

Tab 1 SB 336 by Richter; (Compare to CS/CS/H 0079) Property Insurance Appraisals						
416356	D	S	WD	RI, Richter	Delete everything after	02/10 02:12 PM
968182	D	S	RCS	RI, Richter	Delete everything after	02/10 02:12 PM
512052	AA	S	RCS	RI, Margolis	btw L.893 - 894:	02/10 02:12 PM
468366	AA	S	L RCS	RI, Negron	btw L.833 - 834:	02/10 02:12 PM
507214	AA	S	L RCS	RI, Abruzzo	btw L.286 - 287:	02/10 02:12 PM
249202	AA	S	L UNFAV	RI, Abruzzo	Delete L.5 - 767:	02/10 02:12 PM
Tab 2 SB 706 by Altman; (Similar to H 0223) Culinary Education Programs						
479482	A	S	RCS	RI, Abruzzo	Delete L.50 - 57:	02/10 09:26 AM
Tab 3 SPB 7072 by RI; Gaming						
244100	A	S		RI, Negron	Before L.208:	02/09 10:51 AM
594538	A	S		RI, Negron	Delete L.473 - 520:	02/09 10:52 AM
897172	A	S		RI, Negron	Delete L.1105 - 2309:	02/09 10:52 AM
283940	A	S		RI, Abruzzo	Delete L.2324 - 2333:	02/09 11:25 AM
Tab 4 SPB 7074 by RI; Gaming Compact Between the Seminole Tribe of Florida and the State of Florida						
144750	A	S		RI, Negron	btw L.36 - 37:	02/09 10:53 AM
209278	A	S		RI, Negron	Delete L.59:	02/09 10:53 AM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

REGULATED INDUSTRIES
Senator Bradley, Chair
Senator Margolis, Vice Chair

MEETING DATE: Tuesday, February 9, 2016
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
1	SB 336 Richter (Compare CS/CS/H 79)	Property Insurance Appraisals; Creating provisions relating to property insurance appraisers and property insurance appraisal umpires; creating the property insurance appraiser and property insurance appraisal umpire licensing program within the Department of Financial Services; authorizing the department to issue a license as a property insurance appraiser or a property insurance appraisal umpire upon receipt of an application, etc. RI 02/02/2016 Not Considered RI 02/09/2016 Fav/CS BI AP	Fav/CS Yeas 7 Nays 3
2	SB 706 Altman (Similar H 223, CS/CS/H 249)	Culinary Education Programs; Providing for the applicability of Department of Health sanitation rules to a licensed culinary education program; authorizing a culinary education program with a public food service establishment license to obtain an alcoholic beverage license under certain conditions; authorizing the Division of Alcoholic Beverages and Tobacco to adopt rules to administer such licenses, etc. RI 02/09/2016 Fav/CS HP FP	Fav/CS Yeas 11 Nays 0
Consideration of proposed bill:			
3	SPB 7072	Gaming; Revising provisions for applications for pari-mutuel operating licenses; authorizing a greyhound racing permitholder to receive an operating license to conduct pari-mutuel wagering activities at another permitholder's greyhound racing facility; authorizing the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation to approve changes in racing dates for greyhound racing permitholders under certain circumstances, etc.	Temporarily Postponed
Consideration of proposed bill:			

COMMITTEE MEETING EXPANDED AGENDA

Regulated Industries

Tuesday, February 9, 2016, 1:30—3:30 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	SPB 7074	Gaming Compact Between the Seminole Tribe of Florida and the State of Florida; Superseding the Gaming Compact; ratifying and approving a specified compact executed by the Governor and the Tribe; directing the Governor to cooperate with the Tribe in seeking approval of the compact from the United States Secretary of the Interior; expanding the games authorized to be conducted and the counties in which such games may be offered, etc.	Temporarily Postponed

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 Regulated Industries

BILL: CS/SB 336

INTRODUCER: Regulated Industries Committee and Senator Richter

SUBJECT: Property Insurance Appraisers and Property Insurance Appraisal Umpires

DATE: February 9, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Oxamendi	Caldwell	RI	Fav/CS
2.			BI	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 336 provides for the licensing and regulation of property insurance appraisers and umpires by the Department of Financial Services (department). Property insurance contracts often contain “appraisal” provisions. Appraisal provisions are used when the parties agree that there is a covered loss but disagree as to the amount of the loss. Such provisions typically provide that each party select an appraiser. The two appraisers jointly select an umpire. The two appraisers submit a report to the insurer. If the appraisers agree as to the amount of the loss, the insurer pays the claim. If they do not agree, the umpire resolves the dispute. Current law does not limit or restrict who may act as an umpire and does not provide a method for either party to challenge whether an umpire is fair and impartial.

The bill establishes a licensing program for “property insurance appraisal umpires” within the department. The bill incorporates the program into part I of ch. 626, F.S., which sets forth the procedural provisions applicable to all insurance licensing programs administered by the department. Licensure is required only for appraisals involving residential claims. The bill creates definitions; qualifications and requirements for licensure, including prerequisite education, fees, and background screening; continuing education; grounds for the refusal, suspension, or revocation of a license; and a code of conduct that includes restrictions on the amount that may be charged. Only retired judges and Florida-licensed engineers, contractors, architects, attorneys, and adjusters who meet specified experience requirements are eligible for licensure.

In addition, the bill allows only licensed adjusters or attorneys to practice as an appraiser in insurance claims related to residential property. Fees charged by public adjusters who serve as appraisers are capped at current statutory limits for adjusters, and contracts for appraisal services must contain specified notice regarding the right to negotiate fees. Appraisers for insurers are not similarly regulated.

The bill appropriates \$24,000 in recurring funds from the Insurance Regulatory Trust Fund to the DFS and appropriates \$73,107 in recurring funds and \$39,230 in nonrecurring funds from the Administrative Trust Fund to the DFS. The bill also authorizes one full-time equivalent position with associated salary rate of 47,291 to implement provisions of the bill.

The bill provides an effective date of October 1, 2016.

II. Present Situation:

Florida Insurance Code

“Florida Insurance Code” (code) consists of chs. 624-632, 634, 635, 636, 641, 642, 648, and 651, F.S.

Section 624.11(1), F.S., prohibits a person from transacting insurance in this state, or relative to a subject of insurance resident, located, or to be performed in this state, without complying with the applicable provisions of the code. Section 624.04, F.S., defines the term “person,” as used in the code, to include:

an individual, insurer, company, association, organization, Lloyds, society, reciprocal insurer or interinsurance exchange, partnership, syndicate, business trust, corporation, agent, general agent, broker, service representative, adjuster, and every legal entity.

Department of Financial Services (department) and the Office of Insurance Regulation of the Financial Services Commission are charged with enforcing the code.¹

Public Adjusters

A public adjuster is a person, other than a licensed attorney, who, for compensation, prepares or files an insurance claim form for an insured or third-party claimant in negotiating or settling an insurance claim on behalf of the insured or third party.² The responsibilities of property insurance public adjusters include inspecting the loss site, analyzing damages, assembling claim support data, reviewing the insured’s coverage, determining current replacement costs, and conferring with the insurer’s representatives to adjust the claim. Public adjusters are licensed by the department and must meet specified age, residency, examination, and surety bond

¹ Section 626.307, F.S.

