 million for hard costs  
2705 related to construction and development of the facility,  
2706 exclusive of the purchase price and costs associated with the  
2707 acquisition of real property and any impact fees. The applicant  
2708 must also demonstrate the ability to meet any projected secured  
2709 and unsecured debt obligations and to complete construction  
2710 within 2 years after receiving the award of the slot machine  
2711 license;

2712       (i) The ability to implement a program to train and employ  
2713 residents of South Florida to work at the facility and contract  
2714 with local business owners for goods and services; and

2715       (j) The ability of the applicant to generate, with its  
2716 partners, substantial gross gaming revenue following the award  
2717 of gaming licenses through a competitive bidding process.

2718  
2719 The division shall award additional points in the evaluation of  
2720 the applications for proposed projects located within a half  
2721 mile of two forms of public transportation in a designated  
2722 community redevelopment area or district.

2723       (3) (a) Notwithstanding the timeframes established in s.  
2724 120.60, the division shall complete its evaluations at least 120  
2725 days after the submission of applications and shall notice its  
2726 intent to award each of the licenses within that timeframe.  
2727 Within 30 days after the submission of an application, the  
2728 division shall issue, if necessary, requests for additional  
2729 information or notices of deficiency to the applicant, who must

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2730 respond within 15 days. Failure to timely and sufficiently  
2731 respond to such requests or to correct identified deficiencies  
2732 is grounds for denial of the application.

2733 (b) Any protest of an intent to award a license shall be  
2734 forwarded to the Division of Administrative Hearings, which  
2735 shall conduct an administrative hearing on the matter before an  
2736 administrative law judge at least 30 days after the notice of  
2737 intent to award. The administrative law judge shall issue a  
2738 proposed recommended order at least 30 days after the completion  
2739 of the final hearing. The division shall issue a final order at  
2740 least 15 days after receipt of the proposed recommended order.

2741 (c) Any appeal of a license denial shall be made to the  
2742 First District Court of Appeal and must be accompanied by the  
2743 posting of a supersedeas bond in an amount determined by the  
2744 division to be equal to the amount of projected annual slot  
2745 machine revenue to be generated by the successful licensee.

2746 (4) The division is authorized to adopt emergency rules  
2747 pursuant to s. 120.54 to implement this section. The Legislature  
2748 finds that such emergency rulemaking power is necessary for the  
2749 preservation of the rights and welfare of the people in order to  
2750 provide additional funds to benefit the public. The Legislature  
2751 further finds that the unique nature of the competitive award of  
2752 the slot machine license under this section requires that the  
2753 department respond as quickly as is practicable to implement  
2754 this section. Therefore, in adopting such emergency rules, the  
2755 division is exempt from s. 120.54(4)(a). Emergency rules adopted  
2756 under this section are exempt from s. 120.54(4)(c) and shall  
2757 remain in effect until replaced by other emergency rules or by  
2758 rules adopted pursuant to chapter 120.

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2759 (5) A licensee authorized pursuant to this section to  
 2760 conduct slot machine gaming is:

2761 (a) Authorized to operate a cardroom pursuant to s.  
 2762 849.086, notwithstanding that the licensee does not have a pari-  
 2763 mutuel permit and does not have an operating license, pursuant  
 2764 to chapter 550;

2765 (b) Authorized to operate up to 25 house banked blackjack  
 2766 table games at its facility pursuant to s. 551.1044(2) and is  
 2767 subject to s. 849.1044(3), notwithstanding that the licensee  
 2768 does not have a pari-mutuel permit and does not have an  
 2769 operating license, pursuant to chapter 550;

2770 (c) Exempt from compliance with chapter 550; and

2771 (d) Exempt from s. 551.104(3), (4)(b) and (c)1., (5), and  
 2772 (10) and from s. 551.114(4).

2773 Section 44. Section 551.1044, Florida Statutes, is created  
 2774 to read:

2775 551.1044 House banked blackjack table games authorized.-

2776 (1) The pari-mutuel permitholder of each of the following  
 2777 pari-mutuel wagering facilities may operate up to 25 house  
 2778 banked blackjack table games at the permitholder's facility:

2779 (a) A licensed pari-mutuel facility where live racing or  
 2780 games were conducted during calendar years 2002 and 2003,  
 2781 located in Miami-Dade County or Broward County, and authorized  
 2782 for slot machine licensure pursuant to s. 23, Art. X of the  
 2783 State Constitution; and

2784 (b) A licensed pari-mutuel facility where a full schedule  
 2785 of live horse racing has been conducted for 2 consecutive  
 2786 calendar years immediately preceding its application for a slot  
 2787 machine license which is located within a county as defined in

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2788 s. 125.011.

2789 (2) Wagers on authorized house banked blackjack table games  
2790 may not exceed \$100 for each initial two-card wager. Subsequent  
2791 wagers on splits or double downs are allowed but may not exceed  
2792 the initial two-card wager. Single side bets of not more than \$5  
2793 are also allowed.

2794 (3) Each pari-mutuel permitholder offering banked blackjack  
2795 pursuant to this section shall pay a tax to the state of 25  
2796 percent of the blackjack operator's monthly gross receipts. All  
2797 provisions of s. 849.086(14), except s. 849.086(14)(b), shall  
2798 apply to taxes owed pursuant to this section.

