

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

REGULATED INDUSTRIES
Senator Bradley, Chair
Senator Margolis, Vice Chair

MEETING DATE: Wednesday, April 8, 2015
TIME: 1:30 —3:30 p.m.
PLACE: *Toni Jennings Committee Room*, 110 Senate Office Building

MEMBERS: Senator Bradley, Chair; Senator Margolis, Vice Chair; Senators Abruzzo, Bean, Braynon, Diaz de la Portilla, Flores, Latvala, Negron, Richter, Sachs, and Stargel

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
Consideration of proposed bill:			
1	SPB 7088	1-year Extension of the Authorization of Banking or Banked Card Games in the Seminole Tribe Gaming Compact; Authorizing and directing the Governor to execute a specified written amendment to the Gaming Compact between the Seminole Tribe of Florida and the State of Florida; authorizing and directing the Governor to cooperate with the Tribe in seeking approval of the amendment; providing that the amendment of the compact does not require legislative ratification in certain circumstances, etc.	Submitted as Committee Bill Yeas 7 Nays 5
2	SB 902 Clemens (Similar H 363)	Hemp Production; Citing this act as the "Hemp Industry Development Act"; providing that hemp is an agricultural crop; providing legislative intent; requiring registration of hemp producers; providing registration requirements; providing exemptions; requiring rulemaking; providing for an affirmative defense to certain charges relating to cannabis; providing exceptions to other laws, etc. AG 03/23/2015 Favorable CJ 03/30/2015 Favorable RI 04/08/2015 Favorable AP	Favorable Yeas 8 Nays 4
3	CS/SB 1180 Health Policy / Latvala (Compare H 981, CS/CS/H 1049)	Practice of Pharmacy; Providing that the Florida Pharmacy Act and rules adopted under the act do not limit a veterinarian from engaging in an activity allowed under ch. 474, etc. HP 03/23/2015 Fav/CS RI 04/08/2015 Not Considered FP	Not Considered

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.)

Prepared By: The Professional Staff of the Committee on Committee Code Not Found

BILL: SB 7088

INTRODUCER: Regulated Industries Committee

SUBJECT: Gaming

DATE: April 10, 2015

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
<u>Kraemer</u>	<u>Imhof</u>	_____	RI Submitted as Committee Bill
1. _____	_____	_____	_____

I. Summary:

SB 7088 provides for amendment of the existing Gaming Compact between the Seminole Tribe of Florida (Tribe) and the State of Florida. One amendment extends the authorization to the Tribe to conduct banked card games such as blackjack and baccarat at five of its seven gaming facilities, on the same terms, until July 31, 2016. After that date, banked card games may no longer be conducted by the Tribe without any time to phase the games out. Another amendment exempts slot machine gaming from the exclusive authorization granted to the Tribe at pari-mutuel facilities in Palm Beach and Lee Counties. The Governor is authorized and directed to execute an amendment to the Gaming Compact on the same terms and conditions as provided in the bill, without further revision, and to seek approval of the amendment from the United States Secretary of the Interior, as required by federal law. Legislative ratification of the amendment is not required, if the amendments to the Gaming Compact strictly conform to the requirements in the bill.

The bill revises provisions related to greyhound permitholders. Live racing is no longer required in order to conduct intertrack and simulcast wagering or operate cardrooms. Tax credits are eliminated, and the tax rate is reduced to 1.28 percent.

If slot machine gaming is exempted from the Gaming Compact, pari-mutuel facilities in Palm Beach and Lee Counties may apply for licensure as slot machine facilities. Revenue sharing with the Tribe would be reduced by 90 percent of the revenue the State receives from the new slot machine gaming, and 10 percent of the revenue would be transferred to thoroughbred tracks that do not have slot machines for purses. The Department of Business and Professional Regulation indicated that this would affect Tampa Bay Downs in Hillsborough County and possibly the limited thoroughbred tract at Ocala Breeder Sales in Marion County.

The bill includes provisions relating to reporting of greyhound injuries.

The bill allows all slot machine licensees to discontinue live racing or games if any slot machine licensee is authorized to discontinue live racing or games.

II. Present Situation:

In general, gambling is illegal in Florida.¹ Chapter 849, F.S., prohibits keeping a gambling house,² running a lottery,³ or the manufacture, sale, lease, play, or possession of slot machines.⁴ Certain exceptions have been authorized, with restrictions on permitted locations, operators, and prizes, including penny-ante games,⁵ bingo,⁶ cardrooms,⁷ charitable drawings,⁸ game promotions (sweepstakes),⁹ bowling tournaments,¹⁰ and amusement games and machines.¹¹

Section 7 of Article X of the 1968 State Constitution provides, “Lotteries, other than the types of pari-mutuel pools authorized by law as of the effective date of this constitution, are hereby prohibited in this state.”¹²

Section 15 of Article X of the State Constitution (adopted by the electors in 1986) provides for state operated lotteries:

Lotteries may be operated by the state.... On the effective date of this amendment, the lotteries shall be known as the Florida Education Lotteries. Net proceeds derived from the lotteries shall be deposited to a state trust fund, to be designated The State Education Lotteries Trust Fund, to be appropriated by the Legislature. The schedule may be amended by general law.

Section 24.102, F.S., creates the Department of the Lottery and states the Legislature’s intent that it be self-supporting and revenue-producing and function as an entrepreneurial business enterprise.¹³

Section 23 of Article X of the State Constitution (adopted by the electors in 2004) provides for slot machines in Miami-Dade and Broward Counties:

After voter approval of this constitutional amendment, the governing bodies of Miami-Dade and Broward Counties each may hold a county-wide referendum in their respective

¹ Section 849.08, F.S.-

² Section 849.01, F.S.

³ Section 849.09, F.S.

⁴ 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.

⁵ Section 849.085, F.S. Section 849.085(2)(a), F.S., provides that “[p]enny-ante game” means a game or series of games of poker, pinochle, bridge, rummy, canasta, hearts, dominoes, or mah-jongg in which the winnings of any player in a single round, hand, or game do not exceed \$10 in value.”

⁶ Section 849.0931, F.S.

⁷ Section 849.086, F.S.

⁸ Section 849.0935, F.S.

⁹ Section 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.

¹⁰ Section 849.141, F.S.

¹¹ Section 849.161, F.S.

¹² 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.

¹³ The Department of the Lottery is authorized by FLA. CONST. art. X, s. 23. Chapter 24, F.S., was enacted by ch. 87-65, L.O.F., to establish the state lottery. Section 24.102, F.S., provides the legislative purpose and intent in regard to the lottery.

counties on whether to authorize slot machines within existing, licensed parimutuel facilities (thoroughbred and harness racing, greyhound racing, and jai-alai) that have conducted live racing or games in that county during each of the last two calendar years before the effective date of this amendment. If the voters of such county approve the referendum question by majority vote, slot machines shall be authorized in such parimutuel facilities. If the voters of such county by majority vote disapprove the referendum question, slot machines shall not be so authorized, and the question shall not be presented in another referendum in that county for at least two years.

Chapter 285, F.S., ratified the Gaming Compact¹⁴ between the State of Florida and the Seminole Tribe of Florida (Tribe). It provides that 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 Gaming Compact.¹⁵

Indian Gaming Regulatory Act of 1988

Gaming on Indian lands is governed by the Indian Gaming Regulatory Act (IGRA),¹⁶ which categorizes 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;¹⁷
- “Class II gaming” includes bingo and pull-tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo.¹⁸ Class II gaming may also include certain non-banked card games, but only if the games are permitted (or not explicitly prohibited) by state law, are conducted in compliance with state law,¹⁹ and 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 that is approved by the Chairman of the National Indian Gaming Commission.²⁰
- “Class III gaming” includes all forms of gaming that are not Class I gaming or Class II gaming, 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.²¹

¹⁴ See *Gaming Compact Between the Seminole Tribe of Florida and the State of Florida*, April 27, 2010 (*Gaming Compact*) at http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf (last visited April 10, 2015).

¹⁵ See Section 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.

¹⁶ 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.*

¹⁷ 25 U.S.C. s. 2703(6).

¹⁸ 25 U.S.C. s. 2703(7).

¹⁹ 25 U.S.C. s. 2703(7)(A)(ii).

²⁰ 25 U.S.C. s. 2710(b)(1).

²¹ 25 U.S.C. s. 2703(8).

The Indian Gaming Regulatory Act provides that before a tribe may lawfully conduct Class III gaming, certain conditions must be met:

- The particular form of Class III gaming must be allowed in the state in which the tribe is located;
- A gaming compact must be negotiated by the tribe and the state, approved by the Secretary of the United States Department of the Interior, and be in effect; and
- A tribal gaming ordinance must be adopted by the tribe and approved by the Indian Gaming Commission or its chairman.²²

Seminole Gaming Compact

On April 7, 2010, the Governor and the Seminole Tribe of Florida (Tribe) executed a Gaming Compact governing gambling at the Tribe's seven tribal facilities in Florida.²³ The Gaming Compact authorizes the Tribe to conduct Class III gaming, and was subsequently ratified by the Legislature, with an effective date of July 6, 2010,²⁴ as required by IGRA.

The Gaming Compact has a 20-year term. It grants authority to the Tribe to offer slot machines, raffles and drawings, and any other new game authorized for any person for any purpose, at all seven tribal casinos.²⁵ The Gaming Compact also grants exclusive authorization, for a five-year period that ends July 31, 2015, for the Tribe to conduct banked card games, including blackjack, chemin de fer, and baccarat, at all of its casinos except those at the Brighton and Big Cypress facilities.

If these banked games are authorized for any other person for any other purpose (unless authorized by a compact with the Miccosukee Indians), then the Tribe is authorized to offer banked cards at all seven of its facilities. The exclusive authority to the Tribe for banked card games terminates on July 31, 2015, unless renewed by the Legislature.²⁶

In exchange for the Tribe's exclusive right to conduct slot machine gaming outside of Miami-Dade and Broward counties and the exclusive right throughout the State of Florida to offer banked card games at the specified facilities (these grants of authority are known as the "exclusivity provision"), the Gaming Compact provides for revenue sharing payments to be made by the Tribe to the state. These payments are calculated using amounts known as "net win" amounts, or the total receipts from gaming as described in the Gaming Compact, less all prize payouts and free play or promotional credits issued by the Tribe."²⁷

²² 25 U.S.C. s. 2710(d).

²³ *Gaming Compact Between the Seminole Tribe of Florida and the State of Florida*, approved by the U.S. Department of the Interior effective July 6, 2010, 75 Fed. Reg. 38833 (hereinafter *Gaming Compact*). See http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf (last visited April 10, 2015).

²⁴ Chapter 2010-29, L.O.F.

²⁵ Part IV of *Gaming Compact* at pages 12-13. The Tribe has three gaming facilities located 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).

²⁶ See Part XVI, Section C. of *Gaming Compact* at page 49.

²⁷ See Part III, Section U. of the *Gaming Compact*, at page 11, which defines "net win" as "the total receipts from the play of all Covered Games less all prize payouts and free play or promotional credits issued by the Tribe." "Covered games" includes

The revenue sharing payments to be made by the Tribe, and the impact to state revenue attributed to not extending to the Tribe the exclusive right to offer table games after July 31, 2015, are as follows:

- During the initial period (first 24 months), \$12.5 million per month (\$150 million per year);
- After the initial period (first 24 months), a guaranteed minimum revenue sharing payment of \$233 million for year 3, \$233 million for year 4, and \$234 million for year 5;
- After the initial period (first 24 months), the greater of:
 - the guaranteed minimum payment; or
 - payments based on a variable percentage of annual net win that range from 12 percent of net win up to \$2 billion, to 25 percent of the amount of any net win greater than \$4.5 billion.
- After the first 5 years, the Tribe will continue to make payments to the state based on the percentage of net win without a guaranteed minimum payment; and
- If the Legislature does not grant another authorization to the Tribe to offer banked card games after July 31, 2015, the net win calculations will exclude the net win from the Tribe's three casino facilities in Broward County. The Legislature's Office of Economic Demographics and Research estimates that annual state revenue will be impacted by a loss of \$136.6 million in the first year after banked card games are no longer authorized to be offered by the Tribe (Fiscal Year 2015-2016),²⁸ and in future years, the estimated losses are:
 - \$164.9 million in Fiscal Year 2016-2017;
 - \$170.0 million in Fiscal Year 2017-2018;
 - \$173.6 million in Fiscal Year 2018-2019; and
 - \$177.3 million in Fiscal Year 2019-2020.

The Gaming Compact also addresses any expansion of gaming in Miami-Dade and Broward counties under the following limited circumstances:

- If new forms of Class III gaming and casino-style gaming are authorized for the eight licensed pari-mutuels located in Broward and Miami-Dade counties, and if the net win from the Tribe's Broward facilities drops for the year after the new gaming begins, then the Tribe may reduce the payments from its Broward facilities by 50 percent of the amount of the reduction in net win.²⁹
- If new forms of Class III gaming and other casino-style gaming are authorized for other locations in Broward and Miami-Dade counties, then the Tribe may exclude the net win from their Broward facilities from their net win calculations when the new games begin to be played.
- If new games are authorized at any location in Broward and Miami-Dade counties within the first five years of the Gaming Compact, the guaranteed minimum payment would no longer

slot machines, banking or banked card games including baccarat, chemin de fer, and blackjack (21), raffles and drawings, and any new game authorized by Florida law for any person for any purpose. An exception is made for banked card games conducted by other federally recognized, qualified tribes. See Part III, Section F. of the *Gaming Compact*, at page 3.

²⁸ See *Gaming: Revenue Overview* http://edr.state.fl.us/Content/presentations/gaming/GamingRevenueOverview_3-26-15.pdf (March 26, 2015) at page 11 (last visited April 10, 2015).

²⁹ The eight existing pari-mutuel locations are: (1) Calder Race Course—Miami Gardens (Miami-Dade); (2) Dania Jai Alai—Dania Beach (Broward); (3) Gulfstream Park—Hallandale Beach (Broward); (4) Hialeah—Hialeah (Miami-Dade); (5) Isle of Capri/Pompano Park—Pompano Beach (Broward); (6) Magic City/Flagler Greyhound Track—Miami (Miami-Dade); (7) Mardi Gras—Hallandale Beach (Broward); (8) Miami Jai Alai—Miami (Miami-Dade).

apply to the Tribe's revenue sharing payments, and the \$1 billion guarantee would not be in effect. The Tribe's payments would be based on the applicable percentage of net win.

Revenue sharing payments will no longer be payable by the Tribe³⁰ if:

- The state authorizes new forms of Class III gaming or other casino-style gaming after February 1, 2010, or authorizes Class III gaming or other casino-style gaming at any location outside of Broward and Miami-Dade counties that was not authorized for such games before February 1, 2010; and
- The new gaming begins to be offered for private or public use.

Local Government Revenue Share

Local governments in the geographic area where Tribal casinos are located share in the revenue paid for the benefit of exclusivity under the Gaming Compact. Three percent of that revenue is designated as the local government share.³¹ In Fiscal Year 2013-2014, the total local share amount was approximately \$7 million.³² Section 285.710 (10), F.S., provides the following framework for the distributions to local government:

- From the net win derived from the Seminole Indian Casino-Coconut Creek:
 - Broward County 22.5 percent
 - City of Coconut Creek 55 percent
 - City of Coral Springs 12 percent
 - City of Margate 8.5 percent
 - City of Parkland 2 percent
- From the net win derived from the Seminole Indian Casino-Hollywood:
 - Broward County 25 percent
 - City of Hollywood 55 percent
 - Town of Davie 10 percent
 - City of Dania Beach 10 percent
- From the net win derived from the Seminole Hard Rock Hotel & Casino-Hollywood:
 - Broward County 25 percent
 - City of Hollywood 55 percent
 - Town of Davie 10 percent
 - City of Dania Beach 10 percent
- From the net win derived from the Seminole Indian Casino-Immokalee:
 - Collier County 100 percent
- From the net win derived from the Seminole Indian Casino-Brighton:
 - Glades County 100 percent

³⁰ Termination of revenue sharing is not triggered if the state grants authorization to conduct the following existing games: (1) gaming authorized by compacts with other federally recognized tribes; (2) specified State Lottery games, state-licensed pari-mutuel wagering, and state-licensed card rooms; (3) games authorized pursuant to ch. 849, F.S., as of February 1, 2010 (e.g., card rooms, penny-ante games, charitable bingo, sweepstakes, amusement games or machines); (4) slot machines at eight existing pari-mutuel facilities in Broward and Miami-Dade Counties; and (5) specified historic racing machines.

³¹ See s. 285.710(9), F.S.

³² See Revenue Estimating Conference Indian Gaming Revenues, Conference Results at <http://edr.state.fl.us/Content/conferences/Indian-gaming/IndianGamingResults.pdf> (February 19, 2015) (last accessed April 10, 2015).

- From the net win derived from the Seminole Indian Casino-Big Cypress:
 - Hendry County 100 percent.
- From the net win derived from the Seminole Hard Rock Hotel & Casino-Tampa:
 - Hillsborough County 100 percent

Pari-Mutuel Permitholders

As of November 24, 2014, there were 39 pari-mutuel permitholders with operating licenses in Florida, operating at 12 greyhound tracks, 6 jai alai frontons, 5 quarter horse tracks, 3 thoroughbred tracks, and 1 harness track.³³ Of the 20 greyhound racing permitholders with operating licenses during 2013-2014, three permitholders conducted races at leased facilities.³⁴ Five pari-mutuel facilities have two permits operating at those locations.³⁵ One permitholder's operating license was suspended late in 2014,³⁶ so there are now 19 greyhound racing permitholders with operating licenses.³⁷

Racing greyhounds are registered with the National Greyhound Association and are used in racing at a pari-mutuel facility, or have been used, bred, raised, or trained to be used for such racing.³⁸ According to the division, Florida is the leader in greyhound racing in the United States.³⁹

Regulation by Division of Pari-Mutuel Wagering

Greyhound racing is regulated by the Division of Pari-Mutuel Wagering in the Department of Business and Professional Regulation (division). 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.

³³ See Pari-Mutuel Wagering Permitholders With 2014-2015 Operating Licenses map at <http://www.myfloridalicense.com/dbpr/pmw/documents/MAP-Permitholders--WITH--2014-2015-OperatingLicenses--2014-11-24.pdf> (last visited Jan. 19, 2015).

³⁴ According to the Division of Pari-Mutuel Wagering (division), Tampa Greyhound conducts races at St. Petersburg Kennel Club (a.k.a. Derby Lane), and both Jacksonville Kennel Club and Bayard Raceways (St. Johns) conduct races at Orange Park Kennel Club.

³⁵ 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 @SOKC operate at a facility in Longwood.

³⁶ See <http://www.myfloridalicense.com/dbpr/pmw/documents/CurrentPermitholdersList.pdf> (last visited Jan. 19, 2015) for a list of current permitholders and their licensing status.

³⁷ Information about racing greyhound permitholders for the fiscal years 2013-2014 and 2014-2015 is available at <http://www.myfloridalicense.com/dbpr/pmw/track.html> (last visited Jan. 19, 2015).

³⁸ Section 550.002(29), F.S.

³⁹ See the division's 83rd Annual Report, Fiscal Year 2013-2014, <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2013-2014--83rd--20150114.pdf> (last visited Jan. 19, 2015) at page 25.

Under current law, a greyhound permitholder is not required to have an operating license if the permitholder is not currently conducting live racing.⁴⁰ There are 12 permitholders that do not have operating licenses for FY 2014-2015: 2 greyhound,⁴¹ 3 jai alai, 1 limited thoroughbred,⁴² and 6 quarter horse.

Greyhound permitholders must apply for an annual operating license, specifying the number, dates and starting times of all performances to be conducted.⁴³ A “performance” is a minimum of 8 consecutive live races.⁴⁴ At least three live performances must be held at a track each week.⁴⁵ When a permitholder conducts at least three live performances in a week, 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).⁴⁶

In order to receive an operating license, a greyhound permitholder must have conducted a full schedule of live racing during the preceding year,⁴⁷ that is, a minimum of 100 live performances.⁴⁸

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 suspend⁴⁹ the license,⁵⁰ unless the failure is due to certain events beyond the permitholder’s control.⁵¹ Financial hardship itself is not an acceptable basis to avoid a fine or suspension.⁵²

According to the division, there were 19 license suspensions, and \$80,950 in fines assessed for violations of all pari-mutuel statutes and rules in Fiscal Year 2013-2014.⁵³

Greyhound Care

The division, by administrative rule adopted pursuant to s. 550.2415(12), F.S., requires notification of the death of a racing greyhound while in training or during a race on the grounds

⁴⁰ See *Pari-Mutuel Wagering Permitholders Without 2014-2015 Operating Licenses by Permit Type* at <http://www.myfloridalicense.com/dbpr/pmw/track.html> (Last visited Jan. 19, 2015).

⁴¹ North American Racing Association (Key West) and Jefferson County Kennel Club (Monticello).

⁴² Under Section 550.3345, F.S., during Fiscal Year 2010-2011 only, holders of quarter horse 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-GPTARP and Ocala Thoroughbred Racing).

⁴³ Section 550.01215, F.S.

⁴⁴ Section 550.002(25), F.S.

⁴⁵ Section 550.002(11), F.S.

⁴⁶ Section 550.09514(2)(c), F.S.

⁴⁷ 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, which is the state fiscal year.

⁴⁸ 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.

⁴⁹ After Jefferson County Kennel Club failed to conduct scheduled performances, its operating license was suspended September 22, 2014 under a consent order. See the order at <http://www.myfloridalicense.com/dbpr/pmw/PMW-PermitholderOperatingLicenses--2014-2015.html> (last visited April 10, 2015).

⁵⁰ Section 550.01215(4), F.S.