² Section 626.854(1), F.S.

requirements.³ The conduct of a public adjuster is governed by statute and by rule.⁴ A company employee adjuster (known as a “company adjuster”) performs the same services as a public adjuster except he or she is employed by the insurer.⁵

Property Insurance Appraisers and Umpires

Property insurance contracts often contain “appraisal” provisions. Appraisal provisions are used when the parties agree that there is a covered loss but disagree as to the amount of the loss.⁶ Such provisions typically provide that each party select a property insurance appraiser (appraiser). The two appraisers jointly select an umpire. The two appraisers submit a report to the insurer. If the appraisers agree as to the amount of the loss, the insurer pays the claim. If they do not agree, the property insurance appraisal umpire (appraisal umpire) resolves the dispute.⁷ Current law does not limit or restrict who may act as an appraiser or appraisal umpire or provide for the regulation of appraisers or appraisal umpires.

Section 627.70151, F.S., provides conflict of interest standards for appraisal umpires. It provides that insurers and policy holder may challenge an appraisal umpire’s impartiality and disqualify the proposed umpire only if:

- (1) A familial relationship within the third degree exists between the umpire and a party or a representative of a party;
- (2) The umpire has previously represented a party in a professional capacity in the same claim or matter involving the same property;
- (3) The umpire has represented another person in a professional capacity on the same or a substantially related matter that includes the claim, the same property or an adjacent property, and the other person’s interests are materially adverse to the interests of a party; or
- (4) The umpire has worked as an employer or employee of a party within the preceding 5 years.

The Sunrise Act

Florida does not license or regulate appraisal umpires or appraisers.

A proposal for new regulation of a profession must meet the requirements in s. 11.62, F.S., the Sunrise Act. The act prohibits:

- Subjecting a profession or occupation to regulation by the state unless the regulation is necessary to protect the public health, safety, or welfare from significant and discernible harm or damage; or

³ Section 626.865, F.S.

⁴ See generally, ss. 626.854, 626.8698, 626.876, 626.878, 626.8795, and 626.8796, F.S., and Rule 69B-220, F.A.C.

⁵ Section 626.856, F.S.

⁶ See Fla.Jur. Insurance §3292.

⁷ *Citizens Property Insurance Corporation v. Mango Hill Condominium Association 12 Inc.*, 54 So.3d 578 (Fla.3d DCA 2011) and *Intracoastal Ventures Corp. v. Safeco Ins. Co. of America*, 540 So.2d 162 (Fla. 3d DCA 1989), contain examples of appraisal provisions.

- Regulating a profession or occupation by the state in a manner that unnecessarily restricts entry into the practice of the profession or occupation or adversely affects the availability of the professional or occupational services to the public.

In determining whether to regulate a profession or occupation, s. 11.62, F.S., requires the Legislature to consider the following:

- Whether the unregulated practice of the profession or occupation will substantially harm or endanger the public health, safety, or welfare, and whether the potential for harm is recognizable and not remote;
- Whether the practice of the profession or occupation requires specialized skill or training, and whether that skill or training is readily measurable or quantifiable so that examination or training requirements would reasonably assure initial and continuing professional or occupational ability;
- Whether the regulation will have an unreasonable effect on job creation or job retention in the state or will place unreasonable restrictions on the ability of individuals who seek to practice, or who are practicing, a given profession or occupation to find employment;
- Whether the public is or can be effectively protected by other means; and
- Whether the overall cost-effectiveness and economic impact of the proposed regulation, including the indirect costs to consumers, will be favorable.

Section 11.62, F.S., requires the proponents of regulation to submit information, which is structured as a sunrise questionnaire to document that the regulation meets these criteria. A response to a sunrise questionnaire was prepared by the proponents of the legislation to assist the Legislature in determining the need for regulation.

The response submitted by the proponents of the bill, the Insurance Appraisers and Umpires Association (IAUA),⁸ states that the unregulated profession poses a substantial harm to the public health, safety, or welfare. In pertinent part, the response provides:

Currently, the state licenses adjusters in three categories, company adjuster, independent adjuster and public adjuster, if an individual is unable to pass these tests, or if they lose their license, they are able to become an insurance property appraisers and/or an insurance property umpire with no regulation. Further, convicted felons are able to become insurance property appraisers and/or insurance property umpires.

The Courts have ruled that a decision of the insurance appraisal panel (any 2 of the 3 members of the panel) is binding on the parties unless fraud is involved, (appraisals are for the dollar amount of the insurance loss and the panels are not empowered to determine coverage).

In the past, the public has been harmed when roofers, contractors and non-insurance people are involved and they don't properly appraise the amount of damages, for example, roofers have been known to appraise the roof of

⁸ More information about the Insurance Appraisers and Umpires Association is available at: <http://www.iaua.us/about-iaua.aspx> (last visited March 13, 2015).

a home only without considering the interior of a home thus injuring the public in that they don't receive the proper insurance funds for the interior of their home and thus they fail to repair the interior making the damages worse and affecting the value of the home.

III. Effect of Proposed Changes:

The bill provides for the regulation of appraisal umpires and appraisers.

Chapter 624, F.S. - Appraisal Umpires

The bill amends s. 624.04, F.S., to include appraisal umpires within the definition of the term "person." In effect, this provision requires appraisal umpires to comply with the provisions of the code.

The bill amends the following provisions in ch. 624, F.S., to include appraisal umpires:

- Section 624.303(2), F.S., to exempt certificates issued to umpires from the requirement to bear the seal of the department;
- Section 624.311(4), F.S., to provide a schedule for destruction of appraisal umpire licensing files and records; and
- Section 624.317, F.S., to authorize the department to investigate umpires for violations of the insurance code.

The bill amends s. 624.501, F.S., to authorize the following licensing fees for appraisal umpires, which are currently applicable to agent, adjusters, and other insurance representatives:

- A reasonable fee fixed by the department for preparing a list of appraisal umpires; and
- A \$20 fee for the late filing of an appointment renewal.

The bill requires a \$60 fee for each appointment and biennial renewal, and an unspecified fee to cover the actual cost of a credit report when such report must be secured by the department.

The bill also amends s. 624.523, F.S., to require the deposit of fees into the Insurance Regulatory Trust Fund.

Chapter 626, F.S. - Appraisers and Appraisal Umpires

The bill creates s. 626.112(6), F.S., to require that a person may not act, represent, or hold themselves out to be an appraisal umpire unless the person holds a current effective license and appointment as an appraisal umpire.