2799 Section 45. Subsections (1) and (2) of section 551.106,  
2800 Florida Statutes, are amended to read:

2801 551.106 License fee; tax rate; penalties.—

2802 (1) LICENSE FEE.—

2803 ~~(a)~~ Upon submission of the initial application for a slot  
2804 machine license and annually thereafter, on the anniversary date  
2805 of the issuance of the initial license, the licensee must pay to  
2806 the division a nonrefundable license fee of ~~\$3 million for the~~  
2807 ~~succeeding 12 months of licensure. In the 2010-2011 fiscal year,~~  
2808 ~~the licensee must pay the division a nonrefundable license fee~~  
2809 ~~of \$2.5 million for the succeeding 12 months of licensure. In~~  
2810 ~~the 2011-2012 fiscal year and for every fiscal year thereafter,~~  
2811 ~~the licensee must pay the division a nonrefundable license fee~~  
2812 ~~of \$2 million for the succeeding 12 months of licensure. The~~  
2813 license fee shall be deposited into the Pari-mutuel Wagering  
2814 Trust Fund of the Department of Business and Professional  
2815 Regulation to be used by the division and the Department of Law  
2816 Enforcement for investigations, regulation of slot machine

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2817 gaming, and enforcement of slot machine gaming provisions under  
2818 this chapter. These payments shall be accounted for separately  
2819 from taxes or fees paid pursuant to the provisions of chapter  
2820 550.

2821 ~~(b) Prior to January 1, 2007, the division shall evaluate~~  
2822 ~~the license fee and shall make recommendations to the President~~  
2823 ~~of the Senate and the Speaker of the House of Representatives~~  
2824 ~~regarding the optimum level of slot machine license fees in~~  
2825 ~~order to adequately support the slot machine regulatory program.~~

2826 (2) TAX ON SLOT MACHINE REVENUES.—

2827 (a) The tax rate on slot machine revenues at each facility  
2828 shall be 25 ~~35~~ percent. If, during any state fiscal year, the  
2829 aggregate amount of tax paid to the state by all slot machine  
2830 licensees in Broward and Miami-Dade Counties is less than the  
2831 aggregate amount of tax paid to the state by all slot machine  
2832 licensees in the 2008-2009 fiscal year, each slot machine  
2833 licensee shall pay to the state within 45 days after the end of  
2834 the state fiscal year a surcharge equal to its pro rata share of  
2835 an amount equal to the difference between the aggregate amount  
2836 of tax paid to the state by all slot machine licensees in the  
2837 2008-2009 fiscal year and the amount of tax paid during the  
2838 fiscal year. Each licensee's pro rata share shall be an amount  
2839 determined by dividing the number 1 by the number of facilities  
2840 licensed to operate slot machines during the applicable fiscal  
2841 year, regardless of whether the facility is operating such  
2842 machines.

2843 (b) The slot machine revenue tax imposed by this section on  
2844 facilities licensed pursuant to s. 551.104(2)(a)1.-3. shall be  
2845 paid to the division for deposit into the Pari-mutuel Wagering

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2846 Trust Fund for immediate transfer by the Chief Financial Officer  
2847 for deposit into the Educational Enhancement Trust Fund of the  
2848 Department of Education. Any interest earnings on the tax  
2849 revenues shall also be transferred to the Educational  
2850 Enhancement Trust Fund. The slot machine revenue tax imposed by  
2851 this section on facilities licensed pursuant to s.  
2852 551.104(2)(a)4. shall be paid to the division for deposit into  
2853 the Pari-mutuel Wagering Trust Fund. The division shall transfer  
2854 90 percent of such funds to be deposited by the Chief Financial  
2855 Officer into the Educational Enhancement Trust Fund of the  
2856 Department of Education and shall transfer 10 percent of such  
2857 funds to the responsible public entity for the public-private  
2858 partnership of the slot machine licensee pursuant to s.  
2859 551.104(2)(a)4. and s. 255.065.

2860 (c)1. Funds transferred to the Educational Enhancement  
2861 Trust Fund under paragraph (b) shall be used to supplement  
2862 public education funding statewide. Funds transferred to a  
2863 responsible public entity pursuant to paragraph (b) shall be  
2864 used in accordance with s. 255.065 to finance the qualifying  
2865 project of such entity and the slot machine licensee which  
2866 established the licensee's eligibility for initial licensure  
2867 pursuant to s. 551.104(2)(a)4.

2868 2. If necessary to comply with any covenant established  
2869 pursuant to s. 1013.68(4), s. 1013.70(1), or s. 1013.737(3),  
2870 funds transferred to the Educational Enhancement Trust Fund  
2871 under paragraph (b) shall first be available to pay debt service  
2872 on lottery bonds issued to fund school construction in the event  
2873 lottery revenues are insufficient for such purpose or to satisfy  
2874 debt service reserve requirements established in connection with

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2875 lottery bonds. Moneys available pursuant to this subparagraph  
2876 are subject to annual appropriation by the Legislature.

2877 Section 46. Subsection (2) of section 551.108, Florida  
2878 Statutes, is amended to read:

2879 551.108 Prohibited relationships.—

2880 (2) A manufacturer or distributor of slot machines may not  
2881 enter into any contract with a slot machine licensee that  
2882 provides for any revenue sharing of any kind or nature that is  
2883 directly or indirectly calculated on the basis of a percentage  
2884 of slot machine revenues. Any maneuver, shift, or device whereby  
2885 this subsection is violated is a violation of this chapter and  
2886 renders any such agreement void. This subsection does not apply  
2887 to contracts related to a progressive system used in conjunction  
2888 with slot machines.

2889 Section 47. Subsections (2) and (4) of section 551.114,  
2890 Florida Statutes, are amended to read:

2891 551.114 Slot machine gaming areas.—

2892 (2) If such races or games are available to the slot  
2893 machine licensee, the slot machine licensee shall display pari-  
2894 mutuel races or games within the designated slot machine gaming  
2895 areas and offer patrons within the designated slot machine  
2896 gaming areas the ability to engage in pari-mutuel wagering on  
2897 any live, intertrack, and simulcast races conducted or offered  
2898 to patrons of the licensed facility.