⁵¹ *Id.*

⁵² *Id.*

⁵³ See *supra* note 7, at page 3.

of a greyhound track or kennel compound.⁵⁴ The track must notify the division, within 18 hours, of the deceased animal's location, where the death occurred, and how to reach the kennel operator, trainer and the person making the report. Haulers or drivers who transport racing animals must be licensed, and greyhound trainers of record are responsible for physically inspecting the animals in their care for sores, cuts, abrasions, muzzle burns, fleas and ticks,⁵⁵

If an animal is injured and later dies or is euthanized, the division may conduct a postmortem examination.⁵⁶

According to the University of Pennsylvania School of Veterinary Medicine, fractures and dislocations of the racing greyhound can be of any type, but certain injuries are more common. Many of these injuries are rare in other breeds. The following are two examples of common injuries to racing greyhounds. Fractures of the accessory carpal bone in the paw of a racing greyhound are relatively common due to the stresses of racing. The injury, which more commonly affects the right leg, is due to hyperextension of the carpus (the 'wrist' of the leg) at speed. Another example is metacarpal-metatarsal fractures to the paw which occur in a young dog that runs a very fast race or in an unfit dog that starts racing prematurely.⁵⁷ Prior to the banning of live greyhound racing in Massachusetts by citizen initiative in 2008, the Massachusetts Legislature enacted injury reporting legislation codified at ch. 128C, s. 7A, Massachusetts General Laws. In analyzing the injury reports, Grey2K USA, a national greyhound protection organization, found that for 2002-2004, over 74 percent of reported greyhound injuries were fractures.⁵⁸

According to Grey2K USA, seven states have live greyhound racing. Those states are Alabama, Arizona, Arkansas, Florida, Iowa, Texas, and West Virginia.⁵⁹

Examples of racing greyhound injury reports in use in Florida are shown in a publication issued by Grey2K USA.⁶⁰ The information provided in a 2011 Daytona Beach Kennel Club injury report (due no later than 24 hours after an injury occurs),⁶¹ includes the type of injury, its location on the greyhound's body, and the treatment provided to the greyhound:

- Injury type (e.g., fracture, dislocation, sprain, muscle tear/sore, laceration/cut);
- Area injured (e.g., left hind leg) and bone/joint injured (e.g., toe, shoulder); and

⁵⁴ See Rule 61D-2.023(3)(k), F.A.C., which became effective May 21, 2013. According to the department, 192 reports of greyhound deaths were filed with the division between May 31, 2013 and December 31, 2014.

⁵⁵ See Rules 61D-2.023(4) and (6), F.A.C.

⁵⁶ Section 550.2415(9), F.S. also provides that postmortem examinations may be made of any animal that dies while housed at a permitted racetrack, association compound, or licensed kennel or farm.

⁵⁷ See University of Pennsylvania School of Veterinary Medicine Computer Aided Learning Program course supplement at http://cal.vet.upenn.edu/projects/saortho/chapter_35/35mast.htm (last visited Jan. 19, 2015). See also Benjamin G. J. Wernham, BVSc and James K. Roush, DVM, MS, DACVS, *Metacarpal and Metatarsal Fractures in Dogs*, Compendium: Continuing Education for Veterinarians®, Vetlearn.com, (March 2010), available at https://s3.amazonaws.com/assets.prod.vetlearn.com/mmah/5f/e8eac1e38940cb8b9aab8e862fa06a/filePV0310_wernham_CE.pdf (last visited Jan. 19, 2015).

⁵⁸ See *Injuries in Racing Greyhounds, A Report to the Massachusetts General Court July 2005* www.grey2kusa.org/pdf/injuryreport.pdf (last visited Jan. 19, 2015).

⁵⁹ See <http://www.grey2kusa.org/action/states.html> (last visited Jan. 19, 2015).

⁶⁰ See *Greyhound Racing in Florida (December 2011)* <http://www.grey2kusa.org/pdf/FLreport.pdf> (last visited Jan. 19, 2015).

⁶¹ *Id.* at p. 31.

- Treatment (e.g., x-rays, surgery, splint, rest, euthanasia).

The information provided in 2011 Flagler Greyhound Track reports is less extensive.⁶² The injury reports cited by Grey2K USA appear to be signed by the racetrack veterinarians.

License Fees and Taxes Imposed on Greyhound Racing Permitholders

As required by s. 550.0951, F.S., greyhound racing permitholders must pay an \$80 daily license fee for each live and simulcast race, but the daily license fee for simulcast races may not exceed \$500. Section 550.0951, F.S., provides for taxes on admission charges, live races, simulcast events, intertrack wagers, and intertrack simulcast races, but the tax burden has been greatly reduced by tax credits and exemptions. According to the division, revenue from greyhound racing declined by 11 percent in Fiscal Year 2012-2013, to approximately \$3,300,000,⁶³ but increased by four percent in Fiscal Year 2013-2014, to approximately \$3,442,000.⁶⁴ According to the *Gambling Impact Study* prepared for the Florida Legislature by Spectrum Gaming Group,⁶⁵ the estimated regulatory costs to the division related to greyhound racing were \$4.1 million in Fiscal Year 2011-2012, resulting in a \$1 million deficit even without any administrative overhead allocation.

Universal Tax Exemption Credit

As provided in s. 550.09514(1), F.S., all 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:

- \$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 two permitholders (Washington County Kennel Club (Ebro) and Pensacola Greyhound,⁶⁶ and Jefferson County Kennel Club (Monticello); and
- \$360,000 annually to each of the other 17 greyhound permitholders.

If a permitholder cannot use its full tax exemption amount, it may transfer the unused portion of the exemption to another permitholder that has acted as a host track by accepting intertrack wagering.⁶⁷ 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.

⁶² *Id.* at pages 32-34.

⁶³ See 82nd Annual Report, Fiscal Year 2012-2013, Division of Pari-Mutuel Wagering, at pages 12 and 24, available at <http://www.myfloridalicense.com/dbpr/pmw/documents/AR/AnnualReport2012-2013--82nd--2014-01-24.pdf> (last visited April 10, 2015).

⁶⁴ See 83rd Annual Report, Fiscal Year 2013-2014, Division of Pari-Mutuel Wagering, at pages 12 and 25, available at <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2013-2014--83rd--20150114.pdf> (last visited April 10, 2015).

⁶⁵ See *Gambling Impact Study*, Spectrum Gaming Group, dated October 28, 2013, available at http://www.leg.state.fl.us/gamingstudy/docs/FGIS_Spectrum_28Oct2013.pdf (Last visited April 10, 2015).

⁶⁶ See note 49 *supra* regarding the operations of Jefferson County Kennel Club (Monticello), which has previously qualified for a \$500,000 tax exemption.

⁶⁷ Section 550.0951(1)(b), F.S.

Tax Exemption Credit for Daily License Fees

Each permitholder receives a tax credit based on the number of live races conducted in the previous year, multiplied by the daily license fee.⁶⁸ This works out to a 100 percent refund of daily license fees for every live race conducted. The daily license credit also may be transferred for payment in full by a host track to a transferring permitholder.

Tax Exemption Credit for Escheated Winnings

Section 550.1645, F.S., provides that after one year, the winnings from all unclaimed pari-mutuel tickets become property of the state. 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 be an amount equal to 10 percent of the escheat credit to qualified greyhound adoption programs.

Tax Rates

The stated tax rates on greyhound racing 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).

Section 550.0951(3), F.S., provides that 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 .5 percent (one-half of a 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.

Greyhound Permitholders and Cardroom Licenses

Section s. 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 greyhound performances may obtain a cardroom license. As a result of the so-called “90 percent rule,” the required minimum of live performances varies greatly among greyhound permitholders.⁶⁹

Greyhound Permitholders and Slot Machine Licenses

Section 551.104(4), F.S., outlines licensing requirements related to slot machine gaming, which is authorized only in Miami-Dade and Broward counties.⁷⁰ A greyhound permitholder that is also

⁶⁸ See Section 550.0951(1)(a), F.S.

⁶⁹ The number of performances varies, from approximately 100 to nearly 400.

⁷⁰ See s. 551.101, F.S., and FLA. CONST. art. X, s. 23.

a slot machine licensee must conduct at least a full schedule of live racing or games as defined in Section 551.002(11), F.S.

III. Effect of Proposed Changes:

Section 1 of the bill provides that the existing Gaming Compact between the Seminole Tribe of Florida (Tribe) and the State of Florida, which provides that the Tribe may conduct banked card games such as blackjack and baccarat at five of its seven gaming facilities, may be amended to authorize banked card games on the same terms, until July 31, 2016. After that date, banked card games may no longer be conducted by the Tribe.

The bill also provides that the Gaming Compact may also be amended to exempt authorized slot machine gaming from the existing authorization granted to the Tribe for slot machine gaming. Currently, the Tribe has exclusive authority to offer slot machine gaming everywhere in the state except in Broward and Miami-Dade Counties; in those counties, the Tribe's authority to offer slot machine gaming is shared with eight pari-mutuel facilities that are authorized under state law to offer slot machine gaming.

If the Gaming Compact is amended to exempt slot machine gaming, then pursuant to amendments to s. 551.102(4), F.S.,⁷¹ certain pari-mutuel facilities may become qualified as facilities eligible to be licensed as slot machine licensees. To qualify, a pari-mutuel facility must:

- Be located in a county in which a majority of voters in a countywide referendum held at the same time as a general election including the offices of President and Vice President of the United States were on the ballot;
- Have conducted at least 250 live performances at the pari-mutuel facility in conformity with the permitholder's annual operating license for 25 consecutive years immediately preceding its initial application for a slot machine license;
- Pay the required license fee; and
- Meet all other requirements of ch. 551, F.S., respecting slot machines.

According to the department, Palm Beach Kennel Club and Naples/Ft. Myers Greyhound Track would be eligible. Unless the Gaming Compact is amended to exempt slot machine gaming conducted by slot machine licensees from the exclusive authorization previously granted to the Tribe, no additional licenses to conduct slot machine gaming may be granted by the Department of Business and Professional Regulation.

The Governor is authorized and directed to execute an amendment to the Gaming Compact respecting the banked card games and slot machine gaming issues, on the same terms and conditions in the Gaming Compact, without further revision, and to seek approval of the amendment from the United States Secretary of the Interior, as required by federal law. Legislative ratification of the amendment is not required, if the amendment to the Gaming Compact strictly conforms to the requirements in the bill.

If the Gaming Compact is amended to exempt slot machine gaming, the revenue sharing with the Tribe would be reduced by 90 percent of the revenue the State receives from the new slot

⁷¹ See sections 16, 17, 18, and 19 of the bill.

machine gaming licensees, and 10 percent of the revenue must be paid by the Division of Pari-mutuel Wagering to thoroughbred tracks that do not have slot machines, to supplement thoroughbred purses (prizes for winning races). If more than one thoroughbred track qualifies for an allocation, the purses portion of the revenue must be split equally among them. The department indicated that Tampa Bay Downs and

Section 2 revises s. 550.01215, F.S., to modify the type of annual operating license to be filed for by a pari-mutuel permitholder.⁷² In existing law, applications are filed to conduct “performances”⁷³ during the next state fiscal year, but pari-mutuel permitholders will now file applications to conduct “pari-mutuel wagering, including intertrack and simulcast races wagering for those greyhound permitholders that do not conduct live performances.” In order to address any revisions to their schedules of live performances, greyhound permitholders are authorized to amend their annual operating licenses for the 2015-2016 fiscal year through August 31, 2015. (For fiscal year 2014-2015, the amendment deadline was March 15, 2015.)

Greyhound permitholders may reduce the number of performances to be conducted, cease live racing, and if they are properly licensed, may:

- Accept wagers on pari-mutuel races broadcast from a host track (intertrack or simulcast wagering);
- Operate a cardroom; and
- Operate slot machines if licensed in Miami-Dade or Broward County.

Elimination of the existing requirement that greyhound permitholders conduct live performances of greyhound racing is accomplished by deleting references to live racing, or by differentiating greyhound racing from other types of pari-mutuel racing.

Section 3 revises s. 550.0351, F.S., regarding charity racing days, to eliminate the use of tracks for charity or scholarship days, or to use their facilities for “hound dog derbies.” In these events, races are run between non-racing dogs, where adult and minors participate as owners of those dogs or as spectators, and where no betting or use of alcoholic beverages is allowed.

Section 4 deletes the requirement in s. 550.054(14)(b), F.S., that a full schedule of live racing be conducted each year by those permitholders whose permit was converted from a jai alai permit to a greyhound racing permit in order to maintain eligibility for tax credits.

Section 5 amends s. 550.0951, F.S., to eliminate the daily license fee paid by greyhound permitholders, which is \$80 for each live or simulcast race. It also eliminates the tax credit for daily license fees, and deletes a reference to the transferable annual tax exemption in s. 550.09514(1), F.S., which is eliminated in **Section 6**.

⁷² Only permitholders may apply for operating licenses; applications for permits to conduct pari-mutuel wagering are addressed in s. 550.054, F.S.

⁷³ Section 550.002(25), F.S., defines “performance” as a series of events, races, or games performed consecutively under a single admission charge.

Charges to enter pari-mutuel grandstands or tracks are rarely imposed, but there is a minimal admission tax of 10 cents payable even when free admission to a track or fronton is granted. This charge in s. 550.0851(2), F.S. is deleted.

The tax on funds that are wagered on greyhound racing is revised to the flat rate of 1.28 percent for all live, intertrack, and simulcast wagering. Currently, tax rates on greyhound racing 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.

Section 5 also revises s. 550.0951(3)(c)1., F.S., to provide that taxes on intertrack wagering when the host track is a dog track, are to be paid to the state by the guest track, instead of the host track.

The bill deletes the tax on intertrack wagers accepted at greyhound tracks “located in an area of the state in which there are only three permitholders, all of which are greyhound permitholders, located in three contiguous counties.” These are the greyhound permitholders in Clay, Duval, and St. Johns Counties. The tax rate is 3.9 percent if the host track is a greyhound track located in those counties or a greyhound track located Miami-Dade or Broward Counties.⁷⁴

The bill provides further that if a host facility also holds a jai alai permit, the tax rate on handle for intertrack wagers is 6.1 percent until the permitholder pays tax on intertrack wagers equivalent to those amount paid in Fiscal Year 1992-1993; thereafter, the rate is 2.3 percent.⁷⁵

Section 6 eliminates the transferable annual tax exemptions to greyhound permitholders established in s. 550.09514(1), F.S. in the amount of \$500,000 each for the 3 permitholders in the Panhandle, and \$360,000 each for the 17 other permitholders.

There are no minimum purse requirements for greyhound permitholders who do not conduct live racing.⁷⁶

Section 550.09514(1)(b), F.S., is further amended to reduce the “additional” purse requirement. Current law provides for “additional” minimum purses in an amount equal to 75 percent of the all daily license fees (on live and simulcast races) paid in fiscal year 1994-1995. The bill reduces this amount to \$60 times the number of live races conducted by the greyhound permitholder in the preceding fiscal year.

The bill also deletes language about the weekly disbursement of purse supplements.

⁷⁴ The deleted provisions reference greyhound tracks located in the market area designated in s. 550.615(6), F.S. This area is “in any area of the state where there are three or more horserace permitholders within 25 miles of each other” which includes Hialeah Racetrack (Quarter Horse), Calder and Gulfstream Racetracks (Thoroughbred), and Pompano Park (Harness).

⁷⁵ See s. 550.0951(3)(c)2., F.S.

⁷⁶ Section 550.002(27), F.S., defines “purse” as the cash portion of prizes on a race. Section 550.09514(2)(a), F.S., sets the minimum purse requirement for each greyhound racing permitholder based on the purses paid on live handle in fiscal year 1993-1994 divided by the live handle that same year.

Section 7 amends s. 550.1625(2), F.S., regarding dogracing taxes to delete references to the daily license fee, the admission tax, and the breaks tax.⁷⁷ The deletion as to the breaks tax is conforming, as the obligation to pay the breaks tax imposed on dogracing in s. 550.0951(4), F.S., was repealed in 1996.⁷⁸

Section 8 deletes s. 550.1647, F.S., to eliminate the “escheats” tax credit for greyhound permitholders and to move some provisions relating to greyhound adoptions to s. 550.1648, F.S.,⁷⁹ as set forth in **Section 9**. Currently, 10 percent of the tax credit is required to be paid by the permitholders to organizations that promote or encourage adoption of greyhounds, but that funding is eliminated by the bill. Further, the authorization in s. 550.1648(2), F.S., for funding a greyhound adoption program by holding a charity racing day designated as “Greyhound Adopt-A-Pet Day,” is also deleted.

Section 9 provides for greyhound adoptions only at dogracing facilities conducting live races. It defines a greyhound adoption organization and provides that the greyhounds adopted must be sterilized. It deletes the funding for greyhound adoptions through charity racing days.

Section 10 creates s. 550.2416, F.S., relating to reporting of racing greyhound injuries. The bill requires that an injury to a racing greyhound be reported to the Division of Pari-mutuel Wagering within 7 days after the injury occurred or is believed to have occurred (e.g. where the time the injury occurred is uncertain, such as injuries discovered since the last daily inspection of the racing greyhound, or upon the arrival of the greyhound at a kennel if transported) by:

- A racetrack veterinarian, if the injury occurred at the racetrack; or
- An owner, trainer or kennel operator with knowledge of the injury, if the injury occurred at a location other than the racetrack or during transportation.

The bill requires reporting of the following information about an injury:

- Specific identification of the injured greyhound (name, tattoos, microchip information), with contact information for the greyhound’s owner, trainer, and kennel operator; and
- The type and location of the injury, its cause, and estimated recovery time.

Further, if the injury occurs during a race, an injury report must state:

- The name of the racetrack and the time injury occurred;
- The distance, grade, race, and post position of the injured greyhound; and
- The weather and track conditions at the time of the injury.

If the injury occurs when the greyhound is not racing, an injury report must state the location where the injury occurred and the circumstances.

The bill provides that injury reports are public records that must be maintained by the division for 7 years.

⁷⁷ The “breaks” is that part of a wagering pool created by rounding.

⁷⁸ See s. 4 of 96-364, L.O.F., which amended s. 550.0951(4), F.S.

⁷⁹ The bill retains provisions in current law regarding adoption organizations and adoption requirements.

Racing greyhound injury reports must be sworn to under penalty of perjury.⁸⁰ In addition, false statements in an injury report by a veterinarian, owner, trainer, or kennel operator may result in discipline of that licensee by the division as permitted by the provisions of chapter 550 (Pari-mutuel Wagering, chapter 455 (Business and Professional Regulation: General Provisions) or chapter 474 (Veterinary Medical Practice).

The bill does not apply to injuries to a service animal, personal pet, or greyhound that has been adopted as a pet.

Section 11 provides an appropriation to implement the greyhound injury reporting mandated by the bill. For 2015-2016, \$ 57,132 in recurring funds and \$,5385 in nonrecurring funds from the Pari-mutuel Wagering Trust Fund are appropriated to the Division of Pari-mutuel Wagering within the Department of Business and Professional Regulation; a full-time equivalent position is also authorized.

Sections 12 and 15 correct cross references in s. 550.26165, F.S., regarding horse racing breeders' awards, and s. 550.63015, F.S., regarding intertrack wagering.

Section 13 amends s. 550.3551(6), F.S., regarding simulcast races, to require that greyhound permitholders that do not conduct a full schedule of live races (at least 100 evening or matinee live races annually), must accept wagering on all in-state greyhound races available to the permitholder and display and promote all in-state broadcasts it receives and wagers on, in the same manner as all other races or games. Also deleted is a 20 percent limit on the number of races from out-of-state locations that certain greyhound permitholders may receive. The provision refers to s. 550.615(5), F.S., which was declared to be an unconstitutional special law by the Florida Supreme Court in 2007.⁸¹

Section 14 amends s. 550.615, F.S., concerning intertrack wagering. Intertrack wagers are made at a guest track on events broadcast from one track to another in Florida, of either live races from the host track, or of live events occurring out of state. A greyhound permitholder is qualified to participate in intertrack wagering if the permitholder:

- Has conducted a full schedule of live racing or games in the preceding year;
- Has held an annual operating license in each of the preceding 10 years; or
- Holds a permit that was converted from a jai alai permit to a greyhound permit pursuant to s. 550.054(14), F.S.

The provisions of s. 550.615(7), F.S. are deleted. Current law limits the taking of intertrack wagers by requiring consent of other permitholders, depending on whether the permitholders in the same county are conducting live racing or not. These limitations are only effective in those counties where only two permits have been issued (one for greyhound racing and one for jai alai).

⁸⁰ Section 837.012, F.S., provides that makers of false statements under oath in regard to any material matter (such as those made in an injury reporting form) which he or she does not believe to be true, are guilty of a first degree misdemeanor and may be sentenced to a term of imprisonment up to one year and required to pay a fine not to exceed \$1,000).

⁸¹ See *Florida Dept. of Business and Prof. Regulation v. Gulfstream Park Racing Ass'n, Inc.*, 967 So.2d. 802 (Fla. 2007).

The provisions of s. 550.615(8), F.S., modify requirements for conducting intertrack wagering, which may be conducted throughout the year by a greyhound permitholder at its own facility, even if it leases another greyhound permitholder's track for its races. Current law allows wagering to occur at a greyhound permitholder's facilities if it conducts a full schedule of live racing at the leased location each year, and the 2 locations are within 35 miles of each other.⁸² This authorization is valid only in the 3 adjacent counties of the state where there are three permitholders, all of which are greyhound permitholders (Clay, Duval, and St. John's Counties).

The bill authorizes every greyhound permitholder throughout the state to lease another greyhound facility located within 35 miles of its existing facility, without a requirement for any live racing, and authorizes the continuation of all intertrack wagering at the permitholder's own facility.

The bill creates s. 550.615(10), F.S., regarding the funds payable to a greyhound permitholder that is not licensed to conduct a full schedule of live racing during the year, but is a guest track. Such a permitholder must be paid 16 percent of its contributions to pari-mutuel wagering pools at a greyhound permitholder host track.

Section 15 deletes cross references to a law that was repealed in 2000.⁸³

Section 16 amends s. 551.101, F.S., to delete the requirement that pari-mutuel facilities located in Broward and Miami-Dade Counties at the time of the adoption of s. 23, Art. X of the State constitution and that have conducted live races or games during the 2002 and 2003 calendar years are authorized to conduct slot machine gaming. It provides that the facilities that comply with ch. 551, F.S., are authorized to conduct slot machine gaming.

Currently, Broward and Miami-Dade Counties are the only counties where slot machine gaming at pari-mutuel locations is authorized in Florida, and in those counties, two greyhound permitholders are licensed for slot machines:

- Flagler Dog Track & Magic City Casino in Miami Beach, and
- Mardi Gras Casino and Racetrack in Hallandale Beach.⁸⁴

Section 17 amends the eligible facility definition in s. 551.102(4), F.S., to provide that certain pari-mutuel facilities may become qualified as facilities eligible to be licensed as slot machine licensees. To qualify, a pari-mutuel facility must:

- Be located in a county in which a majority of voters in a countywide referendum held at the same time as a general election including the offices of President and Vice President of the United States were on the ballot;
- Have conducted at least 250 live performances at the pari-mutuel facility in conformity with the permitholder's annual operating license for 25 consecutive years immediately preceding its initial application for a slot machine license;

⁸² Section 550.475, F.S., mandates the required proximity of 35 miles.

⁸³ Section 550.615(9), F.S., was repealed by s. 44 of ch. 2000-354, L.O.F., requiring re-numbering of other sections.

⁸⁴ See Pari-Mutuel Wagering Permitholders With 2014-2015 Operating Licenses map at <http://www.myfloridalicense.com/dbpr/pmw/documents/MAP-Permitholders--WITH--2014-2015-OperatingLicenses--2014-11-24.pdf> (last visited April 10, 2015).