The bill creates s. 626.112(7), F.S., to require that a person may not act, represent, or hold themselves out to be an appraiser who is eligible to represent an insured on a personal residential or commercial residential property insurance claim unless he or she holds a currently effective license as an adjuster or is exempt from license under s. 626.860, F.S.⁹ This provision does not

⁹ Section 626.860, F.S. permits licensed attorneys to adjust or participate in the adjustment of any claim, loss, or damage arising under policies or contracts of insurance.

prohibit persons who are not licensed as an adjuster to act as an appraiser for insurance claims related to non-residential property.

The bill creates s. 626.112(8), F.S., to prohibit persons convicted of a felony or disqualified under s. 626.207, F.S.,¹⁰ from acting or serving as an appraiser or appraisal umpire.

The bill amends the following provisions in ch. 626, F.S., to include the regulation of appraisal umpires:

- Section 626.115(16), F.S., to provide that the terms “property insurance appraisal umpire” and “umpire” have the same meaning as the term “property insurance appraisal umpire” as defined in s. 626.9964, F.S.;
- Section 626.016, F.S., to expand the scope of the Chief Financial Officer’s powers and duties and the department’s enforcement jurisdiction to include appraisal umpires;
- Section 626.022, F.S., to include appraisal umpire licensing in the scope of part I of chapter 626, F.S., relating to licensing procedures and general requirements for insurance representatives;
- Section 626.171, F.S., to require applicants for licensure as an umpire to submit fingerprints;
- Section 626.207, F.S., to exclude appraisal umpire applicants from the application of s. 112.011, F.S., relating to disqualification from license or public employment;
- Section 626.2815, F.S., to include appraisal umpires in the continuing education requirement for adjusters;¹¹
- Section s. 626.451, F.S., to include appraisal umpires in the procedures for appointment;
- Section 626.461, F.S., to include appraisal umpires in the procedure for the renewal, continuation, or termination of an appointment;
- Section 626.521, F.S., to authorize the department to obtain a credit and character report for appraisal umpire applicants;
- Section 626.541, F.S., to include appraisal umpires in procedure for doing business as a firm or corporate name;
- Section 626.601, F.S., to authorize the department to investigate improper conduct of any licensed umpire;
- Section 626.611, F.S., to require the department to refuse, suspend, or revoke an appraisal umpire’s license or appointment for the same grounds as current law provides for agents, title agencies, adjusters, customer representatives, service representatives, or managing general agents;
- Section 626.621, F.S., to grant the department the discretion to refuse, suspend, or revoke an umpire’s license or appointment for the same grounds as current law provides for agents, title agencies, adjusters, customer representatives, service representatives, or managing general agents;
- Section 626.641(4), F.S., to prohibit an appraisal umpire from owning, controlling, or being employed by other licensees during the period that the appraisal umpire’s license is suspended or revoked;
- Sections 626.7845(2), 626.8305, 626.8411, and 626.9957, F.S., to conform cross-references.

¹⁰ Section 626.207, F.S., prohibits persons who have engaged in specified felonies from engaging in financial activity regulated by the Department of Financial Services, the Office of Insurance Regulation, or the Office of Financial Regulation.

¹¹ However, s. 626.9965(2)(e), F.S., exempts retired county, circuit, or appellate judges from the continuing education requirement in s. 626.2815, F.S.

- Section 626.8443(4), F.S., to prohibit a title insurance agent or agency from owning, controlling, or being employed by an appraisal umpire or during the period the agent's license or appointment is suspended or revoked;
- Section 626.854(11)(d), F.S., to cap fees for appraisal or combined appraisal and adjusting services as provided in s. 626.854(11)(b), F.S., which caps fees for public adjuster services; and
- Section 626.8791, F.S., to provide a conspicuous notice in contracts for appraisal services that states that there is not legal requirement that the appraiser must charge a client a set fee or percentage on money recovered in a case, and that the client has the right to bargain the rate or percentage in the contract.

Property Insurance Appraisal Umpire Licensing Program

The bill creates part XIV of ch. 626, F.S., consisting of ss. 626.9961 through 626.9968, F.S., to provide for the regulation of appraisal umpires.

Section 626.9961, F.S., provides that part XIV of ch. 626, may be referred to as the "Property Insurance Appraisal Umpire Law."

Section 626.9962, F.S., provides a statement of legislative intent that the regulation of appraisal umpires is intended to protect public safety and welfare and to avoid economic injury to the residents of this state.

Section 626.9963, F.S., provides that part XIV of ch. 626, F.S., supplements part I of ch. 626, F.S., the "Licensing Procedures Law."

Definitions

Section 626.9964, F.S., defines the terms "appraisal," "competent," "department," "property insurance appraisal umpire," "umpire," "property insurance appraiser," and "appraiser."

The bill defines the terms "property insurance appraisal umpire" or "umpire" to mean:

A person selected by the appraisers representing the insurer and the insured, or, if the appraisers cannot agree, by the court, who is charged with resolving issues that the appraisers are unable to agree upon during the course of an appraisal;

Appraisal Umpire Qualifications

Section 626.9965, F.S., provides the license qualifications for an appraisal umpire.

To be licensed as an appraiser or appraisal umpire a person must be:

- A retired county, circuit, or appellate judge;
- An engineer as defined in s. 471.005, F.S., or as a retired professional engineer as defined in s. 471.005, F.S.;
- A general contractor, building contractor, or residential contractor pursuant to part I of ch. 489, F.S.;

- An architect licensed to engage in the practice of architecture pursuant to part I of ch. 481, F.S.;
- A Florida-licensed attorney; or
- A property and casualty adjuster licensed under part VI of 626, F.S., who has been licensed for at least 5 years as an adjuster before he or she may be licensed as an appraisal umpire.

In addition to meeting the license requirements, an individual must:

- Be a natural person who is at least 18 years of age;
- Be a United States citizen or legal alien who possesses work authorization from the United States Citizenship and Immigration Services;
- Be of good moral character;
- Be trustworthy and competent;
- Pay the applicable fees; and
- Satisfactorily complete the education courses approved by the department that consist of at least 19 hours of insurance claims estimating and at least five hours of insurance law, ethics, disciplinary trends, and case studies.

Section 626.9965(2)(e), F.S., also exempts retired county, circuit, or appellate judges from the continuing education requirement in s. 626.2815, F.S., and the education requirement in this subsection.

The bill provides that an applicant seeking to become licensed under this part may not be rejected solely by virtue of membership or lack of membership in any particular appraisal organization.

Grounds for Refusal, Suspension, or Revocation of a License

The bill creates s. 626.9966, F.S., to provide the grounds for the denial of an application, the suspension or revocation of a license, and to refuse to renew or continue a license, including committing fraud or dishonest practices in the conduct of business under the license and having been found guilty of or having plead guilty or nolo contendere to a felony or a crime punishable by imprisonment of 1 year or more under state or federal law or any crime that involves moral turpitude, without regard to whether a judgment of conviction has been entered by the court having jurisdiction of such cases. An appraiser license may also be denied if he or she has had a registration, license, or certification as an umpire revoked, suspended, or otherwise acted against in Florida, any other state, any nation, or any possession or district of the United States.