2899 (4) Designated slot machine gaming areas shall ~~may~~ be  
2900 located anywhere within the property described in a slot machine  
2901 licensee's pari-mutuel permit within the current live gaming  
2902 facility or in an existing building that must be contiguous and  
2903 connected to the live gaming facility. ~~If a designated slot~~



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2904 ~~machine gaming area is to be located in a building that is to be~~  
2905 ~~constructed, that new building must be contiguous and connected~~  
2906 ~~to the live gaming facility.~~

2907 Section 48. Section 551.116, Florida Statutes, is amended  
2908 to read:

2909 551.116 Days and hours of operation.—Slot machine gaming  
2910 areas may be open 24 hours per day, 7 days a week daily  
2911 ~~throughout the year. The slot machine gaming areas may be open a~~  
2912 ~~cumulative amount of 18 hours per day on Monday through Friday~~  
2913 ~~and 24 hours per day on Saturday and Sunday and on those~~  
2914 ~~holidays specified in s. 110.117(1).~~

2915 Section 49. Subsections (1) and (3) of section 551.121,  
2916 Florida Statutes, are amended to read:

2917 551.121 Prohibited activities and devices; exceptions.—

2918 (1) Complimentary or reduced-cost alcoholic beverages may  
2919 ~~not~~ be served to a person ~~persons~~ playing a slot machine.  
2920 ~~Alcoholic beverages served to persons playing a slot machine~~  
2921 ~~shall cost at least the same amount as alcoholic beverages~~  
2922 ~~served to the general public at a bar within the facility.~~

2923 (3) A slot machine licensee may ~~not~~ allow any automated  
2924 teller machine or similar device designed to provide credit or  
2925 dispense cash to be located within the designated slot machine  
2926 gaming areas of a facility of a slot machine licensee.

2927 Section 50. Present subsections (9) through (17) of section  
2928 849.086, Florida Statutes, are redesignated as subsections (10)  
2929 through (18), respectively, and a new subsection (9) is added to  
2930 that section, and subsections (1) and (2), paragraph (b) of  
2931 subsection (5), paragraphs (a), (b), and (c) of subsection (7),  
2932 paragraphs (a) and (b) of subsection (8), present subsection

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2933 (12), paragraphs (d) and (h) of present subsection (13), and  
2934 present subsection (17) of section 849.086, Florida Statutes,  
2935 are amended, to read:

2936 849.086 Cardrooms authorized.—

2937 (1) LEGISLATIVE INTENT.—It is the intent of the Legislature  
2938 to provide additional entertainment choices for the residents of  
2939 and visitors to the state, promote tourism in the state, provide  
2940 revenues to support the continuation of live pari-mutuel  
2941 activity, and provide additional state revenues through the  
2942 authorization of the playing of certain games in the state at  
2943 facilities known as cardrooms which are to be located at  
2944 licensed pari-mutuel facilities. To ensure the public confidence  
2945 in the integrity of authorized cardroom operations, this act is  
2946 designed to strictly regulate the facilities, persons, and  
2947 procedures related to cardroom operations. Furthermore, the  
2948 Legislature finds that authorized games of cards and dominoes ~~as~~  
2949 ~~herein defined~~ are considered to be pari-mutuel style games and  
2950 not casino gaming because the participants play against each  
2951 other instead of against the house.

2952 (2) DEFINITIONS.—As used in this section:

2953 (a) "Authorized game" means a game or series of card and  
2954 domino games that of poker or dominoes which are played in  
2955 conformance with this section ~~a nonbanking manner~~.

2956 (b) "Banking game" means a game in which the house is a  
2957 participant in the game, taking on players, paying winners, and  
2958 collecting from losers ~~or in which the cardroom establishes a~~  
2959 ~~bank against which participants play~~. A designated player game  
2960 is not a banking game.

2961 (c) "Cardroom" means a facility where authorized games are

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2962 played for money or anything of value and to which the public is  
2963 invited to participate in such games and charged a fee for  
2964 participation by the operator of such facility. Authorized games  
2965 and cardrooms do not constitute casino gaming operations if  
2966 conducted at an eligible facility.

2967 (d) "Cardroom management company" means any individual not  
2968 an employee of the cardroom operator, any proprietorship,  
2969 partnership, corporation, or other entity that enters into an  
2970 agreement with a cardroom operator to manage, operate, or  
2971 otherwise control the daily operation of a cardroom.

2972 (e) "Cardroom distributor" means any business that  
2973 distributes cardroom paraphernalia such as card tables, betting  
2974 chips, chip holders, dominoes, dominoes tables, drop boxes,  
2975 banking supplies, playing cards, card shufflers, and other  
2976 associated equipment to authorized cardrooms.

2977 (f) "Cardroom operator" means a licensed pari-mutuel  
2978 permitholder that ~~which~~ holds a valid permit and license issued  
2979 by the division pursuant to chapter 550 and which also holds a  
2980 valid cardroom license issued by the division pursuant to this  
2981 section which authorizes such person to operate a cardroom and  
2982 to conduct authorized games in such cardroom.

2983 (g) "Designated player" means the player identified as the  
2984 player in the dealer position and seated at a traditional player  
2985 position in a designated player game who pays winning players  
2986 and collects from losing players.

2987 (h) "Designated player game" means a game in which the  
2988 players compare their cards only to the cards of the designated  
2989 player or to a combination of cards held by the designated  
2990 player and cards common and available for play by all players.

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2991        (i)~~(g)~~ "Division" means the Division of Pari-mutuel  
2992 Wagering of the Department of Business and Professional  
2993 Regulation.

2994        (j)~~(h)~~ "Dominoes" means a game of dominoes typically played  
2995 with a set of 28 flat rectangular blocks, called "bones," which  
2996 are marked on one side and divided into two equal parts, with  
2997 zero to six dots, called "pips," in each part. The term also  
2998 includes larger sets of blocks that contain a correspondingly  
2999 higher number of pips. The term also means the set of blocks  
3000 used to play the game.