- Pay the required license fee; and
- Meet all other requirements of ch. 551, F.S., respecting slot machines.

However, unless the Gaming Compact is amended to exempt slot machine gaming conducted by slot machine licensees from the exclusive authorization previously granted to the Tribe, no additional licenses to conduct slot machine gaming may be granted by the Department of Business and Professional Regulation.

Section 18 amends s. 551.104, F.S., to provide a slot machine applicant may be approved by the division after a county referendum authorizing slot machine gaming in compliance with ch. 551, F.S. It eliminates the requirement that live racing be conducted by a greyhound permitholder in order to maintain a slot machine license.

Section 19 amends s. 551.114, F.S., and expands the areas for slot machine gaming in pari-mutuel wagering facilities “for greyhound permitholders, the location where live races were conducted as of the permitholder’s initial date of slot machine licensure.”⁸⁵ Two greyhound permitholders have slot machine licenses and are conducting live racing: Flagler Dog Track & Magic City Casino in Miami Beach, and Mardi Gras Casino and Racetrack in Hallandale Beach.

Section 20 amends the requirements for greyhound permitholders operating licensed cardrooms.⁸⁶ Whether live racing is conducted or not by a greyhound permitholder, a cardroom license (and future renewals) must be issued if the permitholder:

- Has conducted live racing during each of the 10 years immediately preceding its application for a cardroom license; or
- Holds a permit that was converted from a jai alai permit to a greyhound permit pursuant to s. 550.054(14), F.S.

No minimum number of live performances need be requested or conducted in order to “receive, maintain, or renew” a license to operate a cardroom. If broadcasts of live greyhound racing are available from other tracks in Florida, greyhound permitholders must provide intertrack wagering on each day the cardroom operates, as a condition of their cardroom license.⁸⁷

It maintains the 4 percent purse supplements only for greyhound permitholders conducting live races.

Section 21 provides that if any slot machine licensee discontinues live racing or games, all slot machine licensees may do so. This means that in addition to greyhound racing permitholders, all other pari-mutuel permitholders (harness, thoroughbred, jai alai) will no longer be required to conduct live races or games, and may maintain slot machine gaming facilities without pari-mutuel wagering.

⁸⁵ Section 551.114, F.S., currently provides that slot machine gaming areas must be (1) within the current live gaming facility or (2) in a new or existing building contiguous and connected to the live gaming facility.

⁸⁶ 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 charged a fee for participation by the operator of such facility.

⁸⁷ As discussed in the analysis of Section 14 above, intertrack wagers are made at a guest track on events broadcast from one track to another in Florida, of either live races from the host track, or of events occurring live outside of Florida.

The bill is effective upon becoming a law.

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:

The Florida Revenue Estimating Conference is scheduled to review the financial impact to the State of the elimination of live racing and the loss of associated taxes and fees, on April 10, 2015.

B. Private Sector Impact:

If an amendment to the Gaming Compact is executed by the Seminole Tribe and the State, the existing exclusive authorization to the Seminole Tribe of Florida to offer banking and banked card games (table games) at five of its seven tribal gaming facilities will remain in effect through July 31, 2016 (the extended authorization period). During the extended authorization period, the Seminole Tribe will continue to be obligated to share revenue with the State of Florida using a calculation that will include the net win revenue from the Tribe's casinos in Broward County.

An amendment to the Gaming Compact that will modify the existing authorization granted to the Seminole Tribe of Florida to offer slot machine gaming in the State, with only limited competition from eight pari-mutuel facilities in Broward and Miami-Dade Counties, may address other terms of the Gaming Compact and the revenues payable thereunder.

C. Government Sector Impact:

If an amendment to the Gaming Compact is executed by the Seminole Tribe and the State, the existing exclusive authorization to the Seminole Tribe of Florida to offer banking and banked card games (table games) at five of its seven tribal gaming facilities will remain in effect through July 31, 2016 (the extended authorization period). During the extended authorization period, the Seminole Tribe will continue to be obligated to

share revenue with the State of Florida using a calculation that will include the net win revenue from the Tribe's three casinos in Broward County.

According to the Legislature's Office of Economic and Demographic Research, this will impact annual general revenue by approximately \$136.6 million.⁸⁸ There will also be an impact upon those counties and municipalities that receive local government share distributions from the revenue sharing payments made by the Seminole Tribe for the benefit of the exclusivity provisions in the Gaming Compact.

An amendment to the Gaming Compact that will modify the existing authorization granted to the Seminole Tribe of Florida to offer slot machine gaming in the State, with only limited competition from eight pari-mutuel facilities in Broward and Miami-Dade Counties, may address other terms of the Gaming Compact and the revenues payable thereunder.

The Florida Revenue Estimating Conference is scheduled to review the financial impact to the State of the elimination of live racing and the loss of associated taxes and fees, on April 10, 2015.

SB 7088 provides in **Section 11** an appropriation to implement the greyhound injury reporting mandated by the bill. For 2015-2016, \$ 57,132 in recurring funds and \$,5385 in nonrecurring funds from the Pari-mutuel Wagering Trust Fund are appropriated to the Division of Pari-mutuel Wagering within the Department of Business and Professional Regulation; a full-time equivalent position is also authorized.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The number of racing greyhounds in the state will be impacted by the elimination of the live racing requirement, and may result in a glut of racing greyhounds that are no longer needed by the racing industry. This may further impact the ability to place retired greyhounds for adoption. The timing and impact of such reduction has been the subject of dispute among permitholders, owners, and interested parties.

Subsection (6) of s. 550.615, F.S., regarding intertrack wagering limitations, was declared by the Florida Supreme Court to be an unconstitutional special law, in *Florida Dept. of Business and Prof. Regulation v. Gulfstream Park Racing Ass'n, Inc.*, 967 So.2d. 802 (Fla. 2007).

Accordingly, that statutory provision, and the references to it throughout ch. 550, F.S., should be deleted.

⁸⁸ See *Gaming: Revenue Overview* http://edr.state.fl.us/Content/presentations/gaming/GamingRevenueOverview_3-26-15.pdf (March 26, 2015) at page 11 (last visited April 10, 2015).

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 285.710, 550.01215, 550.0351, 550.054, 550.0951, 550.09514, 550.1625, 550.1647, 550.1648, 550.26165, 550.3551, 550.615, 550.6305, 551.101, 551.102, 551.104, 551.114, and 849.086.

This bill creates section 550.2416, of the Florida Statutes.

This bill creates two unnumbered 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.

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

FOR CONSIDERATION By the Committee on Regulated Industries

580-03407C-15

20157088pb

1 A bill to be entitled
2 An act relating to a 1-year extension of the
3 authorization of banking or banked card games in the
4 Seminole Tribe Gaming Compact; amending s. 285.710,
5 F.S.; authorizing and directing the Governor to
6 execute a specified written amendment to the Gaming
7 Compact between the Seminole Tribe of Florida and the
8 State of Florida; authorizing and directing the
9 Governor to cooperate with the Tribe in seeking
10 approval of the amendment; providing that the
11 amendment of the compact does not require legislative
12 ratification in certain circumstances; providing an
13 effective date.

14
15 Be It Enacted by the Legislature of the State of Florida:

16
17 Section 1. Subsection (3) of section 285.710, Florida
18 Statutes, is amended to read:

19 285.710 Compact authorization.—

20 (3) (a) The Gaming Compact between the Seminole Tribe of
21 Florida and the State of Florida, executed by the Governor and
22 the Tribe on April 7, 2010, is ratified and approved. The
23 Governor shall cooperate with the Tribe in seeking approval of
24 the compact from the United States Secretary of the Interior.

25 (b) The Gaming Compact between the Seminole Tribe of
26 Florida and the State of Florida, executed by the Governor and
27 the Tribe on April 7, 2010, may be amended to authorize the
28 Seminole Tribe to conduct banking or banked card games for 1
29 additional year, ending on July 31, 2016, and to provide for

580-03407C-15

20157088pb

30 automatic termination of the banking or banked card games after
31 that date without a grace period. The Governor is authorized and
32 directed to execute a written amendment to the Gaming Compact
33 between the Seminole Tribe of Florida and the State of Florida,
34 executed by the Governor and the Tribe on April 7, 2010,
35 providing for the conduct of banking or banked card games
36 through July 31, 2016, and providing for automatic termination
37 of those games after that date without a grace period, on the
38 same terms and conditions, without further revision. The
39 Governor is authorized and directed to cooperate with the Tribe
40 in seeking approval of the amendment to the compact from the
41 United States Secretary of the Interior. Notwithstanding
42 paragraph (8)(f) and s. 285.712, the amendment of the compact to
43 provide for the conduct of banking or banked card games does not
44 require legislative ratification, so long as the amendment
45 strictly conforms to this subsection.

46 Section 2. This act shall take effect upon becoming a law.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4 18 2015

Meeting Date

Topic _____

Bill Number 7088
(if applicable)

Name BRIAN PITTS

Amendment Barcode _____
(if applicable)

Job Title TRUSTEE

Address 1119 NEWTON AVNUE SOUTH

Phone 727-897-9291

Street

SAINT PETERSBURG

FLORIDA

33705

E-mail JUSTICE2JESUS@YAHOO.COM

City

State

Zip

Speaking: For Against Information

Representing JUSTICE-2-JESUS

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.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/8/15

Meeting Date

7088

Bill Number (if applicable)

809258

Amendment Barcode (if applicable)

Topic Crylono Decoupling

Name Kate Mactall

Job Title FL State Director

Address 1624 Metropolitan Circle

Phone 850 508-1001

Tallahassee FL 32312

City State Zip

Email Kmactalle@humane.society.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Humane Society of the United States

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)

Meeting Date _____

SPB 7088
Bill Number (if applicable)

Topic _____

809258
Amendment Barcode (if applicable)

Name JEFF KOTTKAMP

Job Title _____

Address _____

Phone _____

Street

Tallahassee

City

FL

State

Zip

Email Lgork2@col.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FGA

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)

4/8/15
Meeting Date

SRB 7088
Bill Number (if applicable)

809258
Amendment Barcode (if applicable)

Topic Greyhound Decoupling

Name Carey Theil

Job Title Executive Director

Address 7 Central St., Suite 210

Phone 617-501-6276

Arlington MA 02476
City State Zip

Email Carey@greyzkusa.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing GREY/ZK 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.

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)

Meeting Date _____
Topic Greyhound decoupling / injury Reporting
Name David Bishop

Bill Number (if applicable) 809258
Amendment Barcode (if applicable) _____

Job Title _____
Address _____
Street _____
City _____ State _____ Zip _____
Phone _____
Email _____

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.

This form is part of the public record for this meeting. S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____ Bill Number (if applicable) 809258
Topic Gaping Amendment Barcode (if applicable) _____
Name JACK COBY
Job Title _____
Address 120 E. Coby St Phone 850 8930415
Street _____
City JFK State FL Zip _____ Email JACK COBY QP
Speaking: For Against Information Waive Speaking: In Support Against
(The Chair will read this information into the record.)
Representing Florida Grey Pk
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)

4 / 8 / 2015

Meeting Date

Topic _____

Bill Number 809258
(if applicable)

Name BRIAN PITTS

Amendment Barcode _____
(if applicable)

Job Title TRUSTEE

Address 1119 NEWTON AVNUE SOUTH
Street

Phone 727-897-9291

SAINT PETERSBURG FLORIDA 33705
City *State* *Zip*

E-mail JUSTICE2JESUS@YAHOO.COM

Speaking: For Against Information

Representing JUSTICE-2-JESUS

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.

S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/8/2013

Meeting Date

Topic _____

Bill Number _____
(if applicable)

Name BRIAN PITTS

Amendment Barcode 624248
(if applicable)

Job Title TRUSTEE

Address 1119 NEWTON AVNUE SOUTH

Phone 727-897-9291

Street

SAINT PETERSBURG FLORIDA 33705

City

State

Zip

E-mail JUSTICE2JESUS@YAHOO.COM

Speaking: For Against Information

Representing JUSTICE-2-JESUS

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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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____ Bill Number (if applicable) 624248
Topic Greedy Protection Amendment Barcode (if applicable) _____
Name SHAK CORP
Job Title _____
Address 100 E. Cobb Rd Phone 754-893-99
Street _____
City WV State FL Zip _____ Email SPKCORP.C
Speaking: For Against Information Waive Speaking: In Support Against
(The Chair will read this information into the record.)
Representing Florida Greedy Protection

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)

4/8

Meeting Date

7088

Bill Number (if applicable)

624248

Amendment Barcode (if applicable)

Topic Injury Report

Name Kate Macfall

Job Title FL State Director

Address 1624 Metropolitan Circle

Street

Tallahassee FL 32312

City

State

Zip

Phone 850 508-1001

Email kmacfall@humansociety.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Humane Society of the United States

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)

4/8/15

Meeting Date

SPB 7088

Bill Number (if applicable)

624248

Amendment Barcode (if applicable)

Topic Greyhound Injury Reporting

Name Carey Theil

Job Title Executive Director

Address 7 Central St., Suite 210

Street

Phone 617-501-6276

Arlington MA 02476

City

State

Zip

Email Carey@grey2kusa.org

Speaking: [X] For [] Against [] Information

Waive Speaking: [] In Support [] Against (The Chair will read this information into the record.)

Representing

Appearing at request of Chair: [] Yes [X] No

Lobbyist registered with Legislature: [X] 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

2/8/15

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

7088

Meeting Date

Bill Number (if applicable)

Topic Grayhound Safety

624288

Amendment Barcode (if applicable)

Name Ramon MARY

Job Title _____

Address PO Box 10245

Phone 222-1568

Street

Email mm3prop@aol

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FL Grayhound 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)

4/8/15

Meeting Date

SB 7088

Bill Number (if applicable)

383092

Amendment Barcode (if applicable)

Topic Gaming

Name Brewster Bevis

Job Title Senior Vice President

Address 516 N. Adams St

Street

Tallahassee

City

FL

State

32301

Zip

Phone 224-7173

Email bbevis@aif.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Associated Industries of Florida

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.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-8-15
Meeting Date

SB 7088
Bill Number (if applicable)

738196
Amendment Barcode (if applicable)

Topic _____

Name Herb Sheheane (Sheehan)

Job Title _____

Address 1455 Cane Creek Rd.
Street

Phone 850-566-1100

Quincy FL 32357
City State Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FHBPA

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)

Meeting Date _____

7088
Bill Number (if applicable)

Topic SB 7088

Amendment Barcode (if applicable)

Name Lonny Powell

Job Title CEO, FLORIDA THOROUGHBRED BREEDERS & OWNERS ASSN

Address 801 SW 60th Ave
Street

Phone 352-629-2120

Ocala FL
City State Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FTBOA - Against Boonyon amendment to decouple horses

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)

9/8/15
Meeting Date

7088
Bill Number (if applicable)

Topic Bryman Amendment - if Necessary Amendment Barcode (if applicable)

Name WILBUR BREWSTER

Job Title _____

Address 225 S. ADAMS #250
Street
TLH 32301
City State Zip

Phone 222-7718

Email wbrewster@bplawfirm.net

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Cable News Corp

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)

4-8-2015

Meeting Date

7088

Bill Number (if applicable)

738196

Amendment Barcode (if applicable)

Topic _____

Name BRIAN PITTS

Job Title Trustee

Address 1119 Newton Ave S.
Street

Phone 727/897-9291

St Petersburg FL 33705
City State Zip

Email justice2jesus@yahoo.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing _____

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)

4-8-15
Meeting Date

7088
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Marc Dunbar

Job Title _____

Address P.O. Box 351

Phone 450/933-8500

Street

Tallahassee

FL

32312

City

State

Zip

Email mdunbar@foneswa.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Stronach Group

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)

SA

7088

Meeting Date _____

Bill Number (if applicable) _____

Topic _____

Amendment Barcode (if applicable) _____

Name SA CH CAR

Job Title _____

Address _____

Phone _____

Street

City

State

Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FBA

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.



SPB-7088

Greyhound Decoupling Findings from the Spectrum Report

- Greyhound decoupling will **reduce gambling** in the state by \$23 million.ⁱ
- In 2012, the **state lost between \$1 million and \$3.3 million on dog racing**, because regulatory costs exceed revenues. Some of the tracks that will close after greyhound decoupling passes “generated very little state revenue” and “**their closures could be a net gain for the State treasury.**”ⁱⁱ
- **Greyhound breeders will benefit** from increased purse payments. At the tracks that continue greyhound racing, purses will increase by \$2.8 million.ⁱⁱⁱ
- Greyhound racing is “**clearly in serious decline**” and between 1990 and 2012, dog race handle in Florida declined by **67%**.^{iv} This mirrors a national trend, and **ten states have outlawed dog racing** since 1993.^v At the same time that gambling on dog racing has sharply dropped, the number of greyhound performances has declined by only 6% due to state dog racing mandates.^{vi}
- Greyhound decoupling will “**not impact revenue sharing per the Seminole contract**” and will have “no impact” on cardroom or slot machine revenues.^{vii} In fact, greyhound decoupling will have “**no impact on the state’s gaming industry** under any scenario.”^{viii}
- Greyhound decoupling will lead to a **reduction of dog race performances of nearly 40%**.^{ix} Greyhound decoupling will lead to the eventual closure of six tracks, and these facilities would “cease live racing within three years.”^x Three other tracks would reduce performances, by between 10% and 50%.^{xi}
- Remaining dog tracks “will benefit through higher simulcast revenue.”^{xii} However, track increases in simulcast handle and purses will likely be temporary.^{xiii}

“It’s clear that pari-mutuel operations at greyhound tracks are loss leaders as the tracks sustained a combined operating loss from wagering on greyhounds of \$35 million.”^{xiv}

ⁱ Spectrum Gaming Group, “Gambling Impact Study,” October 28, 2013, http://www.leg.state.fl.us/gamingstudy/docs/FGIS_Spectrum_28Oct2013.pdf, Final Report PDF page 422.

ⁱⁱ Spectrum Gaming Group, Final Report PDF page 421.

ⁱⁱⁱ Spectrum Gaming Group, Final Report PDF page 418-420.

^{iv} Spectrum Gaming Group, Final Report PDF page 283.

^v Spectrum Gaming Group, Final Report PDF page 135, 121.

^{vi} Spectrum Gaming Group, Final Report PDF page 136.

^{vii} Spectrum Gaming Group, Final Report PDF page 422.

^{viii} Spectrum Gaming Group, Final Report PDF page 395.

^{ix} Spectrum Gaming Group, Final Report PDF page 417.

^x Spectrum Gaming Group, Final Report PDF page 418.

^{xi} *Ibid.*

^{xii} Spectrum Gaming Group, Final Report PDF page 136.

^{xiii} Spectrum Gaming Group, Final Report PDF page 419-420.

^{xiv} Spectrum Gaming Group, Final Report PDF page 136.

PSB-7088

From: Biegalski, Leon

[mailto:Leon.Biegalski@myfloridalicense.com]

Sent: Monday, March 17, 2014 3:48 PM

To: Jack Cory

Subject: RE: Greyhound Regulation

There is no specific document showing the total cost of regulating greyhound racing.

Attached is a copy of the appropriation for the current Fiscal Year for pari-mutuel wagering.

The direct costs related to OPS, the Racing Lab, and Medication Research are more easily allocated to a specific industry. OPS staff is primarily dedicated to the onsite licensing and collecting of blood and urine samples. The racing lab tests the samples for impermissible substances. These percentages are subject to fluctuate as both greyhound and horse permitholders amend their number of live races.

OPS expenditures for the fiscal years 2010/11 and 2011/12 have been approximately \$1.2 million annually with about 40%-\$45% dedicated to all greyhound permitholders and the remaining to horse permitholders.

The Racing Lab Contract is an agreement with the University of Florida to perform the specimen samples to detect impermissible substances in racing animals. The University has performed this service since 1998. The annual contract amount is dependent upon the appropriation amount from the Legislature which has been \$2,266,000 annually for the last five fiscal years. After categorizing the number of samples by industry for fiscal year 2010/11 and 2011/12, approximately 65%-75% of the samples analyzed by the lab can be allocated to greyhound testing.

Additionally, the Racing Animal Medication Research appropriation has been specifically addressed before. Since approximately Fiscal Year 2009/10, the annual appropriation has been \$100,000 and the research has predominately been dedicated to the horse industry.

Allocating cost for the remaining Division appropriation categories to greyhound, horse, jai alai, and cardrooms for regulation can be challenging as most of our resources are utilized across industry types in order to maximize efficiency.

Thank you,

Leon

Leon M. Biegalski, Director

Division of Pari-Mutuel Wagering, Office of the Director

Important: Confidentiality & Public Records Statement

The Florida Senate COMMITTEE VOTE RECORD

COMMITTEE: Regulated Industries
ITEM: SPB 7088
FINAL ACTION: Submitted as Committee Bill
MEETING DATE: Wednesday, April 8, 2015
TIME: 1:30 —3:30 p.m.
PLACE: 110 Senate Office Building

FINAL VOTE		SENATORS	4/08/2015 Amendment 809258 ¹		4/08/2015 Amendment 624248(Late Filed) ²		4/08/2015 Amendment 383092(Late Filed) ³	
			Yea	Nay	Yea	Nay	Yea	Nay
X		Abruzzo	X		X		X	
	X	Bean		X		X		X
X		Braynon	X		X		X	
X		Diaz de la Portilla	X		X		X	
	X	Flores		X	X			X
X		Latvala		X			X	
X		Negron	X		X		X	
X		Richter	X		X		X	
X		Sachs	X		X		X	
	X	Stargel		X				
	X	Margolis, VICE CHAIR	X		X		X	
	X	Bradley, CHAIR		X		X		X
7	5	TOTALS	FAV	-	FAV	-	FAV	-
Yea	Nay		Yea	Nay	Yea	Nay	Yea	Nay

CODES: FAV=Favorable RCS=Replaced by Committee Substitute TP=Temporarily Postponed WD=Withdrawn
 UNF=Unfavorable RE=Replaced by Engrossed Amendment VA=Vote After Roll Call OO=Out of Order
 -R=Reconsidered RS=Replaced by Substitute Amendment VC=Vote Change After Roll Call AV=Abstain from Voting

**The Florida Senate
COMMITTEE VOTE RECORD**

COMMITTEE: Regulated Industries
ITEM: SPB 7088
FINAL ACTION: Submitted as Committee Bill
MEETING DATE: Wednesday, April 8, 2015
TIME: 1:30 —3:30 p.m.
PLACE: 110 Senate Office Building

SENATORS	4/08/2015 ⁴ Amendment 798676(Late Filed) Sachs		4/08/2015 ⁵ Amendment 738196(Late Filed) Braynon		4/08/2015 ⁶ Motion to submit as Committee Bill Diaz de la Portilla		Yea	Nay
	Yea	Nay	Yea	Nay	Yea	Nay		
	Abruzzo			X				
Bean				X				
Braynon			X					
Diaz de la Portilla			X					
Flores								
Latvala			X					
Negron			X					
Richter			X					
Sachs			X					
Stargel				X				
Margolis, VICE CHAIR				X				
Bradley, CHAIR				X				
TOTALS	-	WD	FAV	-	FAV	-	Yea	Nay
	Yea	Nay	Yea	Nay	Yea	Nay	Yea	Nay

CODES: FAV=Favorable RCS=Replaced by Committee Substitute TP=Temporarily Postponed WD=Withdrawn
UNF=Unfavorable RE=Replaced by Engrossed Amendment VA=Vote After Roll Call OO=Out of Order
-R=Reconsidered RS=Replaced by Substitute Amendment VC=Vote Change After Roll Call AV=Abstain from Voting



809258

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
04/10/2015	.	
	.	
	.	
	.	