Ethical Standards for Appraisal Umpires

The bill creates s. 626.9967, F.S., to provide the following ethical standards for appraisal umpires. An appraisal umpire must:

- Charge fees that are reasonable and consistent with the nature of the case, charge a fee based on actual time spent or allocated, not accept a fee based on a percentage basis or contingent basis, charge for costs actually incurred, and not charge more than \$500 if the amount reported by the appraiser for the insurer or insured does not exceed \$2,500;
- Maintain records necessary to support charges for services and expenses and maintain such records for at least 5 years;

- Not engage in false or misleading advertising or marketing practices;
- Not engage in any business, provide any service, or perform any act that would compromise the appraiser's or umpire's integrity or impartiality, including being available to promptly commence the service and thereafter devote his or her time to its completion in the manner expected by all involved parties, and disclosing the expert's fees before retaining the expert;
- Decline an appointment or selection, withdraw, or request appropriate assistance when the facts and circumstances of the service is beyond the person's skill or experience;
- Not give or accept any gift, favor, loan, or other item of value in excess of \$25 to any individual who participates in the appraisal process except for the reasonable fee; and
- Not engage in ex parte communications.

Conflicts of Interest

Section 626.9968, F.S., provides standards for conflicts of interest for appraisal umpires that are identical to the standards provided in current law in s. 627.70151, F.S. However, the bill also permits the insurer or the policyholder to challenge the impartiality of an appraisal umpire and disqualify his or her appointment if the appraisal umpire has violated one of the disciplinary grounds in s. 626.9966, F.S.

The bill repeals s. 627.70151, F.S.

Appropriation

For the 2016-2017 fiscal year, the bill appropriates \$24,000 in recurring funds from the Insurance Regulatory Trust Fund to the department, and appropriates \$73,107 in recurring funds and \$39,230 in nonrecurring funds from the Administrative Trust Fund to the department. The bill authorizes one full-time equivalent position with the associated salary rate of 47,291, for the purpose of implementing this act.

Effective Date

The bill provides an effective date of October 1, 2016.

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 bill amends s. 624.501, F.S., to apply the fees in this section to appraisal umpires, and to require a \$60 fee for each appointment and biennial renewal. The bill also provides an unspecified fee to cover the actual cost of a credit report when such report must be secured by the department.

B. Private Sector Impact:

Applicants for an appraiser license and for an appraisal umpire license would be required to pay the application and license fees specified in the bill, including the cost of fingerprinting for a criminal history records check. According to FDLE, the cost for a state and national criminal history record check is \$38.75.¹² Licensees would also incur costs related to compliance with the continuing education requirements.

C. Government Sector Impact:

For the 2016-2017 fiscal year, the bill appropriates \$24,000 in recurring funds from the Insurance Regulatory Trust Fund to the department, and appropriates \$73,107 in recurring funds and \$39,230 in nonrecurring funds from the Administrative Trust Fund to the department. The bill authorizes one full-time equivalent position with the associated salary rate of 47,291, for the purpose of implementing this act.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 624.04, 624.303, 624.311, 624.317, 624.501, 624.523, 626.015, 626.016, 626.022, 626.112, 626.171, 626.207, 626.2815, 626.451, 626.461, 626.521, 626.541, 626.601, 626.611, 626.621, 626.641, 626.7845, 626.8305, 626.8411, 626.8443, 626.854, 626.8791, and 626.9957.

This bill creates the following sections of the Florida Statutes: 626.9961, 626.9962, 626.9963, 626.9964, 626.9965, 626.9966, 626.9967, and 626.9968.

This bill repeals section 627.70151 of the Florida Statutes.

¹² See Criminal History Record Check Fee Schedule at: <http://www.fdle.state.fl.us/cms/Criminal-History-Records/Obtaining-Criminal-History-Information.aspx> (last visited February 8, 2016).

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 Regulated Industries on February 9, 2016:

The committee substitute (CS) changes the title from an act relating to “property insurance appraisals” to an act relating to “property insurance appraisers and property insurance appraisal umpires.”

The CS amends s. 624.04, F.S., to include appraisal umpires within the definition of the term “person.” In effect, this provision requires persons to comply with the provisions of the code.

The CS amends the following provisions in ch. 624, F.S., to include appraisal umpires:

- Section 624.303(2), F.S., relating to the seal of the department;
- Section 624.311(4)(c), F.S., relating to the schedule for destruction of licensing files and records;
- Section 624.317, F.S., relating to the department’s authority to investigate violations of the insurance code; and
- Sections 624.501 and 624.523, F.S., relating to fees.

The CS does not create s. 626.9963, F.S., to provide the applicable fees for appraisal umpires and to require that the fees must be deposited in the Insurance Regulatory Trust Fund. Instead the CS creates s. 626.9963, F.S., to provide that part XIV of ch. 626, F.S., is supplementary to the “Licensing Procedures Law, in part I of ch. 626, F.S.

The CS creates s. 626.112(6), F.S., to require that a person may not act, represent, or hold themselves out to be an appraisal umpire unless the person holds a current effective license and appointment as an appraisal umpire.

The CS creates s. 626.112(7), F.S., to require that a person may not act, represent or hold themselves out to be an appraiser who is eligible to represent an insured on a personal residential or commercial residential property insurance claim unless he or she holds a currently effective license as an adjuster or is exempt from license under s. 626.860, F.S. This provision does not prohibit persons who are not licensed as an adjuster to act as an appraiser for insurance claims related to non-residential property.

The CS creates s. 626.112(8), F.S., to prohibit persons convicted of a felony or disqualified under s. 626.207, F.S., from acting or serving as an appraiser or appraisal umpire.

The bill amends the following provisions in ch. 626, F.S., to include appraisal umpires:

- Section 626.115(16), F.S., relating to the definition of the terms “property insurance appraisal umpire” and “umpire;”
- Section 626.016, F.S., relating to the scope of the Chief Financial Officer’s powers and duties and the department’s enforcement jurisdiction;

- Section 626.022, F.S., relating to the scope of part I of chapter 626, F.S.;
- Section 626.171, F.S., relating to submission of fingerprints;
- Section 626.207, F.S., relating to the application of s. 112.011, F.S.;
- Section 626.2815, F.S., relating to the continuing education requirement;
- Section s. 626.451, F.S., relating to procedures for appointment;
- Section 626.461, F.S., relating to the procedure for the renewal, continuation, or termination of an appointment;
- Section 626.521, F.S., relating to credit and character reports;
- Section 626.541, F.S., relating to the procedure for doing business as a firm or corporate name;
- Section 626.601, F.S., relating to the department's authority to investigate improper conduct of any licensed umpire;
- Section 626.611, F.S., relating to the grounds for compulsory refusal, suspension, or revocation an appraisal umpire's license or appointment;
- Section 626.621, F.S., relating to the grounds for discretionary refusal, suspension, or revocation an appraisal umpire's license or appointment;
- Section 626.641(4), F.S., relating to prohibitions during the period that the appraisal umpire's license is suspended or revoked;
- Sections 626.7845(2), 626.8305, 626.8411, and 626.9957, F.S., to conform cross-references;
- Section 626.8443(4), F.S., relating to prohibitions during the period the agent's license or appointment is suspended or revoked;
- Section 626.854(11)(d), F.S., relating to cap fees; and
- Section 626.8791, F.S., relating to the required notice in contracts for appraisal services.