3001        (k)~~(i)~~ "Gross receipts" means the total amount of money  
3002 received by a cardroom from any person for participation in  
3003 authorized games.

3004        (l)~~(j)~~ "House" means the cardroom operator and all  
3005 employees of the cardroom operator.

3006        (m)~~(k)~~ "Net proceeds" means the total amount of gross  
3007 receipts received by a cardroom operator from cardroom  
3008 operations less direct operating expenses related to cardroom  
3009 operations, including labor costs, admission taxes only if a  
3010 separate admission fee is charged for entry to the cardroom  
3011 facility, gross receipts taxes imposed on cardroom operators by  
3012 this section, the annual cardroom license fees imposed by this  
3013 section on each table operated at a cardroom, and reasonable  
3014 promotional costs excluding officer and director compensation,  
3015 interest on capital debt, legal fees, real estate taxes, bad  
3016 debts, contributions or donations, or overhead and depreciation  
3017 expenses not directly related to the operation of the cardrooms.

3018        (n)~~(l)~~ "Rake" means a set fee or percentage of the pot  
3019 assessed by a cardroom operator for providing the services of a

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3020 dealer, table, or location for playing the authorized game.

3021 (o)~~(m)~~ "Tournament" means a series of games that have more  
3022 than one betting round involving one or more tables and where  
3023 the winners or others receive a prize or cash award.

3024 (5) LICENSE REQUIRED; APPLICATION; FEES.—No person may  
3025 operate a cardroom in this state unless such person holds a  
3026 valid cardroom license issued pursuant to this section.

3027 (b) After the initial cardroom license is granted, the  
3028 application for the annual license renewal shall be made in  
3029 conjunction with the applicant's annual application for its  
3030 pari-mutuel license. ~~If a permitholder has operated a cardroom  
3031 during any of the 3 previous fiscal years and fails to include a  
3032 renewal request for the operation of the cardroom in its annual  
3033 application for license renewal, the permitholder may amend its  
3034 annual application to include operation of the cardroom. In  
3035 order for a cardroom license to be renewed the applicant must  
3036 have requested, as part of its pari-mutuel annual license  
3037 application, to conduct at least 90 percent of the total number  
3038 of live performances conducted by such permitholder during  
3039 either the state fiscal year in which its initial cardroom  
3040 license was issued or the state fiscal year immediately prior  
3041 thereto if the permitholder ran at least a full schedule of live  
3042 racing or games in the prior year. If the application is for a  
3043 harness permitholder cardroom, the applicant must have requested  
3044 authorization to conduct a minimum of 140 live performances  
3045 during the state fiscal year immediately prior thereto. If more  
3046 than one permitholder is operating at a facility, each  
3047 permitholder must have applied for a license to conduct a full  
3048 schedule of live racing.~~

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3049 (7) CONDITIONS FOR OPERATING A CARDROOM.—

3050 (a) A cardroom may be operated only at the location  
3051 specified on the cardroom license issued by the division, and  
3052 such location may only be the location at which the pari-mutuel  
3053 permitholder is authorized to conduct pari-mutuel wagering  
3054 activities pursuant to such permitholder's valid pari-mutuel  
3055 permit or as otherwise authorized by law. ~~Cardroom operations~~  
3056 ~~may not be allowed beyond the hours provided in paragraph (b)~~  
3057 ~~regardless of the number of cardroom licenses issued for~~  
3058 ~~permitholders operating at the pari-mutuel facility.~~

3059 (b) Any cardroom operator may operate a cardroom at the  
3060 pari-mutuel facility daily throughout the year, if the  
3061 permitholder meets the requirements under paragraph (5) (b). The  
3062 cardroom may be open ~~a cumulative amount of 18 hours per day on~~  
3063 ~~Monday through Friday and 24 hours per day on Saturday and~~  
3064 ~~Sunday and on the holidays specified in s. 110.117(1).~~

3065 (c) For authorized games of poker or dominoes at a  
3066 cardroom, a cardroom operator must at all times employ and  
3067 provide a nonplaying live dealer at ~~for~~ each table on which the  
3068 authorized card games ~~which traditionally use a dealer~~ are  
3069 conducted ~~at the cardroom~~. Such dealers may not have a  
3070 participatory interest in any game other than the dealing of  
3071 cards and may not have an interest in the outcome of the game.  
3072 The providing of such dealers by a licensee does not constitute  
3073 the conducting of a banking game by the cardroom operator.

3074 (8) METHOD OF WAGERS; LIMITATION.—

3075 (a) ~~Ne~~ Wagering may not be conducted using money or other  
3076 negotiable currency. Games may only be played utilizing a  
3077 wagering system whereby all players' money is first converted by

21-00423F-17

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3078 the house to tokens or chips that may ~~which shall~~ be used for  
3079 wagering only at that specific cardroom.

3080 (b) For authorized games of poker or dominoes, the cardroom  
3081 operator may limit the amount wagered in any game or series of  
3082 games.

3083 (9) DESIGNATED PLAYER GAMES AUTHORIZED.—

3084 (a) A cardroom operator may offer designated player games  
3085 consisting of players making wagers against the designated  
3086 player. The designated player must be licensed pursuant to  
3087 paragraph (6) (b).

3088 (b) A cardroom operator may not serve as a designated  
3089 player in any game. The cardroom operator may not have a  
3090 financial interest in a designated player in any game. A  
3091 cardroom operator may collect a rake in accordance with the rake  
3092 structure posted at the table.

3093 (c) If there are multiple designated players at a table,  
3094 the dealer button shall be rotated in a clockwise rotation after  
3095 each hand.

3096 (d) A cardroom operator may not allow a designated player  
3097 to pay an opposing player who holds a lower ranked hand.