The Committee on Regulated Industries (Sachs) recommended the following:

Senate Amendment (with title amendment)

Between lines 45 and 46

insert:

Section 2. Subsection (1) of section 550.01215, Florida Statutes, is amended to read:

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

(1) Each permitholder shall annually, during the period between December 15 and January 4, file in writing with the



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11 division its application for a license to conduct pari-mutuel
12 wagering, including intertrack and simulcast races wagering for
13 greyhound permitholders that do not conduct live performances,
14 during the next state fiscal year. Each application shall
15 specify the number, dates, and starting times of all
16 performances which the permitholder intends to conduct. It shall
17 also specify which performances will be conducted as charity or
18 scholarship performances. In addition, each application for a
19 license shall include, for each permitholder which elects to
20 operate a cardroom, the dates and periods of operation the
21 permitholder intends to operate the cardroom or, for each
22 thoroughbred permitholder which elects to receive or rebroadcast
23 out-of-state races after 7 p.m., the dates for all performances
24 which the permitholder intends to conduct. Permitholders shall
25 be entitled to amend their applications through February 28,
26 except that, for licenses for the 2015-2016 fiscal year, a
27 greyhound permitholder is entitled to amend such license through
28 August 31, 2015.

29 Section 3. Subsections (1) and (7) of section 550.0351,
30 Florida Statutes, are amended to read:

31 550.0351 Charity racing days.—

32 (1) The division shall, upon the request of a permitholder,
33 authorize each horseracing permitholder, ~~dogracing permitholder,~~
34 and jai alai permitholder up to five charity or scholarship days
35 in addition to the regular racing days authorized by law.

36 ~~(7) In addition to the charity days authorized by this~~
37 ~~section, any dogracing permitholder may allow its facility to be~~
38 ~~used for conducting "hound dog derbies" or "mutt derbies" on any~~
39 ~~day during each racing season by any charitable, civic, or~~



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40 ~~nonprofit organization for the purpose of conducting "hound dog~~
41 ~~derbies" or "mutt derbies" if only dogs other than those usually~~
42 ~~used in dogracing (greyhounds) are permitted to race and if~~
43 ~~adults and minors are allowed to participate as dog owners or~~
44 ~~spectators. During these racing events, betting, gambling, and~~
45 ~~the sale or use of alcoholic beverages is prohibited.~~

46 Section 4. Paragraph (b) of subsection (14) of section
47 550.054, Florida Statutes, is amended to read:

48 550.054 Application for permit to conduct pari-mutuel
49 wagering.—

50 (14)

51 (b) The division, upon application from the holder of a jai
52 alai permit meeting all conditions of this section, shall
53 convert the permit and shall issue to the permitholder a permit
54 to conduct greyhound racing. ~~A permitholder of a permit~~
55 ~~converted under this section shall be required to apply for and~~
56 ~~conduct a full schedule of live racing each fiscal year to be~~
57 ~~eligible for any tax credit provided by this chapter.~~ The holder
58 of a permit converted pursuant to this subsection or any holder
59 of a permit to conduct greyhound racing located in a county in
60 which it is the only permit issued pursuant to this section who
61 operates at a leased facility pursuant to s. 550.475 may move
62 the location for which the permit has been issued to another
63 location within a 30-mile radius of the location fixed in the
64 permit issued in that county, provided the move does not cross
65 the county boundary and such location is approved under the
66 zoning regulations of the county or municipality in which the
67 permit is located, and upon such relocation may use the permit
68 for the conduct of pari-mutuel wagering and the operation of a



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69 cardroom. The provisions of s. 550.6305(9)(d) and (f) shall
70 apply to any permit converted under this subsection and shall
71 continue to apply to any permit which was previously included
72 under and subject to such provisions before a conversion
73 pursuant to this section occurred.

74 Section 5. Subsections (1), (2), and (3) of section
75 550.0951, Florida Statutes, are amended to read:

76 550.0951 Payment of daily license fee and taxes;
77 penalties.—

78 (1)~~(a)~~ DAILY LICENSE FEE.—Each person engaged in the
79 business of conducting horserace meets ~~race meetings~~ or jai alai
80 games under this chapter, hereinafter referred to as the
81 “permitholder,” “licensee,” or “permittee,” shall pay to the
82 division, for the use of the division, a daily license fee on
83 each live or simulcast pari-mutuel event of \$100 for each
84 horserace and ~~\$80 for each dograce~~ and \$40 for each jai alai
85 game conducted at a racetrack or fronton licensed under this
86 chapter. ~~In addition to the tax exemption specified in s.~~
87 ~~550.09514(1) of \$360,000 or \$500,000 per greyhound permitholder~~
88 ~~per state fiscal year, each greyhound permitholder shall receive~~
89 ~~in the current state fiscal year a tax credit equal to the~~
90 ~~number of live greyhound races conducted in the previous state~~
91 ~~fiscal year times the daily license fee specified for each~~
92 ~~dograce in this subsection applicable for the previous state~~
93 ~~fiscal year. This tax credit and the exemption in s.~~
94 ~~550.09514(1) shall be applicable to any tax imposed by this~~
95 ~~chapter or the daily license fees imposed by this chapter except~~
96 ~~during any charity or scholarship performances conducted~~
97 ~~pursuant to s. 550.0351. Each nongreyhound permitholder shall~~



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98 pay daily license fees not to exceed \$500 per day on any
99 simulcast races or games on which such permitholder accepts
100 wagers regardless of the number of out-of-state events taken or
101 the number of out-of-state locations from which such events are
102 taken. This license fee shall be deposited with the Chief
103 Financial Officer to the credit of the Pari-mutuel Wagering
104 Trust Fund.

105 ~~(b) Each permitholder that cannot utilize the full amount~~
106 ~~of the exemption of \$360,000 or \$500,000 provided in s.~~
107 ~~550.09514(1) or the daily license fee credit provided in this~~
108 ~~section may, after notifying the division in writing, elect once~~
109 ~~per state fiscal year on a form provided by the division to~~
110 ~~transfer such exemption or credit or any portion thereof to any~~
111 ~~greyhound permitholder which acts as a host track to such~~
112 ~~permitholder for the purpose of intertrack wagering. Once an~~
113 ~~election to transfer such exemption or credit is filed with the~~
114 ~~division, it shall not be rescinded. The division shall~~
115 ~~disapprove the transfer when the amount of the exemption or~~
116 ~~credit or portion thereof is unavailable to the transferring~~
117 ~~permitholder or when the permitholder who is entitled to~~
118 ~~transfer the exemption or credit or who is entitled to receive~~
119 ~~the exemption or credit owes taxes to the state pursuant to a~~
120 ~~deficiency letter or administrative complaint issued by the~~
121 ~~division. Upon approval of the transfer by the division, the~~
122 ~~transferred tax exemption or credit shall be effective for the~~
123 ~~first performance of the next payment period as specified in~~
124 ~~subsection (5). The exemption or credit transferred to such host~~
125 ~~track may be applied by such host track against any taxes~~
126 ~~imposed by this chapter or daily license fees imposed by this~~



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127 ~~chapter. The greyhound permitholder host track to which such~~
128 ~~exemption or credit is transferred shall reimburse such~~
129 ~~permitholder the exact monetary value of such transferred~~
130 ~~exemption or credit as actually applied against the taxes and~~
131 ~~daily license fees of the host track. The division shall ensure~~
132 ~~that all transfers of exemption or credit are made in accordance~~
133 ~~with this subsection and shall have the authority to adopt rules~~
134 ~~to ensure the implementation of this section.~~

135 (2) ADMISSION TAX.—

136 (a) An admission tax equal to 15 percent of the admission
137 charge for entrance to the permitholder's facility and
138 grandstand area, ~~or 10 cents, whichever is greater,~~ is imposed
139 on each person attending a horserace, dograce, or jai alai game.
140 The permitholder shall be responsible for collecting the
141 admission tax.

142 (b) No admission tax under this chapter or chapter 212
143 shall be imposed on any free passes or complimentary cards
144 issued to persons for which there is no cost to the person for
145 admission to pari-mutuel events.

146 (c) A permitholder may issue tax-free passes to its
147 officers, officials, and employees or other persons actually
148 engaged in working at the racetrack, including accredited press
149 representatives such as reporters and editors, and may also
150 issue tax-free passes to other permitholders for the use of
151 their officers and officials. The permitholder shall file with
152 the division a list of all persons to whom tax-free passes are
153 issued under this paragraph.

154 (3) TAX ON HANDLE.—Each permitholder shall pay a tax on
155 contributions to pari-mutuel pools, the aggregate of which is



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156 hereinafter referred to as "handle," on races or games conducted
157 by the permitholder. The tax is imposed daily and is based on
158 the total contributions to all pari-mutuel pools conducted
159 during the daily performance. If a permitholder conducts more
160 than one performance daily, the tax is imposed on each
161 performance separately.

162 (a) The tax on handle for quarter horse racing is 1.0
163 percent of the handle.

164 (b)1. The tax on handle for dogracing is 1.28 ~~5.5~~ percent
165 of the handle, except that for live charity performances held
166 pursuant to s. 550.0351, ~~and for intertrack wagering on such~~
167 ~~charity performances at a guest greyhound track within the~~
168 ~~market area of the host, the tax is 7.6 percent of the handle.~~

169 2. The tax on handle for jai alai is 7.1 percent of the
170 handle.

171 (c)1. The tax on handle for intertrack wagering is 2.0
172 percent of the handle if the host track is a horse track, 3.3
173 percent if the host track is a harness track, 1.28 ~~5.5~~ percent
174 if the host track is a dog track to be remitted by the guest
175 track, and 7.1 percent if the host track is a jai alai fronton.
176 The tax on handle for intertrack wagering is 0.5 percent if the
177 host track and the guest track are thoroughbred permitholders or
178 if the guest track is located outside the market area of a
179 nongreyhound ~~the~~ host track and within the market area of a
180 thoroughbred permitholder currently conducting a live race meet.
181 The tax on handle for intertrack wagering on rebroadcasts of
182 simulcast thoroughbred horseraces is 2.4 percent of the handle
183 and 1.5 percent of the handle for intertrack wagering on
184 rebroadcasts of simulcast harness horseraces. The tax shall be



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185 deposited into the Pari-mutuel Wagering Trust Fund.

186 2. The tax on handle for intertrack wagers is accepted by
187 ~~any dog track located in an area of the state in which there are~~
188 ~~only three permitholders, all of which are greyhound~~
189 ~~permitholders, located in three contiguous counties, from any~~
190 ~~greyhound permitholder also located within such area or any dog~~
191 ~~track or jai alai fronton located as specified in s. 550.615(6)~~
192 ~~or (9), on races or games received from the same class of~~
193 ~~permitholder located within the same market area is 3.9 percent~~
194 ~~if the host facility is a greyhound permitholder and, if the~~
195 ~~host facility is a jai alai permitholder, the rate shall be 6.1~~
196 ~~percent if the host facility is a jai alai permitholder, except~~
197 ~~that it shall be 2.3 percent on handle at such time as the total~~
198 ~~tax on intertrack handle paid to the division by the~~
199 ~~permitholder during the current state fiscal year exceeds the~~
200 ~~total tax on intertrack handle paid to the division by the~~
201 ~~permitholder during the 1992-1993 state fiscal year.~~

202 (d) Notwithstanding any other provision of this chapter, in
203 order to protect the Florida jai alai industry, effective July
204 1, 2000, a jai alai permitholder may not be taxed on live handle
205 at a rate higher than 2 percent.

206 Section 6. Subsections (1) and (2) of section 550.09514,
207 Florida Statutes, are amended to read:

208 550.09514 Greyhound dogracing taxes; purse requirements.-

209 (1) ~~Wagering on greyhound racing is subject to a tax on~~
210 ~~handle for live greyhound racing as specified in s. 550.0951(3).~~
211 ~~However, each permitholder shall pay no tax on handle until such~~
212 ~~time as this subsection has resulted in a tax savings per state~~
213 ~~fiscal year of \$360,000. Thereafter, each permitholder shall pay~~



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214 ~~the tax as specified in s. 550.0951(3) on all handle for the~~
215 ~~remainder of the permitholder's current race meet. For the three~~
216 ~~permitholders that conducted a full schedule of live racing in~~
217 ~~1995, and are closest to another state that authorizes greyhound~~
218 ~~pari-mutuel wagering, the maximum tax savings per state fiscal~~
219 ~~year shall be \$500,000. The provisions of this subsection~~
220 ~~relating to tax exemptions shall not apply to any charity or~~
221 ~~scholarship performances conducted pursuant to s. 550.0351.~~

222 ~~(2)~~(a) The division shall determine for each greyhound
223 permitholder the annual purse percentage rate of live handle for
224 the state fiscal year 1993-1994 by dividing total purses paid on
225 live handle by the permitholder, exclusive of payments made from
226 outside sources, during the 1993-1994 state fiscal year by the
227 permitholder's live handle for the 1993-1994 state fiscal year.
228 Any greyhound ~~Each~~ permitholder conducting live racing during a
229 fiscal year shall pay as purses for such live races conducted
230 during its current race meet a percentage of its live handle not
231 less than the percentage determined under this paragraph,
232 exclusive of payments made by outside sources, for its 1993-1994
233 state fiscal year.

234 (b) Except as otherwise set forth herein, in addition to
235 the minimum purse percentage required by paragraph (a), each
236 greyhound permitholder conducting live racing during a fiscal
237 year shall pay as purses an annual amount equal to \$60 for each
238 live race conducted ~~75 percent of the daily license fees paid by~~
239 the greyhound ~~each~~ permitholder in ~~for~~ the preceding ~~1994-1995~~
240 fiscal year. ~~This purse supplement shall be disbursed weekly~~
241 ~~during the permitholder's race meet in an amount determined by~~
242 ~~dividing the annual purse supplement by the number of~~



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243 ~~performances approved for the permitholder pursuant to its~~
244 ~~annual license and multiplying that amount by the number of~~
245 ~~performances conducted each week. For the greyhound~~
246 ~~permitholders in the county where there are two greyhound~~
247 ~~permitholders located as specified in s. 550.615(6), such~~
248 ~~permitholders shall pay in the aggregate an amount equal to 75~~
249 ~~percent of the daily license fees paid by such permitholders for~~
250 ~~the 1994-1995 fiscal year. These permitholders shall be jointly~~
251 ~~and severally liable for such purse payments. The additional~~
252 ~~purses provided by this paragraph must be used exclusively for~~
253 ~~purses other than stakes and shall be disbursed weekly during~~
254 ~~the permitholder's race meet. The division shall conduct audits~~
255 ~~necessary to ensure compliance with this section.~~

256 (c)1. Each greyhound permitholder licensed to conduct live
257 racing when conducting at least three live performances during
258 any week shall pay purses in that week on wagers it accepts as a
259 guest track on intertrack and simulcast greyhound races at the
260 same rate as it pays on live races. Each greyhound permitholder
261 ~~when conducting at least three live racing performances during~~
262 ~~any week~~ shall pay purses in that week, at the same rate as it
263 pays on live races, on wagers accepted on greyhound races at a
264 guest track which is not conducting live racing and is located
265 within the same market area as the greyhound permitholder
266 ~~conducting at least three live racing performances during any~~
267 ~~week.~~

268 2. Each host greyhound permitholder shall pay purses on its
269 simulcast and intertrack broadcasts of greyhound races to guest
270 facilities that are located outside its market area in an amount
271 equal to one quarter of an amount determined by subtracting the



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272 transmission costs of sending the simulcast or intertrack
273 broadcasts from an amount determined by adding the fees received
274 for greyhound simulcast races plus 3 percent of the greyhound
275 intertrack handle at guest facilities that are located outside
276 the market area of the host and that paid contractual fees to
277 the host for such broadcasts of greyhound races.

278 (d) The division shall require sufficient documentation
279 from each greyhound permitholder regarding purses paid on live
280 racing to assure that the annual purse percentage rates paid by
281 each greyhound permitholder conducting ~~on the~~ live races are not
282 reduced below those paid during the 1993-1994 state fiscal year.
283 The division shall require sufficient documentation from each
284 greyhound permitholder conducting live races to assure that the
285 purses paid by each permitholder on the greyhound intertrack and
286 simulcast broadcasts are in compliance with the requirements of
287 paragraph (c).

288 (e) In addition to the purse requirements of paragraphs
289 (a)-(c), each greyhound permitholder conducting live races shall
290 pay as purses an amount equal to one-third of the amount of the
291 tax reduction on live and simulcast handle applicable to such
292 permitholder as a result of the reductions in tax rates provided
293 ~~by this act~~ through the amendments to s. 550.0951(3) enacted in
294 2000. With respect to intertrack wagering when the host and
295 guest tracks are greyhound permitholders not within the same
296 market area, an amount equal to the tax reduction applicable to
297 the guest track handle as a result of the reduction in tax rate
298 provided ~~by this act~~ through the amendment to s. 550.0951(3)
299 enacted in 2000 shall be distributed to the guest track, one-
300 third of which amount shall be paid as purses at the guest



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301 track. However, if the guest track is a greyhound permitholder
302 within the market area of the host or if the guest track is not
303 a greyhound permitholder, an amount equal to such tax reduction
304 applicable to the guest track handle shall be retained by the
305 host track, one-third of which amount shall be paid as purses at
306 the host track. These purse funds shall be disbursed in the week
307 received if the permitholder conducts at least one live
308 performance during that week. If the permitholder does not
309 conduct at least one live performance during the week in which
310 the purse funds are received, the purse funds shall be disbursed
311 weekly during the permitholder's next race meet in an amount
312 determined by dividing the purse amount by the number of
313 performances approved for the permitholder pursuant to its
314 annual license, and multiplying that amount by the number of
315 performances conducted each week. The division shall conduct
316 audits necessary to ensure compliance with this paragraph.

317 (f) Each greyhound permitholder conducting live racing
318 shall, during the permitholder's race meet, supply kennel
319 operators and the Division of Pari-Mutuel Wagering with a weekly
320 report showing purses paid on live greyhound races and all
321 greyhound intertrack and simulcast broadcasts, including both as
322 a guest and a host together with the handle or commission
323 calculations on which such purses were paid and the transmission
324 costs of sending the simulcast or intertrack broadcasts, so that
325 the kennel operators may determine statutory and contractual
326 compliance.

327 (g) Each greyhound permitholder conducting live racing
328 shall make direct payment of purses to the greyhound owners who
329 have filed with such permitholder appropriate federal taxpayer



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330 identification information based on the percentage amount agreed
331 upon between the kennel operator and the greyhound owner.

332 (h) At the request of a majority of kennel operators under
333 contract with a greyhound permitholder conducting live racing,
334 the permitholder shall make deductions from purses paid to each
335 kennel operator electing such deduction and shall make a direct
336 payment of such deductions to the local association of greyhound
337 kennel operators formed by a majority of kennel operators under
338 contract with the permitholder. The amount of the deduction
339 shall be at least 1 percent of purses, as determined by the
340 local association of greyhound kennel operators. No deductions
341 may be taken pursuant to this paragraph without a kennel
342 operator's specific approval before or after the effective date
343 of this act.

344 Section 7. Subsection (2) of section 550.1625, Florida
345 Statutes, is amended to read:

346 550.1625 Dogracing; taxes.-

347 ~~(2) A permitholder that conducts a dograce meet under this~~
348 ~~chapter must pay the daily license fee, the admission tax, the~~
349 ~~breaks tax, and the tax on pari-mutuel handle as provided in s.~~
350 ~~550.0951 and is subject to all penalties and sanctions provided~~
351 ~~in s. 550.0951(6).~~

352 Section 8. Section 550.1647, Florida Statutes, is amended
353 to read:

354 ~~550.1647 Greyhound permitholders; unclaimed tickets;~~
355 ~~breaks. All money or other property represented by any~~
356 ~~unclaimed, uncashed, or abandoned pari-mutuel ticket which has~~
357 ~~remained in the custody of or under the control of any~~
358 ~~permitholder authorized to conduct greyhound racing pari-mutuel~~



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359 ~~pools in this state for a period of 1 year after the date the~~
360 ~~pari-mutuel ticket was issued, if the rightful owner or owners~~
361 ~~thereof have made no claim or demand for such money or other~~
362 ~~property within that period of time, shall, with respect to live~~
363 ~~races conducted by the permitholder, be remitted to the state~~
364 ~~pursuant to s. 550.1645; however, such permitholder shall be~~
365 ~~entitled to a credit in each state fiscal year in an amount~~
366 ~~equal to the actual amount remitted in the prior state fiscal~~
367 ~~year which may be applied against any taxes imposed pursuant to~~
368 ~~this chapter. In addition, each permitholder shall pay, from any~~
369 ~~source, including the proceeds from performances conducted~~
370 ~~pursuant to s. 550.0351, an amount not less than 10 percent of~~
371 ~~the amount of the credit provided by this section to any bona~~
372 ~~fide organization that promotes or encourages the adoption of~~
373 ~~greyhounds. As used in this chapter, the term "bona fide~~
374 ~~organization that promotes or encourages the adoption of~~
375 ~~greyhounds" means any organization that provides evidence of~~
376 ~~compliance with chapter 496 and possesses a valid exemption from~~
377 ~~federal taxation issued by the Internal Revenue Service. Such~~
378 ~~bona fide organization, as a condition of adoption, must provide~~
379 ~~sterilization of greyhounds by a licensed veterinarian before~~
380 ~~relinquishing custody of the greyhound to the adopter. The fee~~
381 ~~for sterilization may be included in the cost of adoption.~~

382 Section 9. Section 550.1648, Florida Statutes, is amended
383 to read:

384 550.1648 Greyhound adoptions.—

385 ~~(1) A~~ Each dogracing permitholder conducting live racing at
386 operating a dogracing facility in this state shall provide for a
387 greyhound adoption booth to be located at the facility. The



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388 greyhound adoption booth must be operated on weekends by
389 personnel or volunteers from a bona fide organization that
390 promotes or encourages the adoption of greyhounds ~~pursuant to s.~~
391 ~~550.1647~~. As used in this section, the term "weekend" includes
392 the hours during which live greyhound racing is conducted on
393 Friday, Saturday, or Sunday, and the phrase "bona fide
394 organization that promotes or encourages the adoption of
395 greyhounds" means any organization that provides evidence of
396 compliance with chapter 496 and possesses a valid exemption from
397 federal taxation issued by the Internal Revenue Service. Such
398 bona fide organization, as a condition of adoption, must provide
399 sterilization of greyhounds by a licensed veterinarian before
400 relinquishing custody of the greyhound to the adopter. The fee
401 for sterilization may be included in the cost of adoption.
402 Information pamphlets and application forms shall be provided to
403 the public upon request. In addition, the kennel operator or
404 owner shall notify the permitholder that a greyhound is
405 available for adoption and the permitholder shall provide
406 information concerning the adoption of a greyhound in each race
407 program and shall post adoption information at conspicuous
408 locations throughout the dogracing facility. Any greyhound that
409 is participating in a race and that will be available for future
410 adoption must be noted in the race program. The permitholder
411 shall allow greyhounds to be walked through the track facility
412 to publicize the greyhound adoption program.