The CS does not create s. 626.9961, F.S., to create the property insurance appraisal umpire and appraiser licensing program within the department. Instead, the CS creates s. 626.9961, F.S., to provide that part XIV of ch. 626, may be referred to as the "Property Insurance Appraisal Umpire Law." The CS provides for the regulation of appraisal umpires in part XIV of ch. 626, F.S., but does not provide for the regulation of appraisers in part XIV of ch. 626. F.S.

The CS does not create s. 626.9962, F.S., to define the terms "appraisal," "competent," "department," "independent," "property insurance appraisal umpire," "umpire," "property insurance appraiser," and "appraiser." Instead, the bill creates s. 626.9962, F.S., to provide a statement of legislative intent.

The CS does not create s. 626.9963, F.S., to provide fees. Instead, the CS creates s. 626.9963, F.S., to provide that part XIV of ch. 626, F.S., supplements part I of ch. 626, F.S., the "Licensing Procedures Law."

The CS does not create s. 626.9964, F.S., to provide the application process for an appraiser or appraisal umpire license, and to provide the license qualifications for an appraiser or appraisal umpire. Instead, the CS creates s. 626.9964, F.S., to define the terms "appraisal," "competent," "department," "property insurance appraisal umpire,"

“umpire,” “property insurance appraiser,” and “appraiser.” The CS does not define the term “independent.” The CS defines the terms “property insurance appraisal umpire” and “umpire,” to reference selection by a court.

The CS does not create s. 626.9965, F.S., to provide for licensure by endorsement for an appraiser or appraisal umpire. Instead, the CS creates s. 626.9965, F.S., to provide the qualifications for licensure as an appraisal umpire. It also provides that the continuing education must consist of at least 19 hours of insurance claims estimating and at least five hours of insurance law, ethics, disciplinary trends, and case studies. The CS also exempts retired county, circuit, or appellate judges from the continuing education requirement in s. 626.2815, F.S., and the education requirement in s. 626.9965(2)(e), F.S.

The CS does not create s. 626.9966, F.S., to provide for the appointment of an appraiser or umpire. Instead, the CS creates s. 626.9966, F.S., to provide grounds for the refusal, suspension, or revocation of an appraisal umpire license or appointment.

The CS does not create s. 626.9967, F.S., to provide a continuing education requirement for appraisers and appraisal umpire licensees.

The CS does not create s. 626.9968, F.S., to permit appraiser and umpire licensees to practice through a partnership, corporation, or other business entity that is registered with the department.

The CS does not create s. 626.9971, F.S., to provide the grounds for the discretionary denial of an application, the suspension or revocation of a license, and refusal to renew or continue a license.

The bill does not create s. 626.9972, F.S., to provide ethical standards for appraisers and appraisal umpires. Instead, the CS creates s. 626.9967, F.S., to provide ethical standards for appraisal umpires. The CS prohibits appraisal umpires from receiving or giving gifts, favors, loans, or other items of value that exceed \$25 to any individual who participates in the appraisal process, and prohibits the appraisal umpire from engaging in ex parte communications. The CS does not provide that the appraisal umpire must maintain the confidentiality of all information revealed during an appraisal except where disclosure is required by law, or require that the appraisal umpire must maintain confidentiality of records. The CS prohibits the appraisal umpire to charge more than \$500 if the amount reported by the appraiser for the insurer or insured does not exceed \$2,500. The CS requires that the appraisal umpire must disclose the expert’s fees before retaining the expert. The CS does not specify the circumstances during which the appraisal umpire may engage in an ex parte communication.

The CS amends s. 626.9968, F.S., to permit the insurer or the policyholder to challenge the impartiality of an appraisal umpire and disqualify his or her appointment if the appraisal umpire has violated one of the disciplinary grounds in s. 626.9966, F.S.

The CS does not create s. 626.9973, F.S., to provide that, effective October 1, 2016, a person may not use the name or title “property insurance appraiser,” “appraiser,”

“property insurance appraisal umpire,” or “umpire” unless he or she is licensed pursuant to part XIV or ch. 626, F.S. It also does not provide that a person who violates this prohibition commits a misdemeanor of the first degree, punishable as provided in s. 775.082, F.S., or s. 775.083, F.S.

The CS does not create s. 626.9974, F.S., to authorize the department to adopt rules.

The CS changes the appropriation for the 2016-2017 fiscal year. The CS does not appropriate \$605,874 in recurring funds and \$59,053 in nonrecurring funds from the Insurance Regulatory Trust Fund to the Department of Financial Services for four full-time equivalent positions with associated salary rate of \$212,315 for the purpose of implementing this act. Instead, the CS appropriates specified recurring and nonrecurring funds from the Insurance Regulatory Trust Fund and the Administrative Trust Fund to the department, and authorizes one full-time equivalent position with the associated salary rate of \$47,291, for the purpose of implementing this act.

The CS provides an effective date of October 1, 2016, instead of July 1, 2016.

B. Amendments:

None.

COMMITTEE VOTE RECORD

COMMITTEE: Regulated Industries
ITEM: SB 336
FINAL ACTION: Favorable with Committee Substitute
MEETING DATE: Tuesday, February 9, 2016
TIME: 1:30—3:30 p.m.
PLACE: 110 Senate Office Building

FINAL VOTE		SENATORS	2/09/2016 1 Amendment 416356		2/09/2016 2 Amendment 968182		2/09/2016 3 Amendment 512052	
Yea	Nay		Richter		Margolis		Margolis	
			Yea	Nay	Yea	Nay	Yea	Nay
	X	Abruzzo						
X		Bean						
	X	Braynon						
		Diaz de la Portilla						
X		Flores						
X		Latvala						
X		Negron						
		Richter						
	X	Sachs						
X		Stargel						
X		Margolis, VICE CHAIR						
X		Bradley, CHAIR						
7 Yea	3 Nay	TOTALS	- Yea	WD Nay	PEND Yea	- Nay	RCS 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: SB 336
FINAL ACTION: Favorable with Committee Substitute
MEETING DATE: Tuesday, February 9, 2016
TIME: 1:30—3:30 p.m.
PLACE: 110 Senate Office Building

SENATORS	2/09/2016	8	2/09/2016	9	2/09/2016	10		
	Consider late-filed AM (2/3 vote required) 507214 Abruzzo		Amendment 507214 Abruzzo		Amendment 968182(Adopted as Amended) Margolis		Yea	Nay
Abruzzo								
Bean								
Braynon								
Diaz de la Portilla								
Flores								
Latvala								
Negron								
Richter								
Sachs								
Stargel								
Margolis, VICE CHAIR								
Bradley, CHAIR								
TOTALS	FAV	-	RCS	-	RCS	-	Yea	Nay
	Yea	Nay	Yea	Nay	Yea	Nay	Yea	Nay

CODES: FAV=Favorable RCS=Replaced by Committee Substitute TP=Temporarily Postponed WD=Withdrawn
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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
02/10/2016	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 624.04, Florida Statutes, is amended to
read:

624.04 "Person" defined.—"Person" includes an individual,
insurer, company, association, organization, Lloyds, society,
reciprocal insurer or interinsurance exchange, partnership,
syndicate, business trust, corporation, agent, general agent,



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11 broker, service representative, adjuster, property insurance
12 appraisal umpire, and every legal entity.