3098 (13) ~~(12)~~ PROHIBITED ACTIVITIES.—

3099 (a) A ~~Ne~~ person licensed to operate a cardroom may not  
3100 conduct any banking game or any game not specifically authorized  
3101 by this section. For purposes of this section, a designated  
3102 player game shall be deemed a banking game if any of the  
3103 following elements apply:

3104 1. Any designated player is required by the rules of a game  
3105 or by the rules of a cardroom to cover all wagers posted by  
3106 opposing players;

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3107       2. The dealer button remains in a fixed position without  
3108 being offered for rotation;

3109       3. The cardroom, or any cardroom licensee, contracts with  
3110 or receives compensation other than a posted table rake from any  
3111 player to participate in any game to serve as a designated  
3112 player; or

3113       4. In any designated player game in which the designated  
3114 player possesses a higher ranked hand, the designated player is  
3115 required to pay on an opposing player's wager who holds a lower  
3116 ranked hand.

3117       (b) A ~~No~~ person who is younger than ~~under~~ 18 years of age  
3118 may ~~not~~ be permitted to hold a cardroom or employee license, or  
3119 to engage in any game conducted therein.

3120       (c) With the exception of mechanical card shufflers, ~~No~~  
3121 electronic or mechanical devices, ~~except mechanical card~~  
3122 ~~shufflers,~~ may ~~not~~ be used to conduct any authorized game in a  
3123 cardroom.

3124       (d) ~~No~~ Cards, game components, or game implements may not  
3125 be used in playing an authorized game unless they have ~~such has~~  
3126 been furnished or provided to the players by the cardroom  
3127 operator.

3128       (14) ~~(13)~~ TAXES AND OTHER PAYMENTS.—

3129       (d)1. Each ~~greyhound and jai alai~~ permitholder that  
3130 operates a cardroom facility shall use at least 4 percent of  
3131 such permitholder's cardroom monthly gross receipts to  
3132 supplement ~~greyhound~~ purses or jai alai prize money,  
3133 respectively, during the permitholder's next ensuing pari-mutuel  
3134 meet.

3135       2. A cardroom license or renewal thereof may not be issued



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3136 to a permitholder conducting less than a full schedule of live  
3137 racing or games as defined in s. 550.002(11) unless the  
3138 applicant has on file with the division a binding written  
3139 contract with a thoroughbred permitholder that is licensed to  
3140 conduct live racing and that does not possess a slot machine  
3141 license. This contract must provide that the permitholder will  
3142 pay an amount equal to 4 percent of its monthly cardroom gross  
3143 receipts to the thoroughbred permitholder conducting the live  
3144 racing for use as purses during the current or ensuing live  
3145 racing meet of the thoroughbred permitholder. If there is not a  
3146 thoroughbred permitholder that does not possess a slot machine  
3147 license, payments for purses are not required, and the cardroom  
3148 licensee shall retain such funds for its use. Each thoroughbred  
3149 ~~and harness horse racing permitholder that operates a cardroom~~  
3150 ~~facility shall use at least 50 percent of such permitholder's~~  
3151 ~~cardroom monthly net proceeds as follows: 47 percent to~~  
3152 ~~supplement purses and 3 percent to supplement breeders' awards~~  
3153 ~~during the permitholder's next ensuing racing meet.~~

3154 ~~3. No cardroom license or renewal thereof shall be issued~~  
3155 ~~to an applicant holding a permit under chapter 550 to conduct~~  
3156 ~~pari-mutuel wagering meets of quarter horse racing unless the~~  
3157 ~~applicant has on file with the division a binding written~~  
3158 ~~agreement between the applicant and the Florida Quarter Horse~~  
3159 ~~Racing Association or the association representing a majority of~~  
3160 ~~the horse owners and trainers at the applicant's eligible~~  
3161 ~~facility, governing the payment of purses on live quarter horse~~  
3162 ~~races conducted at the licensee's pari-mutuel facility. The~~  
3163 ~~agreement governing purses may direct the payment of such purses~~  
3164 ~~from revenues generated by any wagering or gaming the applicant~~

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3165 ~~is authorized to conduct under Florida law. All purses shall be~~  
 3166 ~~subject to the terms of chapter 550.~~

3167 (h) One-quarter of the moneys deposited into the Pari-  
 3168 mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by  
 3169 October 1 of each year, be distributed to the local government  
 3170 that approved the cardroom under subsection (17) ~~subsection~~  
 3171 ~~(16)~~; however, if two or more pari-mutuel racetracks are located  
 3172 within the same incorporated municipality, the cardroom funds  
 3173 shall be distributed to the municipality. If a pari-mutuel  
 3174 facility is situated in such a manner that it is located in more  
 3175 than one county, the site of the cardroom facility shall  
 3176 determine the location for purposes of disbursement of tax  
 3177 revenues under this paragraph. The division shall, by September  
 3178 1 of each year, determine: the amount of taxes deposited into  
 3179 the Pari-mutuel Wagering Trust Fund pursuant to this section  
 3180 from each cardroom licensee; the location by county of each  
 3181 cardroom; whether the cardroom is located in the unincorporated  
 3182 area of the county or within an incorporated municipality; and,  
 3183 the total amount to be distributed to each eligible county and  
 3184 municipality.