413 ~~(1)(2) In addition to the charity days authorized under s.~~
414 ~~550.0351, a greyhound permitholder may fund the greyhound~~
415 ~~adoption program by holding a charity racing day designated as~~
416 ~~"Greyhound Adopt-A-Pet Day." All profits derived from the~~



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417 ~~operation of the charity day must be placed into a fund used to~~
418 ~~support activities at the racing facility which promote the~~
419 ~~adoption of greyhounds. The division may adopt rules for~~
420 ~~administering the fund. Proceeds from the charity day authorized~~
421 ~~in this subsection may not be used as a source of funds for the~~
422 ~~purposes set forth in s. 550.1647.~~

423 (2)~~(3)~~(a) Upon a violation of this section by a
424 permitholder or licensee, the division may impose a penalty as
425 provided in s. 550.0251(10) and require the permitholder to take
426 corrective action.

427 (b) A penalty imposed under s. 550.0251(10) does not
428 exclude a prosecution for cruelty to animals or for any other
429 criminal act.

430 Section 10. Subsection (1) of section 550.26165, Florida
431 Statutes, is amended to read:

432 550.26165 Breeders' awards.—

433 (1) The purpose of this section is to encourage the
434 agricultural activity of breeding and training racehorses in
435 this state. Moneys dedicated in this chapter for use as
436 breeders' awards and stallion awards are to be used for awards
437 to breeders of registered Florida-bred horses winning horseraces
438 and for similar awards to the owners of stallions who sired
439 Florida-bred horses winning stakes races, if the stallions are
440 registered as Florida stallions standing in this state. Such
441 awards shall be given at a uniform rate to all winners of the
442 awards, shall not be greater than 20 percent of the announced
443 gross purse, and shall not be less than 15 percent of the
444 announced gross purse if funds are available. In addition, no
445 less than 17 percent nor more than 40 percent, as determined by



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446 the Florida Thoroughbred Breeders' Association, of the moneys
447 dedicated in this chapter for use as breeders' awards and
448 stallion awards for thoroughbreds shall be returned pro rata to
449 the permitholders that generated the moneys for special racing
450 awards to be distributed by the permitholders to owners of
451 thoroughbred horses participating in prescribed thoroughbred
452 stakes races, nonstakes races, or both, all in accordance with a
453 written agreement establishing the rate, procedure, and
454 eligibility requirements for such awards entered into by the
455 permitholder, the Florida Thoroughbred Breeders' Association,
456 and the Florida Horsemen's Benevolent and Protective
457 Association, Inc., except that the plan for the distribution by
458 any permitholder located in the area described in s. 550.615(8)
459 ~~s. 550.615(9)~~ shall be agreed upon by that permitholder, the
460 Florida Thoroughbred Breeders' Association, and the association
461 representing a majority of the thoroughbred racehorse owners and
462 trainers at that location. Awards for thoroughbred races are to
463 be paid through the Florida Thoroughbred Breeders' Association,
464 and awards for standardbred races are to be paid through the
465 Florida Standardbred Breeders and Owners Association. Among
466 other sources specified in this chapter, moneys for thoroughbred
467 breeders' awards will come from the 0.955 percent of handle for
468 thoroughbred races conducted, received, broadcast, or simulcast
469 under this chapter as provided in s. 550.2625(3). The moneys for
470 quarter horse and harness breeders' awards will come from the
471 breaks and uncashed tickets on live quarter horse and harness
472 racing performances and 1 percent of handle on intertrack
473 wagering. The funds for these breeders' awards shall be paid to
474 the respective breeders' associations by the permitholders



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475 conducting the races.

476 Section 11. Paragraph (a) of subsection (6) of section
477 550.3551, Florida Statutes, is amended to read:

478 550.3551 Transmission of racing and jai alai information;
479 commingling of pari-mutuel pools.-

480 (6) (a) A greyhound permitholder that is not licensed to
481 conduct at least a full schedule of live racing in the current
482 fiscal year may accept intertrack and simulcast race wagers on
483 any class of pari-mutuel activity only on those days such
484 permitholder is accepting all wagers on all in-state greyhound
485 races made available to such permitholder. A greyhound
486 permitholder that is not licensed to conduct at least a full
487 schedule of live racing shall display and promote all in-state
488 greyhound signals it receives and wagers upon in the same manner
489 as any other race or game such permitholder receives and wagers
490 upon ~~A maximum of 20 percent of the total number of races on~~
491 ~~which wagers are accepted by a greyhound permitholder not~~
492 ~~located as specified in s. 550.615(6) may be received from~~
493 ~~locations outside this state. A horseracing or a jai alai~~
494 permitholder may not conduct fewer than eight live races or
495 games on any authorized race day except as provided in this
496 subsection. A thoroughbred permitholder may not conduct fewer
497 than eight live races on any race day without the written
498 approval of the Florida Thoroughbred Breeders' Association and
499 the Florida Horsemen's Benevolent and Protective Association,
500 Inc., unless it is determined by the department that another
501 entity represents a majority of the thoroughbred racehorse
502 owners and trainers in the state. A harness permitholder may
503 conduct fewer than eight live races on any authorized race day,



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504 except that such permitholder must conduct a full schedule of
505 live racing during its race meet consisting of at least eight
506 live races per authorized race day for at least 100 days. Any
507 harness ~~horse~~ permitholder that during the preceding racing
508 season conducted a full schedule of live racing may, at any time
509 during its current race meet, receive full-card broadcasts of
510 harness horse races conducted at harness racetracks outside this
511 state at the harness track of the permitholder and accept wagers
512 on such harness races. With specific authorization from the
513 division for special racing events, a permitholder may conduct
514 fewer than eight live races or games when the permitholder also
515 broadcasts out-of-state races or games. The division may not
516 grant more than two such exceptions a year for a permitholder in
517 any 12-month period, and those two exceptions may not be
518 consecutive.

519 Section 12. Subsections (2), (7), and (8) of section
520 550.615, Florida Statutes, are amended, and a new subsection
521 (10) is added to that section, to read:

522 550.615 Intertrack wagering.—

523 (2) Any track or fronton licensed under this chapter which
524 conducted a full schedule of live racing or games ~~which~~ in the
525 preceding year, any greyhound permitholder that has held an
526 annual license to conduct pari-mutuel wagering activities in
527 each of the preceding 10 years, or any greyhound permitholder
528 converted pursuant to 550.054(14) ~~conducted a full schedule of~~
529 ~~live racing~~ is qualified to, at any time, receive broadcasts of
530 any class of pari-mutuel race or game and accept wagers on such
531 races or games conducted by any class of permitholders licensed
532 under this chapter. A greyhound permitholder may conduct only



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533 intertrack wagering in conformance with this section and s.
534 550.3551(6).

535 ~~(7) In any county of the state where there are only two~~
536 ~~permits, one for dogracing and one for jai alai, no intertrack~~
537 ~~wager may be taken during the period of time when a permitholder~~
538 ~~is not licensed to conduct live races or games without the~~
539 ~~written consent of the other permitholder that is conducting~~
540 ~~live races or games. However, if neither permitholder is~~
541 ~~conducting live races or games, either permitholder may accept~~
542 ~~intertrack wagers on horseraces or on the same class of races or~~
543 ~~games, or on both horseraces and the same class of races or~~
544 ~~games as is authorized by its permit.~~

545 ~~(8) In any three contiguous counties of the state where~~
546 ~~there are only three permitholders, all of which are greyhound~~
547 ~~permitholders, If any greyhound permitholder leases the facility~~
548 ~~of another greyhound permitholder for the purpose of conducting~~
549 ~~all or any portion of the conduct of its live race meet pursuant~~
550 ~~to s. 550.475, such lessee may conduct intertrack wagering at~~
551 ~~its pre-lease permitted facility throughout the entire year,~~
552 ~~including while its race live meet is being conducted at the~~
553 ~~leased facility, if such permitholder has conducted a full~~
554 ~~schedule of live racing during the preceding fiscal year at its~~
555 ~~pre-lease permitted facility or at a leased facility, or~~
556 ~~combination thereof.~~

557 (10) A guest track is entitled to the payment of 16 percent
558 of such guest track's contributions to pari-mutuel pools at a
559 greyhound permitholder host track if the guest track is a
560 greyhound permitholder not licensed to conduct at least a full
561 schedule of live racing in the current state fiscal year.



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562 Section 13. Paragraph (g) of subsection (9) of section
563 550.6305, Florida Statutes, is amended to read:

564 550.6305 Intertrack wagering; guest track payments;
565 accounting rules.—

566 (9) A host track that has contracted with an out-of-state
567 horse track to broadcast live races conducted at such out-of-
568 state horse track pursuant to s. 550.3551(5) may broadcast such
569 out-of-state races to any guest track and accept wagers thereon
570 in the same manner as is provided in s. 550.3551.

571 (g)1. Any thoroughbred permitholder which accepts wagers on
572 a simulcast signal must make the signal available to any
573 permitholder that is eligible to conduct intertrack wagering
574 under the provisions of ss. 550.615-550.6345.

575 2. Any thoroughbred permitholder which accepts wagers on a
576 simulcast signal received after 6 p.m. must make such signal
577 available to any permitholder that is eligible to conduct
578 intertrack wagering under the provisions of ss. 550.615-
579 550.6345, including any permitholder located as specified in s.
580 550.615(6). Such guest permitholders are authorized to accept
581 wagers on such simulcast signal, notwithstanding any other
582 provision of this chapter to the contrary.

583 3. Any thoroughbred permitholder which accepts wagers on a
584 simulcast signal received after 6 p.m. must make such signal
585 available to any permitholder that is eligible to conduct
586 intertrack wagering under the provisions of ss. 550.615-
587 550.6345, including any permitholder located as specified in s.
588 550.615(8) ~~s. 550.615(9)~~. Such guest permitholders are
589 authorized to accept wagers on such simulcast signals for a
590 number of performances not to exceed that which constitutes a



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591 full schedule of live races for a quarter horse permitholder
592 pursuant to s. 550.002(11), notwithstanding any other provision
593 of this chapter to the contrary, except that the restrictions
594 provided in s. 550.615(8)(a) ~~s. 550.615(9)(a)~~ apply to wagers on
595 such simulcast signals.

596
597 No thoroughbred permitholder shall be required to continue to
598 rebroadcast a simulcast signal to any in-state permitholder if
599 the average per performance gross receipts returned to the host
600 permitholder over the preceding 30-day period were less than
601 \$100. Subject to the provisions of s. 550.615(4), as a condition
602 of receiving rebroadcasts of thoroughbred simulcast signals
603 under this paragraph, a guest permitholder must accept
604 intertrack wagers on all live races conducted by all then-
605 operating thoroughbred permitholders.

606 Section 14. Subsection (4) of section 551.102, Florida
607 Statutes, is amended to read:

608 551.102 Definitions.—As used in this chapter, the term:

609 (4) "Eligible facility" means any licensed pari-mutuel
610 facility located in Miami-Dade County or Broward County existing
611 at the time of adoption of s. 23, Art. X of the State
612 Constitution that has conducted live racing or games during
613 calendar years 2002 and 2003 and has been approved by a majority
614 of voters in a countywide referendum to have slot machines at
615 such facility in the respective county; any licensed pari-mutuel
616 facility located within a county as defined in s. 125.011,
617 provided such facility has conducted a full schedule of live
618 racing for 2 consecutive calendar years immediately preceding
619 its application for a slot machine license, pays the required



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620 license fee, and meets the other requirements of this chapter;
621 or any licensed pari-mutuel facility in any other county in
622 which a majority of voters have approved slot machines at such
623 facilities in a countywide referendum held pursuant to a
624 statutory or constitutional authorization after the effective
625 date of this section in the respective county, provided such
626 facility has conducted a full schedule of live racing for 2
627 consecutive calendar years immediately preceding its application
628 for a slot machine license, pays the required licensed fee, and
629 meets the other requirements of this chapter.

630 Section 15. Paragraph (c) of subsection (4) of section
631 551.104, Florida Statutes, is amended to read:

632 551.104 License to conduct slot machine gaming.—

633 (4) As a condition of licensure and to maintain continued
634 authority for the conduct of slot machine gaming, the slot
635 machine licensee shall:

636 (c) Conduct no fewer than a full schedule of live racing or
637 games as defined in s. 550.002(11), except for greyhound
638 permitholders, which have no live racing requirement for
639 purposes of obtaining or maintaining licensure under this
640 chapter. A permitholder's responsibility to conduct such number
641 of live races or games shall be reduced by the number of races
642 or games that could not be conducted due to the direct result of
643 fire, war, hurricane, or other disaster or event beyond the
644 control of the permitholder.

645 Section 16. Subsections (2) and (4) of section 551.114,
646 Florida Statutes, are amended to read:

647 551.114 Slot machine gaming areas.—

648 (2) The slot machine licensee shall display pari-mutuel



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649 races or games within the designated slot machine gaming areas
650 and offer patrons within the designated slot machine gaming
651 areas the ability to engage in pari-mutuel wagering on any live,
652 intertrack, and simulcast races conducted or offered to patrons
653 of the licensed facility.

654 (4) Designated slot machine gaming areas may be located
655 within the current live gaming facility or in an existing
656 building that must be contiguous and connected to the live
657 gaming facility or, for greyhound permitholders, the location
658 where live races were conducted as of the permitholder's initial
659 date of slot machine licensure. If a designated slot machine
660 gaming area is to be located in a building that is to be
661 constructed, that new building must be contiguous and connected
662 to the live gaming facility.

663 Section 17. Paragraphs (a) and (b) of subsection (5) and
664 paragraph (d) of subsection (13) of section 849.086, Florida
665 Statutes, are amended to read:

666 849.086 Cardrooms authorized.—

667 (5) LICENSE REQUIRED; APPLICATION; FEES.—No person may
668 operate a cardroom in this state unless such person holds a
669 valid cardroom license issued pursuant to this section.

670 (a) Only those persons holding a valid cardroom license
671 issued by the division may operate a cardroom. A cardroom
672 license may only be issued to a licensed pari-mutuel
673 permitholder. ~~and~~ An authorized cardroom may only be operated at
674 the same facility at which the permitholder is authorized under
675 its valid pari-mutuel wagering permit to conduct pari-mutuel
676 wagering activities. An initial cardroom license shall be issued
677 to a pari-mutuel permitholder only after its facilities are in



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678 place and after it conducts its first day of live racing or
679 games. A greyhound permitholder that has conducted live racing
680 during each of the 10 years immediately preceding its
681 application for a cardroom license or a greyhound permitholder
682 converted pursuant to s. 550.054(14) shall be issued a cardroom
683 license, and any renewals thereto, without regard to licensure
684 for or actual conduct of live racing.

685 (b) After the initial cardroom license is granted, the
686 application for the annual license renewal shall be made in
687 conjunction with the applicant's annual application for its
688 pari-mutuel license. If a permitholder has operated a cardroom
689 during any of the 3 previous fiscal years and fails to include a
690 renewal request for the operation of the cardroom in its annual
691 application for license renewal, the permitholder may amend its
692 annual application to include operation of the cardroom. In
693 order for a cardroom license to be renewed the applicant must
694 have requested, as part of its pari-mutuel annual license
695 application, to conduct at least 90 percent of the total number
696 of live performances conducted by such permitholder during
697 either the state fiscal year in which its initial cardroom
698 license was issued or the state fiscal year immediately prior
699 thereto if the permitholder ran at least a full schedule of live
700 racing or games in the prior year. If the application is for a
701 harness permitholder cardroom, the applicant must have requested
702 authorization to conduct a minimum of 140 live performances
703 during the state fiscal year immediately prior thereto. If more
704 than one permitholder is operating at a facility, each
705 permitholder must have applied for a license to conduct a full
706 schedule of live racing. Notwithstanding any provision of law to



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707 the contrary, no minimum number of requested or conducted live
708 performances is required in order for a greyhound permitholder
709 to receive, maintain, or renew a cardroom license. However, as a
710 condition of cardroom licensure, a greyhound permitholder shall
711 conduct intertrack wagering on Florida greyhound signals, to the
712 extent available pursuant to ss. 550.3551(6) (a) and 550.615(10),
713 on each day of cardroom operation.

714 (13) TAXES AND OTHER PAYMENTS.—

715 (d)1. Any ~~Each~~ greyhound conducting live racing and each
716 jai alai permitholder that operates a cardroom facility shall
717 use at least 4 percent of such permitholder's cardroom monthly
718 gross receipts to supplement greyhound purses, if any, or jai
719 alai prize money, respectively, during the permitholder's
720 current or next ensuing pari-mutuel meet.

721 2. Each thoroughbred and harness horse racing permitholder
722 that operates a cardroom facility shall use at least 50 percent
723 of such permitholder's cardroom monthly net proceeds as follows:
724 47 percent to supplement purses and 3 percent to supplement
725 breeders' awards during the permitholder's next ensuing racing
726 meet.

727 3. No cardroom license or renewal thereof shall be issued
728 to an applicant holding a permit under chapter 550 to conduct
729 pari-mutuel wagering meets of quarter horse racing unless the
730 applicant has on file with the division a binding written
731 agreement between the applicant and the Florida Quarter Horse
732 Racing Association or the association representing a majority of
733 the horse owners and trainers at the applicant's eligible
734 facility, governing the payment of purses on live quarter horse
735 races conducted at the licensee's pari-mutuel facility. The



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736 agreement governing purses may direct the payment of such purses
737 from revenues generated by any wagering or gaming the applicant
738 is authorized to conduct under Florida law. All purses shall be
739 subject to the terms of chapter 550.

740

741 ===== T I T L E A M E N D M E N T =====

742 And the title is amended as follows:

743 Delete lines 1 - 12

744 and insert:

745 An act relating gaming; amending s. 285.710, F.S.;

746 authorizing and directing the Governor to execute a

747 specified written amendment to the Gaming Compact

748 between the Seminole Tribe of Florida and the State of

749 Florida; authorizing and directing the Governor to

750 cooperate with the Tribe in seeking approval of the

751 amendment; providing that the amendment of the compact

752 does not require legislative ratification in certain

753 circumstances; amending s. 550.01215, F.S.; requiring

754 a permitholder to file in writing with the division

755 its application for a license to conduct specified

756 activities; providing an extended period to amend a

757 license for a greyhound permitholders who applies for

758 such license during a specified year; amending s.

759 550.0351, F.S.; deleting a provision that allowed any

760 dogracing permitholder to use its facility to conduct

761 specified derbies; amending s. 550.054, F.S.; removing

762 a provision that a permitholder of a specified permit

763 must apply for and conduct a full schedule of live

764 racing to be eligible for a specified tax credit;



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765 amending s. 550.0951, F.S.; removing a specified tax
766 credit for a greyhound permitholder; requiring a
767 nongreyhound permitholder to pay specified daily
768 license fees; removing the authority of a permitholder
769 that cannot utilize a specified exemption to elect to
770 transfer such exemption; revising the admission tax
771 imposed upon a person attending a horserace, dograce,
772 or jai alai game; revising the tax on handle for
773 dogracing; deleting a tax on handle for intertrack
774 wagering on charity performances at a guest greyhound
775 track; revising the tax on handle for intertrack
776 wagers; amending s. 550.09514, F.S.; deleting a
777 provision that wagering on greyhound racing is subject
778 to a tax handle for specified live greyhound racing;
779 requiring any greyhound permitholder conducting live
780 racing during a fiscal year to pay specified purses;
781 conforming provisions to changes made by the act;
782 amending s. 550.1625, F.S.; removing a provision that
783 a permitholder that conducts a specified dograce meet
784 pay specified fees and taxes and is subject to
785 specified penalties and sanctions; amending s.
786 550.1647, F.S.; removing a provision relating to the
787 remittance of specified money or property of
788 permitholders; amending s. 550.1648, F.S.; defining a
789 phrase; requiring a bona fide organization, as a
790 condition of adoption, to provide sterilization of
791 greyhounds by a licensed veterinarian before
792 relinquishing custody of the greyhound to the adopter;
793 removing the authority of a greyhound permitholder to



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794 hold a designated "Greyhound Adopt-A-Pet-Day";
795 conforming provisions to changes made by the act;
796 amending s. 550.26165, F.S.; conforming a cross-
797 reference; amending s. 550.3551, F.S.; providing that
798 a non-licensed greyhound permitholder may only accept
799 specified wagers; requiring a non-licensed greyhound
800 permitholder to display and promote all in-state
801 greyhound signals it receives; prohibiting a
802 horseracing or a jai alai permitholder from conducting
803 fewer than eight live races or games on any authorized
804 race day; amending s. 550.615, F.S.; providing that
805 specified tracks, frontons, and greyhound
806 permitholders are qualified to receive broadcasts of
807 any class of pari-mutuel race or game and accept
808 wagers on such races or games; removing a provision
809 that an intertrack wager may not be taken during a
810 specified period of time; authorizing specified
811 greyhound permitholder lessees to conduct intertrack
812 wagering at its pre-lease permitted facility;
813 providing that a guest track is entitled to the
814 payment of a specified percentage of such guest
815 track's contributions to pari-mutuel pools at a
816 greyhound permitholder host track in certain
817 circumstances; amending s. 550.6305, F.S.; conforming
818 a cross-reference; amending s. 551.102, F.S.; revising
819 the term "eligible facility"; amending s. 551.104,
820 F.S.; providing a specified exception for specified
821 greyhound permitholders from the requirements of a
822 slot machine licensee; amending s. 551.114, F.S.;



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823 authorizing a designated slot machine gaming area to
824 be located at the location where live races were
825 conducted for greyhound permitholders; amending s.
826 849.086, F.S.; requiring a specified greyhound
827 permitholder to be issued a cardroom license in
828 certain circumstances; providing that no minimum
829 number of requested or conducted live performances is
830 required in order for a greyhound permitholder to
831 receive, maintain, or renew a cardroom license;
832 conforming provisions to changes made by the act;
833 providing an



624248

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
04/10/2015	.	
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The Committee on Regulated Industries (Sachs) recommended the following:

Senate Amendment (with title amendment)

Between lines 45 and 46

insert:

Section 2. Section 550.2416, Florida Statutes, is created to read:

550.2416 Reporting of racing greyhound injuries.-

(1) An injury to a racing greyhound which occurs while the greyhound is located in this state must be reported on a form adopted by the division within 7 days after the date on which



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11 the injury occurred or is believed to have occurred.