13 Section 2. Subsection (2) of section 624.303, Florida
14 Statutes, is amended to read:

15 624.303 Seal; certified copies as evidence.—

16 (2) All certificates executed by the department or office,
17 other than licenses of agents, property insurance appraisal
18 umpires, ~~or~~ adjusters, or similar licenses or permits, shall
19 bear its respective seal.

20 Section 3. Paragraphs (b) and (c) of subsection (4) of
21 section 624.311, Florida Statutes, are amended to read:

22 624.311 Records; reproductions; destruction.—

23 (4) To facilitate the efficient use of floor space and
24 filing equipment in its offices, the department, commission, and
25 office may each destroy the following records and documents
26 pursuant to chapter 257:

27 (b) Agent, adjuster, property insurance appraisal umpire,
28 and similar license files, including license files of the
29 Division of State Fire Marshal, over 2 years old; except that
30 the department or office shall preserve by reproduction or
31 otherwise a copy of the original records upon the basis of which
32 each such licensee qualified for her or his initial license,
33 except a competency examination, and of any disciplinary
34 proceeding affecting the licensee;

35 (c) All agent, adjuster, property insurance appraisal
36 umpire, and similar license files and records, including
37 original license qualification records and records of
38 disciplinary proceedings 5 years after a licensee has ceased to
39 be qualified for a license;



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40 Section 4. Section 624.317, Florida Statutes, is amended to
41 read:

42 624.317 Investigation of agents, adjusters, property
43 insurance appraisal umpires, administrators, service companies,
44 and others.—If it has reason to believe that any person has
45 violated or is violating any provision of this code, or upon the
46 written complaint signed by any interested person indicating
47 that any such violation may exist:

48 (1) The department shall conduct such investigation as it
49 deems necessary of the accounts, records, documents, and
50 transactions pertaining to or affecting the insurance affairs of
51 any general agent, surplus lines agent, adjuster, property
52 insurance appraisal umpire, managing general agent, insurance
53 agent, insurance agency, customer representative, service
54 representative, or other person subject to its jurisdiction,
55 subject to the requirements of s. 626.601.

56 (2) The office shall conduct such investigation as it deems
57 necessary of the accounts, records, documents, and transactions
58 pertaining to or affecting the insurance affairs of any:

59 (a) Administrator, service company, or other person subject
60 to its jurisdiction.

61 (b) Person having a contract or power of attorney under
62 which she or he enjoys in fact the exclusive or dominant right
63 to manage or control an insurer.

64 (c) Person engaged in or proposing to be engaged in the
65 promotion or formation of:

- 66 1. A domestic insurer;
- 67 2. An insurance holding corporation; or
- 68 3. A corporation to finance a domestic insurer or in the



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69 production of the domestic insurer's business.

70 Section 5. Paragraph (c) of subsection (19) and subsection
71 (28) of section 624.501, Florida Statutes, are amended, and
72 subsection (29) is added to that section, to read:

73 624.501 Filing, license, appointment, and miscellaneous
74 fees.—The department, commission, or office, as appropriate,
75 shall collect in advance, and persons so served shall pay to it
76 in advance, fees, licenses, and miscellaneous charges as
77 follows:

78 (19) Miscellaneous services:

79 (c) For preparing lists of agents, adjusters, property
80 insurance appraisal umpires, and other insurance
81 representatives, and for other miscellaneous services, such
82 reasonable charge as may be fixed by the office or department.

83 (28) Late filing of appointment renewals for agents,
84 adjusters, property insurance appraisal umpires, and other
85 insurance representatives, each appointment.....\$20.00

86 (29) Property insurance appraisal umpires:

87 (a) Property insurance appraisal umpire's appointment and
88 biennial renewal or continuation thereof, each
89 appointment.....\$60.00

90 (b) Fee to cover the actual cost of a credit report when
91 such report must be secured by department.

92 Section 6. Paragraph (e) of subsection (1) of section
93 624.523, Florida Statutes, is amended to read:

94 624.523 Insurance Regulatory Trust Fund.—

95 (1) There is created in the State Treasury a trust fund
96 designated "Insurance Regulatory Trust Fund" to which shall be
97 credited all payments received on account of the following



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98 items:

99 (e) All payments received on account of items provided for
100 under respective provisions of s. 624.501, as follows:

101 1. Subsection (1) (certificate of authority of insurer).

102 2. Subsection (2) (charter documents of insurer).

103 3. Subsection (3) (annual license tax of insurer).

104 4. Subsection (4) (annual statement of insurer).

105 5. Subsection (5) (application fee for insurance
106 representatives).

107 6. The "appointment fee" portion of any appointment
108 provided for under paragraphs (6) (a) and (b) (insurance
109 representatives, property, marine, casualty and surety
110 insurance, and agents).

111 7. Paragraph (6) (c) (nonresident agents).

112 8. Paragraph (6) (d) (service representatives).

113 9. The "appointment fee" portion of any appointment
114 provided for under paragraph (7) (a) (life insurance agents,
115 original appointment, and renewal or continuation of
116 appointment).

117 10. Paragraph (7) (b) (nonresident agent license).

118 11. The "appointment fee" portion of any appointment
119 provided for under paragraph (8) (a) (health insurance agents,
120 agent's appointment, and renewal or continuation fee).

121 12. Paragraph (8) (b) (nonresident agent appointment).

122 13. The "appointment fee" portion of any appointment
123 provided for under subsections (9) and (10) (limited licenses
124 and fraternal benefit society agents).

125 14. Subsection (11) (surplus lines agent).

126 15. Subsection (12) (adjusters' appointment).



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- 127 16. Subsection (13) (examination fee).
128 17. Subsection (14) (temporary license and appointment as
129 agent or adjuster).
130 18. Subsection (15) (reissuance, reinstatement, etc.).
131 19. Subsection (16) (additional license continuation fees).
132 20. Subsection (17) (filing application for permit to form
133 insurer).
134 21. Subsection (18) (license fee of rating organization).
135 22. Subsection (19) (miscellaneous services).
136 23. Subsection (20) (insurance agencies).
137 24. Subsection (29) (property insurance appraisal umpires'
138 appointment).

139 Section 7. Subsections (16) through (19) of section
140 626.015, Florida Statutes, are renumbered as subsections (17)
141 through (20), respectively, and a new subsection (16) is added
142 to that section, to read:

143 626.015 Definitions.—As used in this part:

144 (16) "Property insurance appraisal umpire" or "umpire"
145 means a property insurance appraisal umpire as defined in s.
146 626.9964.