3185 (18) ~~(17)~~ CHANGE OF LOCATION; REFERENDUM.—

3186 ~~(a)~~ Notwithstanding ~~any provisions of~~ this section, a ~~no~~  
 3187 cardroom gaming license issued under this section may not ~~shall~~  
 3188 be transferred, or reissued when such reissuance is in the  
 3189 nature of a transfer, so as to permit or authorize a licensee to  
 3190 change the location of the cardroom ~~except upon proof in such~~  
 3191 ~~form as the division may prescribe that a referendum election~~  
 3192 ~~has been held:~~

3193 ~~1. If the proposed new location is within the same county~~

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3194 ~~as the already licensed location, in the county where the~~  
3195 ~~licensee desires to conduct cardroom gaming and that a majority~~  
3196 ~~of the electors voting on the question in such election voted in~~  
3197 ~~favor of the transfer of such license. However, the division~~  
3198 ~~shall transfer, without requirement of a referendum election,~~  
3199 ~~the cardroom license of any permit holder that relocated its~~  
3200 ~~permit pursuant to s. 550.0555.~~

3201 ~~2. If the proposed new location is not within the same~~  
3202 ~~county as the already licensed location, in the county where the~~  
3203 ~~licensee desires to conduct cardroom gaming and that a majority~~  
3204 ~~of the electors voting on that question in each such election~~  
3205 ~~voted in favor of the transfer of such license.~~

3206 ~~(b) The expense of each referendum held under the~~  
3207 ~~provisions of this subsection shall be borne by the licensee~~  
3208 ~~requesting the transfer.~~

3209 Section 51. The Division of Pari-mutuel Wagering of the  
3210 Department of Business and Professional Regulation shall revoke  
3211 any permit to conduct pari-mutuel wagering if a permit holder has  
3212 not conducted live events within the 24 months preceding the  
3213 effective date of this act, unless the permit was issued under  
3214 s. 550.3345, Florida Statutes. A permit revoked under this  
3215 section may not be reissued.

3216 Section 52. The Division of Law Revision and Information is  
3217 directed to replace the phrase "the effective date of this act"  
3218 wherever it occurs in this act with the date the act becomes  
3219 effective, in accordance with the notice received from the  
3220 Secretary of the Department of Business and Professional  
3221 Regulation pursuant to s. 285.710(3), Florida Statutes.

3222 Section 53. Except as otherwise expressly provided in this

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3223 act, and except for this section, which shall take effect upon  
3224 this act becoming a law, this act shall take effect only if the  
3225 Gaming Compact between the Seminole Tribe of Florida and the  
3226 State of Florida executed by the Governor and the Seminole Tribe  
3227 of Florida on December 7, 2015, under the Indian Gaming  
3228 Regulatory Act of 1988, is amended as required by this act, and  
3229 is approved or deemed approved and not voided by the United  
3230 States Department of the Interior, and shall take effect on the  
3231 date that notice of the effective date of the amended compact is  
3232 published in the Federal Register.

Flight # 356

# APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/25/17  
Meeting Date

SB 8  
Bill Number (if applicable)

Topic Gaming

Amendment Barcode (if applicable)

Name Oliver Gilbert

Job Title Mayor, City of Miami Gardens

Address 18605 NW 27 AVE

Phone 305 914 9170

Street

miami Gardens FL 33056

City

State

Zip

Email ogilbert@miamigardens-fl.gov

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing City of Miami Gardens

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

**This form is part of the public record for this meeting.**

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/25/17

Meeting Date

988

Bill Number (if applicable)

Topic GAMING

Amendment Barcode (if applicable)

Name JENNIFER GREEN

Job Title

Address 113 E. COLLEGE AVE

Phone 841-1726

Street

TUH, FL 32304

City

State

Zip

Email JENNIFER@LIBERTYPARTNERSFL.COM

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against (The Chair will read this information into the record.)

Representing FLORIDA QUARTER HORSE RACING ASSOC.

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/25/2017  
Meeting Date

SB 8  
Bill Number (if applicable)

Topic Gaming

Amendment Barcode (if applicable)

Name Melanie Bostick

Job Title Vice President

Address 113 E. College Ave. Suite 300

Phone (850) 841-1726

Tallahassee FL 32301  
City State Zip

Email melanie@libertypartnersfl.com

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing Florida Attractions Association

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/25/17  
Meeting Date

SB 8  
Bill Number (if applicable)

Topic Decoupling

Amendment Barcode (if applicable)

Name Jeff Kottkamp

Job Title \_\_\_\_\_

Address 3311 Dartmoor Dr.

Phone \_\_\_\_\_

Street

Tallahassee

Email \_\_\_\_\_

City

State

Zip

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing Florida Greyhound Assoc.

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/25/17  
Meeting Date

8  
Bill Number (if applicable)

Topic GAMING

Amendment Barcode (if applicable)

Name RAMON MAURY

Job Title OPER. MMG GROUP.

Address PO BOX 10245

Phone 850 222 1568

Street  
City TALL FL State Zip 32302

Email mmggroup@aol

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing FLORIDA GREYHOUND ASSOCIATION

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/25/17

Meeting Date

SB 8

Bill Number (if applicable)

Topic Greyhound decoupling & Injury Reporting

Amendment Barcode (if applicable)

Name Carey M. Therl

Job Title executive director

Address PO Box F

Street

Phone 617-501-6276

Arlington, MA 02476

City

State

Zip

Email Carey@grey2kusa.org

Speaking: For Against Information

Waive Speaking: In Support Against (The Chair will read this information into the record.)

Representing GREY2K USA

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Y25/17  
Meeting Date

SB 8  
Bill Number (if applicable)

Topic Greyhounds decoupling and injury reporting

Amendment Barcode (if applicable)

Name Kate Macfall

Job Title state director for Humane Society of the United States

Address 1624 Metropolitan Circle

Phone 850 508-1001

Tallahassee  
City State Zip

Email kmacfall@humesociety.org

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing Humane Society of the U.S.