12 (2) The form shall be completed and signed under oath or
13 affirmation under penalty of perjury by:

14 (a) The racetrack veterinarian if the injury occurred at
15 the racetrack facility; or

16 (b) The owner, trainer, or kennel operator who had
17 knowledge of the injury if the injury occurred at a location
18 other than the racetrack facility, including during
19 transportation.

20 (3) The form must include all of the following:

21 (a) The greyhound's registered name, right-ear and left-
22 ear tattoo numbers, and, if any, the microchip manufacturer and
23 number.

24 (b) The name, business address, and telephone number of the
25 greyhound owner, the trainer, and the kennel operator.

26 (c) The color, weight, and sex of the greyhound.

27 (d) The specific type and bodily location of the injury,
28 the cause of the injury, and the estimated recovery time from
29 the injury.

30 (e) If the injury occurred when the greyhound was racing:

31 1. The racetrack where the injury occurred;

32 2. The distance, grade, race, and post position of the
33 greyhound when the injury occurred; and

34 3. The weather conditions, time, and track conditions when
35 the injury occurred.

36 (f) If the injury occurred when the greyhound was not
37 racing:

38 1. The location where the injury occurred; and

39 2. The circumstances surrounding the injury.



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40 (g) Other information that the division determines is
41 necessary to identify injuries to racing greyhounds in this
42 state.

43 (4) An injury form created pursuant to this section shall
44 be maintained as a public record by the division for at least 7
45 years after the date it was received.

46 (5) A licensee of the department who knowingly makes a
47 false statement concerning an injury or fails to report an
48 injury is subject to disciplinary action under this chapter,
49 chapter 455, or chapter 474.

50 (6) This section does not apply to injuries to a service
51 animal, personal pet, or greyhound that has been adopted as a
52 pet.

53 (7) The division shall adopt rules to implement this
54 section.

55 Section 3. For the 2015-2016 fiscal year, the sums of
56 \$57,132 in recurring funds and \$5,385 in nonrecurring funds from
57 the Pari-mutuel Wagering Trust Fund are appropriated to the
58 Division of Pari-mutuel Wagering within the Department of
59 Business and Professional Regulation, and one full-time
60 equivalent position with associated salary rate of 34,220 is
61 authorized, for the purpose of implementing s. 550.2416, Florida
62 Statutes, as created by this act.

63
64 ===== T I T L E A M E N D M E N T =====

65 And the title is amended as follows:

66 Delete lines 2 - 12

67 and insert:

68 An act relating to gaming; amending s. 285.710, F.S.;



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69 authorizing and directing the Governor to execute a
70 specified written amendment to the Gaming Compact
71 between the Seminole Tribe of Florida and the State of
72 Florida; authorizing and directing the Governor to
73 cooperate with the Tribe in seeking approval of the
74 amendment; providing that the amendment of the compact
75 does not require legislative ratification in certain
76 circumstances; creating s. 550.2416, F.S.; requiring
77 injuries to racing greyhounds to be reported on a form
78 adopted by the Division of Pari-mutuel Wagering in the
79 Department of Business and Professional Regulation
80 within a certain timeframe; identifying the
81 individuals who must complete and sign the form under
82 oath or affirmation under penalty of perjury;
83 specifying the information that must be included in
84 the form; requiring the division to maintain the forms
85 as public records for a specified time; specifying
86 disciplinary actions that may be taken against a
87 licensee of the department who fails to report an
88 injury or who knowingly makes false statements on an
89 injury form; exempting injuries to certain animals
90 from reporting requirements; requiring the division to
91 adopt rules; providing an appropriation; providing an



383092

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
04/10/2015	.	
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The Committee on Regulated Industries (Abruzzo, Latvala, Richter, and Sachs) recommended the following:

Senate Amendment (with title amendment)

Delete lines 39 - 45
and insert:
Gaming Compact may also be amended to exempt slot machine gaming conducted by slot machine licensees authorized pursuant to s. 551.102(4)(c) from the Tribe's exclusive gaming rights. If the Gaming Compact is amended to exempt such slot machine gaming, the slot machine tax payments paid by such slot machine licensees shall be allocated in the following manner:



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11 1. The division shall remit 10 percent of the slot machine
12 tax payments to a thoroughbred facility that does not conduct
13 slot machine gaming. The facility must use this allocation to
14 supplement thoroughbred purses at the facility. If more than one
15 facility is eligible for such an allocation, the division shall
16 split equally the allocation between the eligible facilities.
17 The remittance shall be remitted to the facility within 30 days
18 after the conclusion of the state's fiscal year.

19 2. The Tribe's revenue sharing payment shall be reduced by
20 an amount equal to 90 percent of the slot machine taxes paid by
21 such licensees in the preceding year.

22 (c) The Governor is authorized and directed to cooperate
23 with the Tribe in seeking approval of an amendment to the
24 compact from the United States Secretary of the Interior.
25 Notwithstanding paragraph (8) (f) and s. 285.712, the amendment
26 of the compact to provide for the conduct of banking or banked
27 card games and the amendment to exempt specified slot machine
28 licensees from the Tribe's exclusive gaming rights do not
29 require legislative ratification if they strictly conform to
30 this subsection.

31 Section 2. Section 551.101, Florida Statutes, is amended to
32 read:

33 551.101 Slot machine gaming authorized.—Any licensed pari-
34 ~~mutuel facility located in Miami-Dade County or Broward County~~
35 ~~existing at the time of adoption of s. 23, Art. X of the State~~
36 ~~Constitution that has conducted live racing or games during~~
37 ~~calendar years 2002 and 2003~~ may possess slot machines in
38 compliance with this chapter and conduct slot machine gaming at
39 the location where the pari-mutuel permitholder is authorized to



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40 conduct pari-mutuel wagering activities pursuant to such
41 permitholder's valid pari-mutuel permit provided that a majority
42 of voters in a countywide referendum have approved slot machines
43 at such facility in the respective county. Notwithstanding any
44 other provision of law, it is not a crime for a person to
45 participate in slot machine gaming at a pari-mutuel facility
46 licensed to possess slot machines and conduct slot machine
47 gaming or to participate in slot machine gaming described in
48 this chapter.

49 Section 3. Subsection (4) of section 551.102, Florida
50 Statutes, is amended to read:

51 551.102 Definitions.—As used in this chapter, the term:

52 (4) "Eligible facility" means:

53 (a) Any licensed pari-mutuel facility located in Miami-Dade
54 County or Broward County existing at the time of adoption of s.
55 23, Art. X of the State Constitution that has conducted live
56 racing or games during calendar years 2002 and 2003 and has been
57 approved by a majority of voters in a countywide referendum to
58 have slot machines at such facility in the respective county;

59 (b) Any licensed pari-mutuel facility located within a
60 county as defined in s. 125.011, provided such facility has
61 conducted live racing for 2 consecutive calendar years
62 immediately preceding its application for a slot machine
63 license, pays the required license fee, and meets the other
64 requirements of this chapter; or

65 (c) A any licensed pari-mutuel facility located in a any
66 ~~other~~ county in which a majority of voters have approved slot
67 machines at eligible such facilities in a countywide referendum
68 held concurrently with a general election in which the offices



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69 of President and Vice President of the United States were on the
70 ballot if the permitholder has conducted at least 250 live
71 performances at the facility in accordance with that
72 permitholder's annual operating license for 25 consecutive
73 ~~pursuant to a statutory or constitutional authorization after~~
74 ~~the effective date of this section in the respective county,~~
75 ~~provided such facility has conducted a full schedule of live~~
76 ~~racing for 2 consecutive calendar years immediately preceding~~
77 its initial application for a slot machine license, pays the
78 required licensed fee, and meets the other requirements of this
79 chapter. However, a license to conduct slot machine gaming may
80 not be granted by the department pursuant to this paragraph
81 unless the Gaming Compact between the Seminole Tribe of Florida
82 and the State of Florida, authorized pursuant to s. 285.710, is
83 amended to exempt the slot machine gaming conducted by slot
84 machine licensees from the Seminole Tribe of Florida's exclusive
85 gaming rights.

86 Section 4. Subsection (2) of section 551.104, Florida
87 Statutes, is amended to read:

88 551.104 License to conduct slot machine gaming.—

89 (2) An application may be approved by the division only
90 after the voters of the county where the applicant's facility is
91 located have authorized by referendum slot machines within pari-
92 mutuel facilities in compliance with this chapter ~~that county as~~
93 ~~specified in s. 23, Art. X of the State Constitution.~~

94
95 ===== T I T L E A M E N D M E N T =====

96 And the title is amended as follows:

97 Delete lines 1 - 12



383092

98 and insert:

99 An act relating to gaming; amending s. 285.710, F.S.;

100 authorizing and directing the Governor to execute a

101 specified written amendment to the Gaming Compact

102 between the Seminole Tribe of Florida and the State of

103 Florida; providing that the compact may be amended to

104 exempt slot machine gaming in certain circumstances;

105 requiring slot machine tax payments paid by slot

106 machine licensees to be allocated in a specified

107 manner; authorizing and directing the Governor to

108 cooperate with the Tribe in seeking approval of an

109 amendment; providing that the amendment of the compact

110 does not require legislative ratification in certain

111 circumstances; amending s. 551.101, F.S.; authorizing

112 a licensed pari-mutuel facility to possess slot

113 machines and conduct slot machine gaming in certain

114 circumstances; amending s. 551.102, F.S.; revising the

115 term "eligible facility"; amending s. 551.104, F.S.;

116 conforming a provision to a change made by this act;

117 providing an



798676

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/10/2015	.	
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	.	
	.	

The Committee on Regulated Industries (Sachs) recommended the following:

Senate Amendment (with title amendment)

Between lines 45 and 46

insert:

Section 2. Section 550.6309, Florida Statutes, is created to read:

550.6309 Intertrack and simulcast wagering pilot program.-

The department shall establish a pilot program pursuant to this section which authorizes intertrack and simulcast wagers at a public food service establishment licensed under chapter 509



798676

11 which is licensed under the Beverage Law or a vendor that is
12 licensed under s. 563.02(1)(b)-(f), s. 564.02(1)(b)-(f), or s.
13 565.02(1)(b)-(f).

14 (1) LOCATION.—The department shall select two counties in
15 which to implement the program. The department must select one
16 county with a population fewer than 300,000, and one county with
17 a population between 300,000 and 1 million.

18 (a) Before the department may select a county for the
19 program, the governing board of the county must pass a
20 resolution authorizing the county's participation in the program
21 and the governing board of the county must send a written
22 notification of the resolution to the department from an
23 authorized representative of that county.

24 (b) The department shall select the first county in each
25 population category for the pilot program which submits the
26 written notification specified in paragraph (a).

27 (2) PERMIT.—A public food service establishment and vendor
28 must use a company that is authorized by the department,
29 pursuant to this section, to set up and operate the equipment
30 necessary to offer intertrack or simulcast wagering.

31 (a) An applicant for a permit must submit an application
32 that includes all of the following:

33 1. The full name of the applicant.

34 2. If a corporation, the name of the state in which the
35 corporation is incorporated and the names and addresses of the
36 officers, directors, and shareholders holding at least 5 percent
37 equity or, if a business entity other than a corporation, the
38 names and addresses of the principals, partners, or shareholders
39 holding at least 5 percent equity.



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40 3. The names and addresses of the ultimate equitable owners
41 for a corporation or other business entity, if different from
42 those provided under subparagraph 2., unless the securities of
43 the corporation or entity are registered pursuant to s. 12 of
44 the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a-78kk, and
45 if such corporation or entity files with the United States
46 Securities and Exchange Commission the reports required by s. 13
47 of that act or if the securities of the corporation or entity
48 are regularly traded on an established securities market in the
49 United States.

50 4. A statement of the assets and liabilities of the
51 applicant.

52 5. A business plan for the first year of operation.

53 6. A documentation that demonstrates that:

54 a. The applicant has at least 2 years' experience in
55 providing these types of services in similar venues in other
56 states;

57 b. The applicant has provided a complete description of the
58 transmission, totalizer, and data processing equipment to be
59 used;

60 c. The equipment proposed to be used by the applicant is
61 capable of authenticating state identification and verifying the
62 user's age before the user engaging in any wagering activity;

63 d. The applicant is capable of monitoring the wagering
64 activity in real time;

65 e. The applicant has provided a system without the use of
66 tellers to receive and pay wagers in real time to the users;

67 f. The management or management groups responsible for the
68 operations of the applicant have sufficient management



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69 experience to properly operate this type of wagering; and
70 g. The applicant has provided sufficient security measures
71 to protect the integrity of the live broadcast signal and the
72 integrity of the wagering process.

73 7. For each individual listed in the application as an
74 owner, partner, officer, or director, a complete set of
75 fingerprints taken by an authorized law enforcement officer.
76 Fingerprints must be submitted to the Federal Bureau of
77 Investigation for processing. Applicants who are foreign
78 nationals shall submit such documents as necessary to allow the
79 division to conduct criminal history records checks in the
80 applicant's home country. The applicant must pay the cost of
81 processing. The division may charge up to a \$2 handling fee for
82 each set of fingerprint records.

83 8. A fee, as determined by department rule. In calculating
84 the permit fee, the department shall consider the costs
85 associated with filing and investigating applications as well as
86 the amount of funds appropriated by the Legislature to implement
87 and administer the pilot program.

88 9. Any other information the department requires.

89 (b) A permit may not be issued to an applicant if a member
90 of the board, the chief executive officer, or any management
91 personnel of the applicant has been found guilty of, or has pled
92 nolo contendere to, a felony or an act of fraud. The department
93 may charge the applicant for reasonable and anticipated costs
94 incurred in determining the eligibility of the applicant under
95 this paragraph.

96 (c) Upon receiving an application and any necessary
97 amendments, the department shall verify the information



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98 contained in the application. If the applicant meets all
99 requirements, conditions, and qualifications of this section and
100 the rules of the department, the department will issue the
101 permit.

102 (d) Subsequent annual renewal applications from a licensee
103 must be accompanied by proof, in such form as the department
104 requires, that the licensee still meets all of the conditions
105 and requirements for licensure under this section.

106 (e) If a permit is held by a business entity, the transfer
107 of at least 10 percent of the stock or other evidence of
108 ownership or equity in the permitholder may not be made without
109 the prior approval of the transferee by the department. Changes
110 in ownership or interest of at least 5 percent of the stock or
111 other evidence of ownership or equity in the permitholder must
112 be approved by the department before such change, unless the
113 owner is an existing owner of that permit who was previously
114 approved by the department. Changes in ownership or interest of
115 less than 5 percent must be reported to the department within 20
116 days of the change. The department may then conduct an
117 investigation to ensure that the permit is properly updated to
118 show the change in ownership or interest.

119 (f) The department may revoke or suspend a permit issued
120 under this chapter upon the willful violation by a permitholder
121 of any provision of this chapter or rule adopted under this
122 chapter. In lieu of suspending or revoking a permit, the
123 department may impose a civil penalty against the permitholder
124 for a violation of this chapter or any rule adopted by the
125 department. The penalty may not exceed \$1,000 for each separate
126 offense. All penalties imposed and collected must be deposited



798676

127 with the Chief Financial Officer to the credit of the General
128 Revenue Fund.

129 (3) LICENSE TO OPERATE.—

130 (a) Each permitholder may apply for an annual license with
131 the division to operate for the upcoming fiscal year. The
132 permitholder seeking an annual license must apply with the
133 division between December 15 and January 4 of each year.

134 (b) Each permitholder must include in the annual license
135 application the binding written agreement required under
136 subsection (4) and the name and location of pari-mutuel
137 facilities with which the applicant intends to contract. A
138 permitholder must amend its license within 7 days of any changes
139 to the license operation.

140 (4) DISTRIBUTION.—A permitholder may not receive a license
141 until it files with the department a binding written agreement
142 that governs takeout and the payment of purses between the
143 permitholder and a pari-mutuel facility hosting races. A
144 permitholder may not stream a signal for the purpose of
145 intertrack or simulcast wagering from a pari-mutuel facility
146 unless the permitholder has entered into a binding written
147 agreement with such facility and the written agreement is on
148 file with the department.

149 (a) For thoroughbred horse racing, the written agreement
150 must be signed by the Florida Thoroughbred Breeders' Association
151 or the association representing a majority of the horse owners
152 and trainers at the eligible facility.

153 (b) For harness horse racing, the written agreement must be
154 signed by the Florida Standardbred Breeders and Owners
155 Association or the association representing a majority of the



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156 horse owners and trainers at the eligible facility.

157 (c) For quarter horse racing, the written agreement must be
158 signed by the Florida Quarter Horse Racing Association or the
159 association representing a majority of the horse owners and
160 trainers at the eligible facility.

161 (d) For jai alai games and greyhound racing, at least 1
162 percent of the wagering proceeds from greyhound racing must be
163 given to the association that represents a majority of greyhound
164 owners, and at least 1 percent of the wagering proceeds from jai
165 alai games must be given to the association that represents a
166 majority of jai alai players in order to supplement purses.

167 (e) One percent of takeout must be distributed to the pari-
168 mutuel facility located closest to the public food service
169 establishment or vendor offering pari-mutuel wagering.

170 (4) TAX.—Intertrack and simulcast wagering offered by a
171 licensee shall be taxed at the rate of 0.85 percent.

172 (5) LIMITATIONS.—A permitholder licensed under this section
173 may not conduct pari-mutuel wagering at a public food
174 establishment or vendor that is located within 5 miles of a
175 pari-mutuel facility.

176
177
178 ===== T I T L E A M E N D M E N T =====

179 And the title is amended as follows:

180 Delete lines 2 - 12

181 and insert:

182 An act relating to gaming; amending s. 285.710, F.S.;

183 authorizing and directing the Governor to execute a

184 specified written amendment to the Gaming Compact



798676

185 between the Seminole Tribe of Florida and the State of
186 Florida; authorizing and directing the Governor to
187 cooperate with the Tribe in seeking approval of the
188 amendment; providing that the amendment of the compact
189 does not require legislative ratification in certain
190 circumstances; creating s. 550.6309, F.S.; requiring
191 the Department of Business and Professional Regulation
192 to establish a specified pilot program; requiring the
193 department to select two counties in which to
194 implement the program; requiring the governing board
195 of the county to pass a specified resolution and send
196 a written notification of the resolution to the
197 department before the department may select a county
198 for the program; requiring the department to select a
199 county in a specified manner; requiring a public food
200 service establishment and vendor to use a company that
201 is authorized by the department; requiring an
202 applicant to submit an application with specified
203 information to receive a permit; prohibiting the
204 issuance of a permit if specified persons have been
205 found guilty of, or pled nolo contendere to specified
206 crimes; authorizing the department to charge the
207 applicant for reasonable and anticipated costs and
208 fees in determining the eligibility of the applicant;
209 prohibiting a permit from being issued to specified
210 persons; requiring that the department verify the
211 informed contained in the application; requiring prior
212 approval by the department for specified transfers of
213 stock; authorizing the department to revoke or suspend



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214 a permit in certain circumstances; authorizing the
215 department to impose a civil penalty in lieu of the
216 suspension or revocation of the permit; authorizing a
217 permitholder to apply for an annual license; requiring
218 a permitholder to include in the annual license
219 specified information; providing that a permitholder
220 may not receive a license until it files with the
221 department a specified binding written agreement;
222 prohibiting a permitholder from streaming a signal in
223 certain circumstances; requiring a written agreement
224 with specified organizations for certain types of
225 racing or game; requiring a specified percentage of
226 takeout to be distributed to the pari-mutuel facility
227 located closest to the public food service
228 establishment or vendor; requiring a tax on intertrack
229 and simulcast wagering; prohibiting a specified
230 permitholder from conducting pari-mutuel wagering at a
231 public food service establishment or vendor within a
232 specified mileage of a pari-mutuel facility; providing
233 an



738196

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
04/10/2015	.	
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	.	

The Committee on Regulated Industries (Braynon) recommended the following:

Senate Amendment (with title amendment)

Between lines 45 and 46
insert:

Section 2. If any slot machine licensee shall discontinue the operation of live racing or games, all slot machine licensees may also discontinue the operation of live racing or games.

1
2
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10



738196

11 ===== T I T L E A M E N D M E N T =====

12 And the title is amended as follows:

13 Delete lines 2 - 12

14 and insert:

15 An act relating to gaming; amending s. 285.710, F.S.;

16 authorizing and directing the Governor to execute a

17 specified written amendment to the Gaming Compact

18 between the Seminole Tribe of Florida and the State of

19 Florida; authorizing and directing the Governor to

20 cooperate with the Tribe in seeking approval of the

21 amendment; providing that the amendment of the compact

22 does not require legislative ratification in certain

23 circumstances; providing for slot machine licensees to

24 discontinue live racing or games; providing for

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.)

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

BILL: SB 902

INTRODUCER: Senator Clemens

SUBJECT: Hemp Production

DATE: April 8, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Becker</u>	<u>Becker</u>	<u>AG</u>	Favorable
2.	<u>Cannon</u>	<u>Cannon</u>	<u>CJ</u>	Favorable
3.	<u>Oxamendi</u>	<u>Imhof</u>	<u>RI</u>	Favorable
4.	_____	_____	<u>AP</u>	_____

I. Summary:

SB 902 creates the Hemp Industry Development Act, which proposes a means whereby hemp can be legally grown as an agricultural crop in Florida. The bill defines “hemp,” as all parts of any plant of the genus *Cannabis* containing no more than 0.3 percent delta-9 tetrahydrocannabinol. It provides findings and legislative intent for the use of hemp as an agricultural crop, and provides that, upon meeting specified requirements, an individual in this state may plant, grow, or harvest hemp.

The bill requires an individual who intends to grow hemp to register with the Department of Agriculture and Consumer Services (department) and establishes the requirements and procedures for registration. The bill requires the department to adopt rules for the testing and inspection of hemp and for the assessment of a fee commensurate with the department’s costs for testing and inspection. The bill also provides affirmative defenses to cannabis-related criminal charges or prosecutions.