147 Section 8. Subsection (1) of section 626.016, Florida
148 Statutes, is amended to read:

149 626.016 Powers and duties of department, commission, and
150 office.—

151 (1) The powers and duties of the Chief Financial Officer
152 and the department specified in this part apply only with
153 respect to insurance agents, insurance agencies, managing
154 general agents, ~~insurance~~ adjusters, umpires, reinsurance
155 intermediaries, viatical settlement brokers, customer



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156 representatives, service representatives, and agencies.

157 Section 9. Subsection (1) of section 626.022, Florida
158 Statutes, is amended to read:

159 626.022 Scope of part.—

160 (1) This part applies as to insurance agents, service
161 representatives, adjusters, umpires, and insurance agencies; as
162 to any and all kinds of insurance; and as to stock insurers,
163 mutual insurers, reciprocal insurers, and all other types of
164 insurers, except that:

165 (a) It does not apply as to reinsurance, except that ss.
166 626.011-626.022, ss. 626.112-626.181, ss. 626.191-626.211, ss.
167 626.291-626.301, s. 626.331, ss. 626.342-626.521, ss. 626.541-
168 626.591, and ss. 626.601-626.711 shall apply as to reinsurance
169 intermediaries as defined in s. 626.7492.

170 (b) The applicability of this chapter as to fraternal
171 benefit societies shall be as provided in chapter 632.

172 (c) It does not apply to a bail bond agent, as defined in
173 s. 648.25, except as provided in chapter 648 or chapter 903.

174 (d) This part does not apply to a certified public
175 accountant licensed under chapter 473 who is acting within the
176 scope of the practice of public accounting, as defined in s.
177 473.302, provided that the activities of the certified public
178 accountant are limited to advising a client of the necessity of
179 obtaining insurance, the amount of insurance needed, or the line
180 of coverage needed, and provided that the certified public
181 accountant does not directly or indirectly receive or share in
182 any commission or referral fee.

183 Section 10. Subsections (6) through (9) of section 626.112,
184 Florida Statutes, are renumbered as subsections (8) through



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185 (11), respectively, subsection (1) is amended, and new
186 subsections (6) and (7) are added to that section, to read:

187 626.112 License and appointment required; agents, customer
188 representatives, adjusters, umpires, insurance agencies, service
189 representatives, managing general agents.-

190 (1) (a) No person may be, act as, or advertise or hold
191 himself or herself out to be an insurance agent, insurance
192 adjuster, or customer representative unless he or she is
193 currently licensed by the department and appointed by an
194 appropriate appointing entity or person.

195 (b) Except as provided in subsection (8) ~~(6)~~ or in
196 applicable department rules, and in addition to other conduct
197 described in this chapter with respect to particular types of
198 agents, a license as an insurance agent, service representative,
199 customer representative, or limited customer representative is
200 required in order to engage in the solicitation of insurance.
201 For purposes of this requirement, as applicable to any of the
202 license types described in this section, the solicitation of
203 insurance is the attempt to persuade any person to purchase an
204 insurance product by:

205 1. Describing the benefits or terms of insurance coverage,
206 including premiums or rates of return;

207 2. Distributing an invitation to contract to prospective
208 purchasers;

209 3. Making general or specific recommendations as to
210 insurance products;

211 4. Completing orders or applications for insurance
212 products;

213 5. Comparing insurance products, advising as to insurance



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214 matters, or interpreting policies or coverages; or
215 6. Offering or attempting to negotiate on behalf of another
216 person a viatical settlement contract as defined in s. 626.9911.
217
218 However, an employee leasing company licensed pursuant to
219 chapter 468 which is seeking to enter into a contract with an
220 employer that identifies products and services offered to
221 employees may deliver proposals for the purchase of employee
222 leasing services to prospective clients of the employee leasing
223 company setting forth the terms and conditions of doing
224 business; classify employees as permitted by s. 468.529; collect
225 information from prospective clients and other sources as
226 necessary to perform due diligence on the prospective client and
227 to prepare a proposal for services; provide and receive
228 enrollment forms, plans, and other documents; and discuss or
229 explain in general terms the conditions, limitations, options,
230 or exclusions of insurance benefit plans available to the client
231 or employees of the employee leasing company were the client to
232 contract with the employee leasing company. Any advertising
233 materials or other documents describing specific insurance
234 coverages must identify and be from a licensed insurer or its
235 licensed agent or a licensed and appointed agent employed by the
236 employee leasing company. The employee leasing company may not
237 advise or inform the prospective business client or individual
238 employees of specific coverage provisions, exclusions, or
239 limitations of particular plans. As to clients for which the
240 employee leasing company is providing services pursuant to s.
241 468.525(4), the employee leasing company may engage in
242 activities permitted by ss. 626.7315, 626.7845, and 626.8305,



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243 subject to the restrictions specified in those sections. If a
244 prospective client requests more specific information concerning
245 the insurance provided by the employee leasing company, the
246 employee leasing company must refer the prospective business
247 client to the insurer or its licensed agent or to a licensed and
248 appointed agent employed by the employee leasing company.

249 (6) No person shall be, act as, or represent or hold
250 himself or herself out to be a property insurance appraisal
251 umpire unless he or she holds a currently effective license and
252 appointment as a property insurance appraisal umpire.

253 (7) No person shall be, act as, or represent or hold
254 himself or herself out to be a property insurance appraiser who
255 is eligible to represent an insured on a personal residential or
256 commercial residential property insurance claim unless he or she
257 holds a currently effective license as an adjuster or is exempt
258 from licensure under s. 626.860.

259 Section 11. Subsections (1) and (4) of section 626.171,
260 Florida Statutes, are amended to read:

261 626.171 Application for license as an agent, customer
262 representative, adjuster, umpire, service representative,
263 managing general agent, or reinsurance intermediary.—

264 (1) The department may not issue a license as agent,
265 customer representative, adjuster, umpire, service
266 representative, managing general agent, or reinsurance
267 intermediary to any person except upon written application filed
268 with the department, meeting the qualifications for the license
269 applied for as determined by the department, and payment in
270 advance of all applicable fees. The application must be made
271 under the oath of the applicant and be signed by the applicant.



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272 An applicant may permit a third party to complete, submit, and
273 sign an application on the applicant's behalf, but is
274 responsible for ensuring that the information on the application
275 is true and correct and is accountable for any misstatements or
276 misrepresentations. The department shall accept the uniform
277 application for nonresident agent licensing. The department may
278 adopt revised versions of the uniform application by rule.