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1-25-2017  
Meeting Date

SB 8  
Bill Number (if applicable)

Topic Gambling

Amendment Barcode (if applicable)

Name John Sowinski

Job Title President, No Casinos

Address 201 S. Orange Ave, Suite 880

Phone 407-608-5931

Street

Orlando  
City

FL  
State

32801  
Zip

Email sowinski@orange.com

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing No Casinos

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1-25-17

Meeting Date

SB 8

Bill Number (if applicable)

Topic SB 8

Amendment Barcode (if applicable)

Name Lonny Powell

Job Title CEO, Florida Thoroughbred Breeders + Owners Assn

Address 801 SW 60th Ave  
Street

Phone 352-629-2160

Ocala  
City

FL  
State

34174  
Zip

Email \_\_\_\_\_

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing Florida Thoroughbred Breeders + Owners Assn

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1-25-2017

Meeting Date

8

Bill Number (if applicable)

Topic \_\_\_\_\_

Amendment Barcode (if applicable)

Name Brian Pitts

Job Title Trustee

Address 1119 Newton Ave S

Street

Phone 727/897-9291

St Petersburg

City

FL

State

33705

Zip

Email justice2jesus@yahoo.com

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing Justice-2-Jesus

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/14/14)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

1.25.17

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

8

Meeting Date

Bill Number (if applicable)

Topic SB-8 GAMBLING

Amendment Barcode (if applicable)

Name DAVID HART

Job Title EXEC. V.P.

Address 136 S. BRONOUGH ST  
Street

Phone 850.521.1288

TALLAHASSEE FL 32301  
City State Zip

Email dhart@flchamber.com

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing FLORIDA CHAMBER

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1-25-17

Meeting Date

8

Bill Number (if applicable)

Topic GAMING

Amendment Barcode (if applicable)

Name BILL BUNKLEY

Job Title PRESIDENT

Address PO BOX 241644  
Street

Phone 813-264-2977

TAMPA FL 33694  
City State Zip

Email \_\_\_\_\_

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
*(The Chair will read this information into the record.)*

Representing FLORIDA ETHICS & RELIGIOUS LIBERTY COMMISSION

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

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## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

**COMMITTEES:**  
Education, *Chair*  
Regulated Industries, *Vice Chair*  
Appropriations Subcommittee on the Environment  
and Natural Resources  
Health Policy  
Transportation

**JOINT COMMITTEE:**  
Joint Committee on Public Counsel Oversight

**SENATOR DOROTHY L. HUKILL**  
14th District

January 20, 2017

The Honorable Travis Hutson  
Regulated Industries Committee, Chair  
330 Knott Building  
404 S. Monroe Street  
Tallahassee, FL 32399-1100

Re: Request for Excusal from Committee Meeting

Dear Chairman Hutson:

Please excuse me from the Regulated Industries Committee on January 25, 2017 at 2:00 p.m. as I will not be able to attend due to illness.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Dorothy L. Hukill".

Dorothy L. Hukill  
State Senator, District 14

cc: Ross McSwain, Staff Director of the Regulated Industries Committee  
Lynn Koon, Committee Administrative Assistant of the Regulated Industries Committee

REPLY TO:

□ 209 Dunlawton Avenue, Unit 17, Port Orange, Florida 32127 (386) 304-7630 FAX: (888) 263-3818

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**JOE NEGRON**  
President of the Senate

**ANITERE FLORES**  
President Pro Tempore

# CourtSmart Tag Report

Room: KN 412  
Caption: Senate Regulated Industries

Case No.:  
Judge:

Type:

Started: 1/25/2017 2:00:22 PM

Ends: 1/25/2017 3:07:22 PM

Length: 01:07:01

2:00:21 PM Call to Order  
2:01:12 PM Roll call  
2:01:33 PM Quroum present  
2:01:37 PM Senator Hukill is excused  
2:01:56 PM Chair Hutson for comments  
2:02:17 PM Tab 1 - Senator Galvano on SB 8 Gaming  
2:02:37 PM Senator Galvano for explanation of the bill  
2:04:38 PM Senator Galvano discusses impacts to all Floridians  
2:07:04 PM Discussion of the 2015 Compact  
2:08:45 PM Further explanation of inclusion of slots and paramutual activities  
2:09:44 PM Discussion of decouplement  
2:10:52 PM Bill creates stringent requirement for greyhound injuries  
2:12:31 PM Reduces tax rate on slots  
2:13:54 PM New slot license in Broward and Dade counties  
2:14:36 PM Discussion of Blackjack activities and permits  
2:15:04 PM Discussion of allowance of card rooms  
2:16:04 PM Bill defines Fantasy Sports activities  
2:17:23 PM Effective date is upon ratification with the Seminole Tribe  
2:18:30 PM Chair Hutson asks for questions of the sponsor  
2:18:40 PM Senator Young for a question  
2:19:20 PM Senator Galvano for a response  
2:20:27 PM Senator Young follow up  
2:21:50 PM Senator Galvano for a response  
2:22:27 PM Ross McSwain for additional comments  
2:23:00 PM Senator Young would like to discuss the financial pool after the meeting  
2:23:53 PM Senator Brandes for questions  
2:24:07 PM How much is a license?  
2:24:30 PM Senator Galvano for a response  
2:25:17 PM Senator Gibson for questions  
2:26:30 PM Senator Galvano for response  
2:27:16 PM Ross McSwain for a response  
2:27:51 PM Public Testimony  
2:27:57 PM Mayor Oliver Gilbert, City of Miami Gardens  
2:30:25 PM Questions?  
2:30:30 PM Jennifer Green, Quarter House Racing, waives in opposition  
2:30:46 PM Melanie Bostick, FL Attractions Assoc, waives in opposition  
2:30:54 PM Jeff Kottcamp, FL Greyhound Association  
2:38:13 PM Questions?  
2:38:16 PM Ramon Maury, Florida Greyhound Association  
2:40:22 PM Questions?  
2:40:27 PM Carey Thiel, GREY2K USA, in support  
2:40:35 PM Kate Macfall, Humane Society US, waives in support  
2:40:46 PM John Sowinski, No Casinos, testimony  
2:47:23 PM Questions?  
2:47:30 PM Lonny Powell, FL Thoroughbred Breeders  
2:50:48 PM Questions?  
2:50:51 PM Brian Pitts, Justice 2 Jesus  
2:59:17 PM David Hart, FL Chamber, waives in opposition  
2:59:28 PM Bill Bunkley waives in opposition  
2:59:47 PM In debate  
2:59:51 PM Senator Gibson in debate  
3:01:14 PM Senator Perry for debate