II. Present Situation:

It is estimated that hemp has been grown for at least 12,000 years for textiles, paper, and food.¹ Industrial hemp and marijuana are both classified as *Cannabis sativa*, but industrial hemp is a different variety or cultivar that is bred to maximize fiber and seed/oil, while marijuana is bred to maximize delta-9 tetrahydrocannabinol (THC). Industrial hemp has a THC content of between 0.05-1 percent and marijuana has a THC content of 3-20 percent.²

¹ North American Industrial Hemp Council, Inc., available at: *Hemp Facts*, http://naihc.org/hemp_information/hemp_facts.html (last viewed on April 2, 2015).

² *Id.*

Chapter 893, F.S., designates cannabis plants and THC as Schedule I substances.³ These are illegal to possess in Florida.⁴ However, Florida law does permit the product, sale, possession and use of low-THC strain for medical use⁵ with low-THC cannabis defined as having 0.8 percent or less of THC.⁶

The 2014 federal Farm Bill permits institutions of higher education and state departments of agriculture to grow or cultivate industrial hemp.⁷ As of March 26, 2015, thirteen states have established commercial industrial hemp programs, and seven states have passed laws establishing industrial hemp programs that are limited to agricultural or academic research purposes.⁸

There is pending legislation in the U.S. Congress to provide that the scheduling of marijuana in Schedule I of the federal Controlled Substance Act (CSA) does not apply to industrial hemp. “The Industrial Hemp Farming Act of 2015 (H.R. 525; S. 134) would amend the CSA to specify that the term ‘marijuana’ does not include industrial hemp, thus excluding hemp from the CSA as a controlled substance subject to Drug Enforcement Administration regulation.”⁹ If this legislation were to become law, the DOR analysis relevant to federal Schedule I substances would not be relevant to industrial hemp.

III. Effect of Proposed Changes:

Section 1 cites this act as the “Hemp Industry Development Act.”

Section 2 creates s. 581.301, F.S., to define “hemp” as all parts of any plant of the genus *Cannabis* containing no more than 0.3 percent delta-9 tetrahydrocannabinol. The bill states that hemp is considered an agricultural crop in Florida and that hemp produces a viable, environmentally sound crop. The bill further states the Legislature intends to promote economic development and job growth through the cultivation, processing, distribution, manufacturing, and sale of hemp.

The bill requires that individuals intending to grow hemp register with the Department of Agriculture and Consumer Services (department). The individual must submit a form to the department with the name and address of the individual, a statement that the seeds obtained for planting meet the requirements set forth in the bill, and the location and acreage of all parcels sown with hemp. An individual registered with the department must allow hemp crops to be inspected and tested by department at its discretion at all stages of hemp production and distribution. The bill authorizes the department to assess an annual registration fee of up to \$100 for the performance of its duties under the bill.

³ Section 893.03(1)(c)7., F.S.

⁴ See ss. 893.13 and 893.135, F.S.

⁵ See ss. 381.986, 381.987, and 893.02(3), F.S.

⁶ Section 381.986(1)(e), F.S.

⁷ National Conference of State Legislatures, “State Industrial Hemp Statutes,” March 26, 2015, <http://www.ncsl.org/research/agriculture-and-rural-development/state-industrial-hemp-statutes.aspx> (last visited on March 24, 2015).

⁸ *Id.*

⁹ Johnson, Renée. “Hemp as an Agricultural Commodity,” (February 2, 2015) (Summary). Congressional Research Service. A copy is available at: <https://fas.org/sgp/crs/misc/RL32725.pdf> (last visited April 3, 2015).

The bill exempts from the registration requirement employees of the Experiment Station of the University of Florida, Extension Service of the University of Florida, or the State University System involved in research or extension-related activities.

The bill gives the department rulemaking authority including, but not limited to:

- Testing of the hemp during growth to determine delta-9 tetrahydrocannabinol levels;
- Inspection of hemp during the sowing, growing season, harvest, storage, processing, manufacturing, and distribution; and
- Assessment of a fee to offset the costs of the department's activities in the testing and inspection of hemp production.

The bill prohibits the department from adopting a rule that prohibits an individual from growing, processing, distributing, manufacturing, or selling hemp based on its legal status under federal law.

The bill provides that it is an affirmative defense¹⁰ to a charge or prosecution for the possession, cultivation, manufacturing, delivery, distribution or sale of *Cannabis* under ch. 893, F.S., that:

- The defendant was growing, processing, distributing, manufacturing, or selling hemp pursuant to this section; or
- The defendant had valid applicable controlled substances registrations from the United States Drug Enforcement Administration.

The bill states that it is not a violation of state or local law for an individual to grow, possess, distribute, move, manufacture, dispose of, sell, purchase, or possess hemp.

Section 3 provides the bill takes effect on July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹⁰ An "affirmative defense" is "[a] defense in which the defendant introduces evidence, which, if found to be credible, will negate criminal or civil liability, even if it is proven that the defendant committed the alleged acts." Legal Information Institute, Cornell University Law School, https://www.law.cornell.edu/wex/affirmative_defense (last viewed on April 3, 2015).

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The bill provides for an annual registration fee of \$100 for growers.

According to the Department of Revenue (DOR), federal law prohibits financial institutions from accepting funds from the sale of Schedule I controlled substances. Taxpayers would be unable to submit any applicable sales tax to the DOR using electronic methods, given these banking restrictions. In addition, it is unclear whether accepting cash payments of sales tax on these federally restricted items, and then processing and distributing the funds, would cause the DOR to be in violation of federal law.¹¹

There is pending legislation in the U.S. Congress, “The Industrial Hemp Farming Act of 2015” (H.R. 525; S. 134), would amend the federal Controlled Substance Act to specify that the term ‘marijuana’ does not include industrial hemp, thus excluding hemp from the CSA as a controlled substance subject to Drug Enforcement Administration regulation.”¹² If this legislation were to become law, the DOR analysis relevant to federal Schedule I substances would not be relevant to industrial hemp.

B. Private Sector Impact:

Persons who register with the Department of Agriculture and Consumer Services plant, grow, or harvest hemp would have to pay an annual registration fee of up to \$100.

C. Government Sector Impact:

The bill would require the Department of Agriculture and Consumer Services to regulate the growth and distribution of hemp and assess a fee of up to \$100.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The Department of Agriculture and Consumer Services raises a number of questions, including:

- Would large plantings of industrial grade *Cannabis* pose an invasive plant threat?
- What are the standards that should apply to cultivation and cultivation containment?
- What will the scope of interest in production be, which in-turn will determine the level of resources needed to oversee it?¹³

¹¹ Analysis of SB 902 (February 19, 2015), Florida Department of Revenue (on file with the Senate Regulated Industries Committee).

¹² Johnson, Renée. “Hemp as an Agricultural Commodity,” (February 2, 2015) (Summary). Congressional Research Service. A copy is available at: <https://fas.org/sgp/crs/misc/RL32725.pdf> (last visited April 3, 2015).

¹³ Analysis of SB 902 (February 24, 2015), Department of Agriculture and Consumer Services (on file with the Senate Regulated Industries Committee).

The department suggests the need for more research to determine the true impact of hemp as an agricultural crop.¹⁴

VIII. Statutes Affected:

581.301

This bill creates section 581.301 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.

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

¹⁴ *Id.*

By Senator Clemens

27-01100-15

2015902__

1 A bill to be entitled
2 An act relating to hemp production; providing a short
3 title; creating s. 581.301, F.S.; providing a
4 definition; providing that hemp is an agricultural
5 crop; providing legislative intent; requiring
6 registration of hemp producers; providing registration
7 requirements; providing exemptions; requiring
8 rulemaking; providing for an affirmative defense to
9 certain charges relating to cannabis; providing
10 exceptions to other laws; providing an effective date.

11
12 Be It Enacted by the Legislature of the State of Florida:

13
14 Section 1. This act may be cited as the "Hemp Industry
15 Development Act."

16 Section 2. Section 581.301, Florida Statutes, is created to
17 read:

18 581.301 Hemp.—

19 (1) DEFINITION.—As used in this section, the term "hemp"
20 means all parts of any plant of the genus *Cannabis* containing no
21 more than 0.3 percent delta-9 tetrahydrocannabinol.

22 (2) AGRICULTURAL CROP.—Hemp is considered an agricultural
23 crop in this state which produces a viable, environmentally
24 sound crop that requires less irrigation, fewer pesticides, and
25 fewer toxic refinery processes than alternative materials and
26 has multiple applications that include a wide variety of
27 manufactured and fabricated products. The Legislature intends to
28 promote economic development and job growth through the
29 cultivation, processing, distribution, manufacturing, and sale

27-01100-15

2015902__

30 of hemp. Upon meeting the requirements of subsection (3), an
31 individual in this state may plant, grow, or harvest hemp.

32 (3) REGISTRATION.—

33 (a) Except as provided in this section, an individual
34 intending to grow hemp shall register with the department
35 through submission of a form provided by the department
36 containing:

37 1. The name and address of the individual.

38 2. A statement that the seeds obtained for planting are of
39 a type and variety containing no more than 0.3 percent delta-9
40 tetrahydrocannabinol.

41 3. The location and acreage of all parcels sown with hemp
42 and other field identification as may be required by the
43 department.

44 (b) An individual registered with the department pursuant
45 to this section must allow hemp crops to be inspected and tested
46 by and at the discretion of the department throughout sowing,
47 growing season, harvest, storage, processing, manufacturing, and
48 distribution.

49 (c) The department may assess an annual registration fee on
50 growers of up to \$100 for the performance of its duties under
51 this section.

52 (d) The registration requirements of this section do not
53 apply to employees of the Experiment Station of the University
54 of Florida, Extension Service of the University of Florida, or
55 the State University System involved in research or extension-
56 related activities.

57 (4) RULEMAKING.—The department shall adopt rules that
58 include, but are not limited to:

27-01100-15

2015902__

59 (a) Testing of the hemp during growth to determine delta-9
60 tetrahydrocannabinol levels.

61 (b) Inspection of the hemp during sowing, growing season,
62 harvest, storage, processing, manufacturing, and distribution.

63 (c) Assessment of a fee that is commensurate with the costs
64 of the department's activities in testing and inspection of hemp
65 production.

66 (d) The department may not adopt under this chapter, or any
67 other provision of law, a rule that prohibits an individual from
68 growing, processing, distributing, manufacturing, or selling
69 hemp based on its legal status under federal law.

70 (e) Any other rules and procedures necessary to carry out
71 this section.

72 (5) AFFIRMATIVE DEFENSE FOR CANNABIS OFFENSES.—It is an
73 affirmative defense to a charge or prosecution for the
74 possession, cultivation, manufacturing, delivery, distribution,
75 or sale of cannabis under chapter 893 that:

76 (a) The defendant was growing, processing, distributing,
77 manufacturing, or selling hemp pursuant to this section; or

78 (b) The defendant had valid applicable controlled
79 substances registrations from the United States Drug Enforcement
80 Administration.

81 (6) EXCEPTIONS TO OTHER LAWS.—It is not a violation of
82 state or local law for an individual to grow, process,
83 distribute, move, manufacture, dispose of, sell, purchase, or
84 possess hemp.

85 Section 3. This act shall take effect July 1, 2015.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Appropriations Subcommittee on Transportation,
Tourism, and Economic Development, *Vice Chair*
Banking and Insurance
Criminal Justice
Education Pre-K-12
Ethics and Elections
Fiscal Policy

SENATOR JEFF CLEMENS

27th District

March 31, 2015

Senator Rob Bradley, Chair
Committee on Regulated Industries
330 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399-1100

Chair Bradley:

I respectfully request that SB 902 – Hemp Production be added to the agenda for the next Committee on Regulated Industries meeting.

Please feel free to contact me with any questions. Thank you, in advance, for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Clemens".

Senator Jeff Clemens
Florida Senate District 27

REPLY TO:

- 508 Lake Avenue, Unit C, Lake Worth, Florida 33480 (561) 540-1140 FAX: (561) 540-1143
- 226 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5027

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4.7.15

Meeting Date

SB 902
Bill Number (if applicable)

Topic Hemp

Amendment Barcode (if applicable)

Name Mark Phillips

Job Title Leg.

Address _____

Phone _____

Street

Dunedin FL

Email _____

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FL FAMILY ACTION / POLICY COUNCIL

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.

S-001 (10/14/14)

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

April 8, 2015

Meeting Date

SB 902

Bill Number (if applicable)

Topic Industrial hemp as an agricultural crop

Amendment Barcode (if applicable)

Name Josephine Krehl

Job Title President

Address 3784 Wentworth Way

Phone 850-653-6928

Street

Tallahassee

Florida

32311

Email brickmasonindustries@gmail.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Brick Mason Industries Inc.

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)

Apr, 8, 15

Meeting Date

SB 902

Bill Number (if applicable)

Topic Hemp

Amendment Barcode (if applicable)

Name Greg Pound

Job Title Working with young people of Florida.

Address 9166 Sunrise Dr.

Phone

Street

Largo

City

FL

State

33773

Zip

Email

Speaking: For [] Against [X] Information [X]

Waive Speaking: In Support [] Against [X] (The Chair will read this information into the record.)

Representing

Appearing at request of Chair: Yes [] No [X]

Lobbyist registered with Legislature: Yes [] No [X]

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)

4/8/15

Meeting Date

SB 902

Bill Number (if applicable)

Topic Hemp PRODUCTION

Amendment Barcode (if applicable)

Name ROBERT CLAYTON

Job Title _____

Address 381 OASIS PARK RD
Street

Phone 727-512-7771

FORT MYERS FL 33905
City State Zip

Email rfclayton@centurylink.net

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Hemp INDUSTRIES 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.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/8/15

Meeting Date

902

Bill Number (if applicable)

Topic Hemp Production

Amendment Barcode (if applicable)

Name David Jones

Job Title Communications Director

Address 1375 Cypress Ave

Phone 904-327-5198

Street

Melbourne

City

FL

State

32935

Zip

Email info@flcan.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Hemp Initiative

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.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/8/15

Meeting Date

902

Bill Number (if applicable)

Topic Hemp

Amendment Barcode (if applicable)

Name Ron Watson

Job Title Lobbyist

Address 3738 Mardon Way

Phone 850 567-1202

Street

Tallahassee FL 32309

City

State

Zip

Email: Watson.Strategies@comcast.net

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Watson Strategies

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.

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

April 8, 2015

Meeting Date

SB 902

Bill Number (if applicable)

Topic Industrial hemp as an agricultural crop

Amendment Barcode (if applicable)

Name Michael Krehl

Job Title Representative

Address 500 west sawyer street

Phone 850-653-5191

Street

Saint George island

Florida

32328

Email floridahempalliance@gmail.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Hemp Alliance

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.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4 18 2015

Meeting Date

Topic _____

Bill Number 902
(if applicable)

Name BRIAN PITTS

Amendment Barcode _____
(if applicable)

Job Title TRUSTEE

Address 1119 NEWTON AVNUE SOUTH

Phone 727-897-9291

Street

SAINT PETERSBURG FLORIDA 33705

E-mail JUSTICE2JESUS@YAHOO.COM

City

State

Zip

Speaking: For Against Information

Representing JUSTICE-2-JESUS

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.

S-001 (10/20/11)

SB 902

Speaking before the Florida Senate Regulated Industries Committee
Robert Clayton, Hemp Industries Association
April 8, 2015

Thank you, Mr. Chairman and Committee Members for the opportunity to speak to you today. I am speaking on behalf of the Hemp Industries Association.

1. The industry supports needed regulation where it applies. We do not wish to damage public perception of the quality product that we know hemp can be.
2. Good business practices are the foundation of investment. We need large private financial commitments to rebuild the hemp infrastructure so that hemp can achieve its full potential to provide rich benefits for farmers and all Floridians.
3. Investors need to know that Florida's farmers and processors understand their responsibilities to the public and to their investment. Industry must demonstrate good practice to satisfy them.
4. Farmers are businessmen too, and I am sure they understand their responsibility to the public and the industry. Bad players are not welcome here.
5. America's penalties for producing or distributing bad material are far more strict than any other nation's. That message is not lost on the industry.
6. Hemp is grown around the world. The European standard is 33% more strict than America's standard and they readily meet it with no undue effort.
7. Many countries maintain lists of approved cultivars. We will need some experimentation to find what works best in different regions around Florida. UF-IFAS can do that work. Farmers have strong economic incentive to work with known good cultivars.
8. Foreign seed growers are anxious to sell their well established seed standards into the American market.

9. We will be producing products from only the seeds and stalks. Science has long shown these are inherently safe regardless of origin. I am confident that over time the public will come to understand that nature has naturally regulated these products.
10. Hemp is meaningless without processing. If a processor refuses bad material, the farmer is stuck with a large liability.
11. There is virtually no spot market for hemp. Hemp is grown under contract from processors. Processors in turn stipulate contractual obligations on farmers to protect their investment. They must undertake field testing to protect themselves.
12. Standard field testing methods and procedures exist that would satisfy any investor or insurer. These are the same that any government might require.
13. THC is oil soluble and oilseed processors must test for it before they can ship product so they form an established system that will identify problems. Contracts stipulate that farmers are not paid for failing material which by law must be destroyed.
14. Seed processors will be holding a year's inventory of material for processing. They need a license to do so. Their investors will require that, and the state needs to track seed processors. Farmers might process seed, in which case they are now assuming the liability of holding a large inventory of seed. They should hold a processing license if they wish to do so.
15. Meanwhile, fiber processors must ensure they do not receive leaf matter. But leaves contain 70% of the nutrients. The farmer wants those in the soil. Both parties benefit by ensuring leaves stay on the farm and in the soil.
16. Government regulation would relieve businesses of their responsibilities but that would place the burden on the taxpayer. It would also remove the consumer's rights to seek relief for damages in a court of law. Both of those would be wrong.
17. Taken together, I hope you can see that the existing framework of criminal and tort laws form an established framework of business regulation that requires little more work to police and enforce.

The Florida Senate COMMITTEE VOTE RECORD

COMMITTEE: Regulated Industries
ITEM: SB 902
FINAL ACTION: Favorable
MEETING DATE: Wednesday, April 8, 2015
TIME: 1:30 — 3:30 p.m.
PLACE: 110 Senate Office Building

FINAL VOTE		SENATORS	4/08/2015 ¹					
			To vote at a time certain of 3:29PM	Negron	Yea	Nay	Yea	Nay
Yea	Nay		Yea	Nay	Yea	Nay	Yea	Nay
X		Abruzzo						
	X	Bean						
X		Braynon						
X		Diaz de la Portilla						
X		Flores						
X		Latvala						
	X	Negron						
X		Richter						
X		Sachs						
	X	Stargel						
X		Margolis, VICE CHAIR						
	X	Bradley, CHAIR						
8	4	TOTALS	FAV	-				
Yea	Nay		Yea	Nay	Yea	Nay	Yea	Nay

CODES: FAV=Favorable RCS=Replaced by Committee Substitute TP=Temporarily Postponed WD=Withdrawn
 UNF=Unfavorable RE=Replaced by Engrossed Amendment VA=Vote After Roll Call OO=Out of Order
 -R=Reconsidered RS=Replaced by Substitute Amendment VC=Vote Change After Roll Call AV=Abstain from Voting

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.)

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

BILL: CS/SB 1180

INTRODUCER: Health Policy Committee and Senator Latvala and others

SUBJECT: Practice of Pharmacy

DATE: April 6, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Stovall</u>	<u>Stovall</u>	<u>HP</u>	<u>Fav/CS</u>
2.	<u>Kraemer</u>	<u>Imhof</u>	<u>RI</u>	<u>Pre-meeting</u>
3.	<u> </u>	<u> </u>	<u>FP</u>	<u> </u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1180 amends ch. 465, F.S., the Florida Pharmacy Act (Pharmacy Act), to provide that the Pharmacy Act and rules adopted thereunder do not limit a licensed veterinarian's activities permitted by the Veterinary Medical Practice Act (ch. 474, F.S.).

II. Present Situation:

Veterinary Medical Practice

The Board of Veterinary Medicine within the Department of Business and Professional Regulation is charged with the regulation of the practice of veterinary medicine under ch. 474, F.S., the Veterinary Medical Practice Act (Veterinary Act). The legislative purpose for the Veterinary Act is to ensure that every veterinarian practicing in Florida meets minimum requirements for safe practice and veterinarians who are not normally competent or who otherwise present a danger to the public are disciplined or prohibited from practicing in Florida.

The practice of veterinary medicine¹ includes:

- Diagnosing the medical condition of animals and prescribing, dispensing, or administering drugs, medicine, appliances, applications, or treatment of whatever nature for the prevention, cure, or relief of a wound, fracture, bodily injury, or disease thereof;

¹ See s. 474.202(9), F.S.

- Performing any manual procedures for the diagnosis of or treatment for pregnancy or fertility or infertility of animals;
- Representing oneself by the use of titles or words, or undertaking, offering, or holding oneself out, as performing any of these functions; and
- Determining the health, fitness, or soundness of an animal.

Veterinary medicine includes, with respect to animals, surgery, acupuncture, obstetrics, dentistry, physical therapy, radiology, theriogenology,² and other branches or specialties of veterinary medicine.³

With several exceptions, a person must be licensed as a veterinarian under the Veterinary Act, prior to practicing veterinary medicine in this state.⁴ Veterinarians who hold a valid federal controlled substance registry number are authorized to prescribe and dispense controlled substances pursuant to ch. 893, F.S., the Florida Comprehensive Drug Abuse Prevention and Control Act.⁵

Pharmacy Practice Act

Pharmacies and pharmacists are regulated under the Florida Pharmacy Act (Pharmacy Act) found in ch. 465, F.S.⁶ The Board of Pharmacy (the board) is created within the Department of Health (DOH) to adopt rules to implement provisions of the Pharmacy Act and take other actions based upon duties conferred on it. The practice of the profession of pharmacy includes:

- Compounding, dispensing, and consulting concerning contents, therapeutic values, and uses of any medicinal drug;
- Consulting concerning therapeutic values and interactions of patent or proprietary preparations;
- Monitoring a patient's drug therapy, assisting the patient in managing his or her drug therapy, and reviewing the patient's drug therapy and communicating with the patient's prescribing health care provider or the provider's agent or other persons as specifically authorized by the patient, regarding the drug therapy;
- Transmitting information from persons authorized to prescribe medicinal drugs to their patients; and
- Administering vaccines to adults.⁷

Compounding

Compounding is defined under the Pharmacy Act as combining, mixing, or altering the ingredients of one or more drugs or products to create another drug or product.⁸ Under the board's rules,⁹ compounding includes the preparation of:

² Theriogenology is a branch of veterinary medicine dealing with reproduction.