**3:01:42 PM** Senator Young in debate  
**3:02:22 PM** Senator Galvano to close  
**3:06:32 PM** Roll call on SB 8  
**3:07:03 PM** Bill is reported favorably  
**3:07:09 PM** Senator Young moves we adjourn

# APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/25/17

Meeting Date

SB 8

Bill Number (if applicable)

Topic Gaming

Amendment Barcode (if applicable)

Name Oliver Gilbert

Job Title Mayor, City of Miami Gardens

Address 18605 NW 27 AVE

Phone 305 914 9170

Street

miami Gardens FL 33056

City

State

Zip

Email ogilbert@miamigardens-fl.gov

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing City of Miami Gardens

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/25/17

Meeting Date

988

Bill Number (if applicable)

Topic GAMING

Amendment Barcode (if applicable)

Name JENNIFER GREEN

Job Title

Address 113 E. COLLEGE AVE

Phone 841-1726

Street

TUA, FL 32304

City

State

Zip

Email JENNIFER@LIBERTYPARTNERS.COM

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against (The Chair will read this information into the record.)

Representing FLORIDA QUARTER HORSE RACING ASSOC.

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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1/25/2017  
Meeting Date

SB 8  
Bill Number (if applicable)

Topic Gaming

Amendment Barcode (if applicable)

Name Melanie Bostick

Job Title Vice President

Address 113 E. College Ave. Suite 300

Phone (850) 841-1726

Tallahassee FL 32301  
City State Zip

Email melanie@libertypartnersfl.com

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing Florida Attractions Association

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE

APPEARANCE RECORD

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1/25/17  
Meeting Date

SB 8  
Bill Number (if applicable)

Topic Decoupling

Amendment Barcode (if applicable)

Name Jeff Kottkamp

Job Title \_\_\_\_\_

Address 3311 Dartmoor Dr.  
Street

Phone \_\_\_\_\_

Tallahassee  
City State Zip

Email \_\_\_\_\_

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing Florida Greyhound Assoc.

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE

APPEARANCE RECORD

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1/25/17  
Meeting Date

8  
Bill Number (if applicable)

Topic GAMING

Amendment Barcode (if applicable)

Name RAMON MAURY

Job Title OPER. MMG GROUP.

Address PO BOX 10245

Phone 850 222 1568

Street  
City IAL FL State Zip 32302

Email mmggroup@aol

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing FLORIDA GREYHOUND ASSOCIATION

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/25/17

Meeting Date

SB 8

Bill Number (if applicable)

Topic Greyhound decoupling & Injury Reporting

Amendment Barcode (if applicable)

Name Carey M. Therl

Job Title executive director

Address PO Box F

Phone 617-501-6276

Street

Arlington, MA 02476

City

State

Zip

Email Carey@grey2kusa.org

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing GREY2K USA

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE

APPEARANCE RECORD

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1/25/17

Meeting Date

SB 8

Bill Number (if applicable)

Topic Greyhounds decoupling and injury reporting

Amendment Barcode (if applicable)

Name Kate Macfall

Job Title state director for Humane Society of the United States

Address 1624 Metropolitan Circle

Phone 850 508-1001

Street

Tallahassee

City

State

Zip

Email kmacfall@humsociety.org

Speaking: [X] For [ ] Against [ ] Information

Waive Speaking: [X] In Support [ ] Against (The Chair will read this information into the record.)

Representing Humane Society of the U.S.

Appearing at request of Chair: [ ] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [ ] No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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1-25-2017  
Meeting Date

SB 8  
Bill Number (if applicable)

Topic Gambling

Amendment Barcode (if applicable)

Name John Sowinski

Job Title President, No Casinos

Address 201 S. Orange Ave, Suite 880

Phone 407-608-5931

Orlando FL 32801  
City State Zip

Email sowinski@omessage.com

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing No Casinos

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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1-25-17

Meeting Date

SB 8

Bill Number (if applicable)

Topic SB 8

Amendment Barcode (if applicable)

Name Lonny Powell

Job Title CEO, Florida Thoroughbred Breeders + Owners Assn

Address 801 SW 60th Ave  
Street

Phone 352-629-2160

Ocala FL 34174  
City State Zip

Email \_\_\_\_\_

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing Florida Thoroughbred Breeders + Owners Assn

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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1-25-2017

Meeting Date

8

Bill Number (if applicable)

Topic \_\_\_\_\_

Amendment Barcode (if applicable)

Name Brian Pitts

Job Title Trustee

Address 1119 Newton Ave S

Phone 727/897-9291

Street

St Petersburg

City

FL

State

33705

Zip

Email justice2jesus@yahoo.com

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing Justice-2-Jesus

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/14/14)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

1.25.17

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

8

Meeting Date

Bill Number (if applicable)

Topic SB-8 GAMBLING

Amendment Barcode (if applicable)

Name DAVID HART

Job Title EXEC. V.P.

Address 136 S. BRONOUGH ST

Phone 850.521.1288

Street

TALLAHASSEE FL 32301

Email dhart@flchamber.com

City

State

Zip

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing FLORIDA CHAMBER

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE

APPEARANCE RECORD

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1-25-17

Meeting Date

8

Bill Number (if applicable)

Topic GAMING

Amendment Barcode (if applicable)

Name BILL BUNKLEY

Job Title PRESIDENT

Address PO BOX 241644

Phone 813-264-2977

Street

TAMPA FL 33694

City

State

Zip

Email

Speaking:  For  Against  Information

Waive Speaking:  In Support  Against  
(The Chair will read this information into the record.)

Representing FLORIDA ETHICS & RELIGIOUS LIBERTY COMMISSION

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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