³ See s. 474.202(13), F.S.

⁴ See ss. 474.203, 474.207, and 474.213, F.S.

⁵ See s. 893.02(21), F.S.

⁶ Other pharmacy paraprofessionals, including pharmacy interns and pharmacy technicians, are also regulated under the Act.

⁷ See s. 465.003(13), F.S.

⁸ See s. 465.003(18), F.S.

⁹ See Rule 64B16-27.700, F.A.C.

- Drugs or devices in anticipation of prescriptions based on routine, regularly-observed prescribing patterns;
- Drugs or devices, pursuant to a prescription, that are not commercially available;¹⁰ or
- Commercially available products from bulk when the prescribing practitioner has prescribed the compounded product on a per prescription basis and the patient has been made aware that the compounded product will be prepared by the pharmacist. The reconstitution of commercially available products pursuant to the manufacturer's guidelines is permissible without notice to the practitioner.

The preparation of drugs or devices for sale or transfer to pharmacies, practitioners, or entities for purposes of dispensing or distribution is not compounding and is not within the practice of the profession of pharmacy.¹¹

Historically and continuing today, a practitioner might prescribe a compounded preparation when a patient requires a different dosage form, such as a liquid rather than a pill or tablet, a different dosage strength than is commercially available, a product free of certain allergens, or a product that is not commercially available. Compounding and dispensing in this manner is typically patient-specific.

More recently, the practice of compounding medications has evolved and expanded to include compounding for office use. "Office use" is not currently defined in Florida law, but is defined by rule as the providing and administering of a compounded drug to a patient in a practitioner's office or in a health care facility, such as a hospital, ambulatory surgical center, or pharmacy.¹²

"Office use" means the provision and administration of a compounded drug to a patient by a practitioner in the practitioner's office or by the practitioner in a health care facility or treatment setting, including a hospital, ambulatory surgical center, or pharmacy.¹³ The rule authorizes a pharmacist to dispense and deliver a quantity of a compounded drug to a practitioner for office use by the practitioner provided:

- The quantity compounded does not exceed the amount a practitioner may use in his or her office before the expiration date of the drug;
- The quantity compounded is reasonable considering the intended use of the compounded drug and the nature of the practitioner's practice;
- The total quantity compounded does not exceed the pharmacy's capacity to comply with pharmaceutical standards;
- The pharmacy and practitioner enter into a written agreement that provides:
 - The compounded drug may only be administered to the patient and may not be dispensed to the patient or sold to any other person or entity;
 - The practitioner will record product identifying information in the patient's record;

¹⁰ The term "commercially available products" means any medicinal product that is legally distributed in Florida by a drug manufacturer or wholesaler. *See* Rule 64B16-27.700, F.A.C.

¹¹ *See* Rule 16B16-27.700(2), F.A.C., which further provides that supplying patient-specific compounded prescriptions to another pharmacy as permitted by law and regulated by rule is authorized. These provisions pertain to centralized prescription filling for another pharmacy.

¹² *See* Rule 16B16-27.700(3), F.A.C.

¹³ *Id.*

- The practitioner will provide notification to the patient regarding the reporting of an adverse reaction or complaint in order to facilitate a recall of the compounded product;
- The pharmacy maintains records of all compounded drugs ordered by practitioners for office use;
- The pharmacy labels the compounded drug with specified information; and
- The pharmacy is an outsourcing facility and complies with those requirements.

Until recently, the regulation of compounded medications was without clear guidelines or oversight responsibility by the FDA or state agencies. The FDA traditionally regulated the manufacture of prescription drugs, which typically includes making drugs (preparation, deriving, compounding, propagation, processing, producing, or fabrication) on a large scale for marketing and distribution of the product for unidentified patients. State boards of pharmacy historically have regulated the compounding of medications by a pharmacy under the practice of pharmacy that are requested for an identified patient.¹⁴

However, after a nationwide crisis in 2012 relating to contaminated human sterile drugs that had been compounded in pharmacies, enhanced regulation of sterile compounded human drugs was enacted at the federal level. President Barack Obama signed the Drug Quality and Security Act (DQSA)¹⁵ into law on November 27, 2013. Under the DQSA,¹⁶ a compounder of human drugs may become an outsourcing facility, which is able to qualify for exemptions from, among other things, the FDA approval requirements for new drugs.

Compounding Animal Drugs

According to the FDA, the DQSA does not cover the compounding of animal drugs.¹⁷ The statutory and regulatory provisions governing the compounding of human drug products differ from those governing the compounding of animal products. All relevant statutory and regulatory requirements relating to the compounding of animal drug products remain in effect, subject to the requirements of section 512 of the Food Drug and Cosmetic Act.¹⁸ Section 512 of the Food Drug and Cosmetic Act addresses the new animal drug approval requirements, which correspond to the approval process for new drugs for humans.

¹⁴ See generally U.S. Department of Health and Human Services, FDA, Guidance, Compliance & and Regulatory Information for Compounded Drugs, at:

<http://www.fda.gov/Drugs/GuidanceComplianceRegulatoryInformation/PharmacyCompounding/ucm339764.htm> (last visited April 6, 2015).

¹⁵ See <http://www.fda.gov/Drugs/DrugSafety/DrugIntegrityandSupplyChainSecurity/DrugSupplyChainSecurityAct/> (last visited April 6, 2015).

¹⁶ See Section 503B of the Food, Drug, and Cosmetic Act (known as the Compounding Quality Act) at: <http://www.fda.gov/Drugs/GuidanceComplianceRegulatoryInformation/PharmacyCompounding/ucm376732.htm> (last visited April 6, 2015).

¹⁷ See note 14 *supra* (response to question 12).

¹⁸ See U.S. Department of Health and Human Services, FDA, *Guidance for Pharmacy Compounding of Human Drug Products Under Section 503A of the Federal Food, Drug, and Cosmetic Act* (July 2014) at footnote 3, at <http://www.fda.gov/downloads/drugs/guidancecomplianceregulatoryinformation/guidances/ucm377052.pdf> (last visited April 6, 2015).

The FDA has issued compliance policy guidance¹⁹ intended to provide guidance and instructions to FDA staff, the industry, and the public for obtaining information to help fulfill the FDA's plans regarding the compounding of drugs for use in animals. This guidance describes FDA's current thinking on what types of compounding might be subject to enforcement action, and articulates the FDA's policy that it will defer to state authorities regarding the day-to-day regulation of compounding by veterinarians and pharmacists of animal and human drugs that are intended for use in animals.

However, when the scope and nature of activities of veterinarians and pharmacists raise the kinds of concerns normally associated with a drug manufacturer and result in significant violations of the new animal drug, adulteration, or misbranding provisions of the Food, Drug and Cosmetic Act, the FDA will consider enforcement action. The guidance lists 13 factors, any of which may trigger enforcement action. Two of the thirteen factors involve compounding drugs for use in situations where the health of the animal is not threatened and where suffering or death of the animal is not likely to result from failure to treat, and compounding drugs for third parties who resell to individual patients.

Dispensing Practitioner

Section 465.0276, F.S., in the Pharmacy Act relates to dispensing practitioners. Under this section, a person is prohibited from dispensing medicinal drugs unless licensed as a pharmacist or otherwise authorized under the Pharmacy Act to do so, except that a practitioner authorized by law to prescribe drugs may dispense such drugs to her or his patients in the regular course of her or his practice in compliance with this section of law.

This section requires a practitioner who dispenses medicinal drugs for human consumption for fee or remuneration of any kind to register with her or his professional licensing board as a dispensing practitioner, pay a registration fee, and comply with and be subject to all laws and rules applicable to pharmacists and pharmacies. Additional responsibilities are placed on practitioners who register under this section. Because veterinarians do not dispense medicinal drugs for human consumption, and the Veterinary Act does not have a corresponding registration requirement, veterinarians do not register with the Board of Veterinary Medicine.

Dispensing, Prescribing, and Administering

“Dispense” means the transfer of possession of one or more doses of a medicinal drug by a pharmacist or other licensed practitioner to:

- The ultimate consumer; or
- One who represents that it is his or her intention not to consume or use the drug, but to transfer it to the ultimate consumer or user for consumption by that person.²⁰

“Prescribing” is issuing a prescription. A “prescription” includes an order for drugs that is written, signed, or transmitted by word of mouth, telephone, telegram, or other means of communication by a practitioner licensed by the laws of the state to prescribe such drugs, issued

¹⁹ See <http://www.fda.gov/ICECI/ComplianceManuals/CompliancePolicyGuidanceManual/ucm074656.htm> (last visited April 6, 2015.)

²⁰ See ss. 465.003(6) and 893.02(7), F.S.

in good faith and in the course of professional practice, intended to be filled or dispensed by another person licensed to do so.²¹ “Administer” means the direct application of a drug, whether by injection, inhalation, ingestion, or any other means, to the body of a person or animal.²²

III. Effect of Proposed Changes:

The bill clarifies the reach of the Florida Pharmacy Act with respect to the practice of veterinary medicine, by providing that neither the Pharmacy Act nor rules adopted thereunder limit a Florida licensed veterinarian from engaging in any activity allowed under the Veterinary Act. The Pharmacy Act may not prevent, restrict, or address by rule the dispensing of medicinal drugs to or for an animal patient by a licensed veterinarian.

The effective date of the bill is July 1, 2015.

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:

None.

B. Private Sector Impact:

Veterinarians who are licensed and practicing under the Florida Veterinary Practice Act, ch. 474, F.S., may practice without concern that any of the activities they are authorized to perform are subject to regulation by the Pharmacy Act, ch. 465, F.S.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

²¹ See ss. 465.003(14) and 893.02(20), F.S.

²² See ss. 465.003(1) and 893.02(1), F.S.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 465.027 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Health Policy on March 23, 2015:

The CS removes the new definition for office use compounding and the new provision stating that nothing in the chapter or rule prohibit a veterinarian from dispensing a compounded drug to an animal patient or its owner or caretaker. Instead, the CS provides that neither the Florida Pharmacy Act or pharmacy rules limit a veterinarian from engaging in an activity allowed under the Veterinary Practice Act.

- B. **Amendments:**

None.

By the Committee on Health Policy; and Senators Latvala, Soto,
and Diaz de la Portilla

588-02726-15

20151180c1

1 A bill to be entitled
2 An act relating to the practice of pharmacy; amending
3 s. 465.027, F.S.; providing that the Florida Pharmacy
4 Act and rules adopted under the act do not limit a
5 veterinarian from engaging in an activity allowed
6 under ch. 474; providing an effective date.

7

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

9

10 Section 1. Section 465.027, Florida Statutes, is amended to
11 read:

12 465.027 Exceptions.—

13 (1) This chapter may ~~shall~~ not be construed to prohibit the
14 sale of home remedies or preparations commonly known as patents
15 or proprietary preparations which, ~~when such~~ are sold only in
16 original or unbroken packages or, ~~nor shall this chapter be~~
17 ~~construed~~ to prevent businesses from engaging in the sale of
18 sundries or patents or proprietary preparations.

19 (2) No provision in this chapter or rule adopted under this
20 chapter limits a veterinarian licensed under chapter 474 from
21 engaging in an activity allowed under chapter 474.

22 Section 2. This act shall take effect July 1, 2015.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Appropriations Subcommittee on
Transportation, Tourism, and Economic
Development, *Chair*
Appropriations
Commerce and Tourism
Governmental Oversight and Accountability
Regulated Industries
Rules

SENATOR JACK LATVALA
20th District

March 24, 2015

The Honorable Rob Bradley, Chairman
Senate Committee on Regulated Industries
330 Knott Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Chairman Bradley:

I respectfully request consideration of Senate Bill 1180/Practice of Pharmacy by the Senate Regulated Industries Committee at your earliest convenience. The bill was favorably referred by the Health Policy Committee on March 23.

This bill will permit the administration of a compounded veterinary drug to a patient by a practitioner in the practitioner's office or other treatment setting or to the owner or caretaker of the patient.

If you have any questions regarding this legislation, please contact me. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Jack".

Jack Latvala
State Senator
District 20

Cc: Patrick Imhoff, Staff Director; Lynn Koon, Administrative Assistant

REPLY TO:

- 26133 U.S. Highway 19 North, Suite 201, Clearwater, Florida 33763 (727) 793-2797 FAX: (727) 793-2799
- 408 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5020

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore



435334

LEGISLATIVE ACTION

Senate

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House

The Committee on Regulated Industries (Latvala) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Subsection (6) is added to section 465.0276,
Florida Statutes, to read:

465.0276 Dispensing practitioner.—

(6) This chapter and the rules adopted thereunder do not
prohibit a veterinarian licensed under chapter 474 from
administering a compounded drug to a patient, as defined in s.



435334

11 474.202, or dispensing a compounded drug to the patient's owner
12 or caretaker. This subsection does not affect the regulation of
13 the practice of pharmacy as set forth in this chapter.

14 Section 2. This act shall take effect July 1, 2015.

15

16 ===== T I T L E A M E N D M E N T =====

17 And the title is amended as follows:

18 Delete everything before the enacting clause
19 and insert:

20 A bill to be entitled
21 An act relating to the practice of pharmacy; amending
22 s. 465.0276, F.S.; specifying that the Florida
23 Pharmacy Act and rules adopted thereunder do not
24 prohibit a veterinarian from administering a
25 compounded drug to a patient or dispensing a
26 compounded drug to the patient's owner or caretaker;
27 providing applicability; providing an effective date.



105958

LEGISLATIVE ACTION

Senate

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House

The Committee on Regulated Industries (Latvala) recommended the following:

1 **Senate Amendment to Amendment (435334) (with title**
2 **amendment)**

3
4 Between lines 13 and 14
5 insert:

6 Section 2. Section 465.1862, Florida Statutes, is created
7 to read:

8 465.1862 Pharmacy benefit managers.—

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

10 (a) "Health insurance plan" has the same meaning as the



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11 term "health insurance" as defined in s. 627.6482.

12 (b) "Maximum allowable cost" means the upper limit or
13 maximum amount that a health insurance plan will pay for generic
14 prescription drugs or brand name prescription drugs that have
15 available generic versions that are included on a list of
16 products generated by the pharmacy benefit manager.

17 (c) "Pharmacy benefit manager" means a person or entity
18 doing business in this state which contracts to administer or
19 manage prescription drug benefits on behalf of a health
20 insurance plan that provides prescription drug benefits to
21 residents of this state.

22 (2) In each contract between a pharmacy benefit manager and
23 a pharmacy, the pharmacy shall have the right to obtain from the
24 pharmacy benefit manager a current list of the sources used to
25 determine the maximum allowable cost pricing. The pharmacy
26 benefit manager must:

27 (a) Update the maximum allowable cost pricing information
28 at least every 7 business days and provide a means by which a
29 contracted pharmacy may promptly review current pricing
30 information in an electronic, print, or telephonic format that
31 is readily available to a contracted pharmacy within 1 business
32 day after the pricing information is updated at no cost to the
33 contracted pharmacy.

34 (b) Maintain a procedure to eliminate products from the
35 list of products subject to maximum allowable cost pricing in a
36 timely manner in order to remain consistent with changes in the
37 marketplace.

38 (3) To place a prescription drug on a list of products, a
39 pharmacy benefit manager must ensure that the prescription drug



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40 is generally available for purchase by pharmacies in this state
41 from a national or regional wholesaler and is not obsolete.

42 (4) (a) Each contract between a pharmacy benefit manager and
43 a pharmacy must include a process for appeal, investigation, and
44 resolution of disputes regarding maximum allowable cost pricing.

45 The process must:

46 1. Limit the right to appeal to 30 calendar days after the
47 initial claim.

48 2. Require investigation and resolution by the pharmacy
49 benefit manager of a dispute within 7 business days after an
50 appeal is received by the pharmacy benefit manager.

51 3. Include a telephone number at which a contracted
52 pharmacy may contact the pharmacy benefit manager regarding an
53 appeal.

54 4. Require that the pharmacy benefit manager provide a
55 reason for a denial of an appeal and identify the National Drug
56 Code of a prescription drug that may be purchased by the
57 contracted pharmacy at a price at or below the maximum allowable
58 cost as determined by the pharmacy benefit manager.

59 (b) If an appeal is upheld, the pharmacy benefit manager
60 shall make an adjustment to the maximum allowable cost pricing
61 within 1 business day after the date the appeal is upheld. The
62 pharmacy benefit manager shall make the price adjustment
63 applicable to all similarly situated contracted pharmacies.

64
65 ===== T I T L E A M E N D M E N T =====

66 And the title is amended as follows:

67 Delete line 27 and insert:

68 providing applicability; creating s. 465.1862, F.S.;



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69 defining terms; requiring that a contract between a
70 pharmacy benefit manager and a pharmacy allow the
71 pharmacy to obtain from the manager a list of sources
72 used to determine maximum allowable cost pricing;
73 requiring a pharmacy benefit manager to periodically
74 update the maximum allowable cost pricing information
75 and to provide a means for pharmacies to review such
76 information within a specified time; requiring a
77 pharmacy benefit manager to maintain a procedure to
78 eliminate certain products from the list of products
79 subject to maximum allowable cost pricing; specifying
80 requirements for a pharmacy benefit manager to place a
81 prescription drug on a list of products; requiring
82 contracts between a pharmacy benefit manager and a
83 pharmacy to include a specified process for appeal;
84 requiring a pharmacy benefit manager to make
85 adjustments to the maximum allowable cost price within
86 a specified period if an appeal is upheld; providing
87 an effective date.

CourtSmart Tag Report

Room: EL 110
Caption: Senate Committee on Regulated Industries

Case:

Type:
Judge:

Started: 4/8/2015 1:36:46 PM
Ends: 4/8/2015 3:29:31 PM **Length:** 01:52:46

1:36:59 PM Meeting called to order by the Chair
1:37:18 PM Roll call
1:37:49 PM Opening remarks by the Chair
1:38:13 PM SPB 7088 Booter Imhof to explain the bill
1:39:47 PM Senator Margolis questioning
1:40:16 PM Amendment 809258 - Senator Sachs
1:40:34 PM Senator Sachs to explain the amendment
1:41:15 PM Senator Margolis questioning
1:41:48 PM Senator Sachs responding
1:44:00 PM Senator Latvala commenting
1:44:34 PM Senator Sachs responding
1:44:57 PM Mary Kraemer responding
1:45:55 PM Senator Sachs responding
1:46:11 PM Mary Kraemer responding
1:47:18 PM Senator Latvala questioning
1:48:10 PM Mary Kramer looking for response to Sen. Latvala's question
1:49:09 PM Mary Kramer looking for Sen. Latvala's question
1:49:13 PM Booter Imhof responding
1:51:11 PM Senator Margolis questioning
1:52:00 PM Senator Sachs responding
1:52:47 PM Senator Richter questioning
1:53:08 PM Booter Imhof, Staff Director responding
1:56:26 PM Jeff Kottkamp - FL Greyhound Association
1:58:34 PM Senator Negron questioning
1:59:25 PM Mr. Kottcamp responding
2:02:23 PM Carey Theil - Grey2K - USA
2:04:36 PM David Bishop - FL Greyhound Association
2:05:59 PM Jack Cory - FL Greyhound Association
2:08:04 PM Kate MacFall - Humane Society of the United States
2:09:03 PM Brian Pitts - Justice-2-Jesus
2:10:07 PM Senator Flores in debate
2:12:27 PM Senator Sachs to close on the Amendment
2:16:32 PM Roll call vote on the amendment
2:16:47 PM Amendment 809258 - Adopted
2:17:21 PM Amendment 624248 - Senator Sachs to explain the amendment
2:18:31 PM Senator Flores questioning
2:18:46 PM Senator Sachs responding
2:19:27 PM Jack Cory - FL Greyhound Association
2:20:20 PM Carey Theil = Grey2K USA
2:20:48 PM Ramon Maury - FL Greyhound Association
2:22:03 PM Brian Pitts - Justice-2-Jesus
2:23:19 PM Roll call vote on amendment 624248
2:23:41 PM Amendment - Adopted
2:24:11 PM Amendment 383092 - Senator Abruzzo to explain the amendment
2:27:20 PM Senator Richter in debate
2:27:57 PM Senator Sachs questioning
2:28:39 PM Senator Richter responding
2:28:51 PM Senator Latvala responding to Senator Sachs question
2:31:07 PM Senator Abruzzo to close on the amendment
2:31:34 PM Roll call vote on Amendment 383092
2:31:54 PM Amendment - Adopted
2:32:08 PM Amendment 798676 - Senator Sachs to explain the amendment

2:32:35 PM Amendment W/D
2:32:43 PM Amendment 738196 - Senator Braynon to explain the amendment
2:33:44 PM Herb Sheheane - FHBPA
2:35:24 PM Lonny Powell - FTBOA
2:36:41 PM Wilbur Brewton - Calder Race Track
2:37:46 PM Brian Pitts - Justice-2-Jesus
2:38:54 PM Senator Abruzzo commenting
2:40:20 PM Senator Diaz de la Portilla in debate
2:41:11 PM Senator Sachs in debate
2:42:53 PM Senator Richter in debate
2:43:41 PM Senator Braynon to close on the amendment 738196
2:45:22 PM Senator Sachs responding
2:46:35 PM Roll call on Amendment 738196
2:46:59 PM Amendment - Adopted
2:47:15 PM SPB 7088 -
2:47:30 PM Mark Dunbar - Stronach Group
2:50:20 PM Senator Braynon questioning
2:51:57 PM Mr Dunbar responding
2:54:24 PM Senator Sachs questioning
2:57:47 PM Senator Abruzzo commenting and questioning
2:58:25 PM Mr. Dunbar responding
3:01:37 PM Jack Cory - FL Greyhound Association
3:03:49 PM Senator Diaz de la Portilla in debate
3:05:29 PM Senator Margolis in debate
3:07:44 PM Senator Sachs in debate
3:09:38 PM Senator Bean in debate
3:10:43 PM Senator Braynon in debate
3:12:11 PM Senator Richter in debate
3:12:31 PM Senator Abruzzo in debate
3:15:31 PM Senator Stargel in debate
3:16:40 PM Senator Flores in debate
3:19:01 PM Senator Diaz de la Portilla makes motion to submit as committee bill
3:19:32 PM Vote on SPB 7088 - Passes
3:20:13 PM SB 902 -= Senator Clemens
3:20:26 PM Senator Clemens to explain the bill
3:21:10 PM Senator Stargel questioning
3:21:32 PM Senator Clemens responding
3:22:27 PM Senator Negron questioning
3:24:17 PM Senator Bean questioning
3:25:25 PM Greg Pound
3:27:26 PM Brian Pitts - Justice-2-Jesus
3:28:30 PM Senator Clemens to close
3:28:47 PM SB 902 - Passes
3:29:16 PM Meeting adjourned