279 (4) An applicant for a license as an agent, customer
280 representative, adjuster, umpire, service representative,
281 managing general agent, or reinsurance intermediary must submit
282 a set of the individual applicant's fingerprints, or, if the
283 applicant is not an individual, a set of the fingerprints of the
284 sole proprietor, majority owner, partners, officers, and
285 directors, to the department and must pay the fingerprint
286 processing fee set forth in s. 624.501. Fingerprints shall be
287 used to investigate the applicant's qualifications pursuant to
288 s. 626.201. The fingerprints shall be taken by a law enforcement
289 agency, designated examination center, or other department-
290 approved entity. The department shall require all designated
291 examination centers to have fingerprinting equipment and to take
292 fingerprints from any applicant or prospective applicant who
293 pays the applicable fee. The department may not approve an
294 application for licensure as an agent, customer service
295 representative, adjuster, umpire, service representative,
296 managing general agent, or reinsurance intermediary if
297 fingerprints have not been submitted.

298 Section 12. Subsection (9) of section 626.207, Florida
299 Statutes, is amended to read:

300 626.207 Disqualification of applicants and licensees;



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301 penalties against licensees; rulemaking authority.-

302 (9) Section 112.011 does not apply to any applicants for
303 licensure under the Florida Insurance Code, including, but not
304 limited to, agents, agencies, adjusters, adjusting firms,
305 umpires, customer representatives, or managing general agents.

306 Section 13. Subsections (1) and (2) of section 626.2815,
307 Florida Statutes, are amended to read:

308 626.2815 Continuing education requirements.-

309 (1) The purpose of this section is to establish
310 requirements and standards for continuing education courses for
311 individuals licensed to solicit, sell, or adjust insurance or to
312 serve as an umpire in the state.

313 (2) Except as otherwise provided in this section, this
314 section applies to individuals licensed to transact ~~engage in~~
315 ~~the sale of~~ insurance or adjust ~~adjustment of~~ insurance claims
316 in this state for all lines of insurance for which an
317 examination is required for licensing and to individuals
318 licensed to serve as an umpire ~~each insurer, employer, or~~
319 ~~appointing entity, including, but not limited to, those created~~
320 ~~or existing pursuant to s. 627.351~~. This section does not apply
321 to an individual who holds a license for the sale of any line of
322 insurance for which an examination is not required by the laws
323 of this state or who holds a limited license as a crop or hail
324 and multiple-peril crop insurance agent. Licensees who are
325 unable to comply with the continuing education requirements due
326 to active duty in the military may submit a written request for
327 a waiver to the department.

328 Section 14. Subsections (1), (3), (5), and (6) of section
329 626.451, Florida Statutes, are amended to read:



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330 626.451 Appointment of agent or other representative.—

331 (1) Each appointing entity or person designated by the
332 department to administer the appointment process appointing an
333 agent, adjuster, umpire, service representative, customer
334 representative, or managing general agent in this state shall
335 file the appointment with the department or office and, at the
336 same time, pay the applicable appointment fee and taxes. Every
337 appointment shall be subject to the prior issuance of the
338 appropriate agent's, adjuster's, umpire's, service
339 representative's, customer representative's, or managing general
340 agent's license.

341 (3) By authorizing the effectuation of the appointment of
342 an agent, adjuster, umpire, service representative, customer
343 representative, or managing general agent the appointing entity
344 is thereby certifying to the department that it is willing to be
345 bound by the acts of the agent, adjuster, umpire, service
346 representative, customer representative, or managing general
347 agent, within the scope of the licensee's employment or
348 appointment.

349 (5) Any law enforcement agency or state attorney's office
350 that is aware that an agent, adjuster, umpire, service
351 representative, customer representative, or managing general
352 agent has pleaded guilty or nolo contendere to or has been found
353 guilty of a felony shall notify the department or office of such
354 fact.

355 (6) Upon the filing of an information or indictment against
356 an agent, adjuster, umpire, service representative, customer
357 representative, or managing general agent, the state attorney
358 shall immediately furnish the department or office a certified



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359 copy of the information or indictment.

360 Section 15. Section 626.461, Florida Statutes, is amended
361 to read:

362 626.461 Continuation of appointment of agent or other
363 representative.—Subject to renewal or continuation by the
364 appointing entity, the appointment of the agent, adjuster,
365 umpire, service representative, customer representative, or
366 managing general agent shall continue in effect until the
367 person's license is revoked or otherwise terminated, unless
368 written notice of earlier termination of the appointment is
369 filed with the department or person designated by the department
370 to administer the appointment process by either the appointing
371 entity or the appointee.

372 Section 16. Subsection (3) of section 626.521, Florida
373 Statutes, is amended to read:

374 626.521 Character, credit reports.—

375 (3) As to an applicant for an adjuster's, umpire's, or
376 reinsurance intermediary's license who is to be self-employed,
377 the department may secure, at the cost of the applicant, a full
378 detailed credit and character report made by an established and
379 reputable independent reporting service relative to the
380 applicant.

381 Section 17. Subsection (1) of section 626.541, Florida
382 Statutes, is amended to read:

383 626.541 Firm, corporate, and business names; officers;
384 associates; notice of changes.—

385 (1) Any licensed agent, ~~or~~ adjuster, or umpire doing
386 business under a firm or corporate name or under any business
387 name other than his or her own individual name shall, within 30



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388 days after initially transacting the initial transaction of
389 insurance or engaging in insurance activities under such
390 business name, file with the department, on forms adopted and
391 furnished by the department, a written statement of the firm,
392 corporate, or business name being so used, the address of any
393 office or offices or places of business making use of such name,
394 and the name and social security number of each officer and
395 director of the corporation and of each individual associated in
396 such firm or corporation as to the insurance transactions
397 thereof or in the use of such business name.

398 Section 18. Subsection (1) of section 626.601, Florida
399 Statutes, is amended to read:

400 626.601 Improper conduct; inquiry; fingerprinting.—

401 (1) The department or office may, upon its own motion or
402 upon a written complaint signed by any interested person and
403 filed with the department or office, inquire into any alleged
404 improper conduct of any licensed, approved, or certified
405 licensee, insurance agency, agent, adjuster, umpire, service
406 representative, managing general agent, customer representative,
407 title insurance agent, title insurance agency, mediator, neutral
408 evaluator, navigator, continuing education course provider,
409 instructor, school official, or monitor group under this code.
410 The department or office may thereafter initiate an
411 investigation of any such individual or entity if it has
412 reasonable cause to believe that the individual or entity has
413 violated any provision of the insurance code. During the course
414 of its investigation, the department or office shall contact the
415 individual or entity being investigated unless it determines
416 that contacting such individual or entity could jeopardize the



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417 successful completion of the investigation or cause injury to
418 the public.

419 Section 19. Subsection (1) of section 626.611, Florida
420 Statutes, is amended to read:

421 626.611 Grounds for compulsory refusal, suspension, or
422 revocation of agent's, title agency's, adjuster's, umpire's,
423 customer representative's, service representative's, or managing
424 general agent's license or appointment.—

425 (1) The department shall deny an application for, suspend,
426 revoke, or refuse to renew or continue the license or
427 appointment of any applicant, agent, title agency, adjuster,
428 umpire, customer representative, service representative, or
429 managing general agent, and it shall suspend or revoke the
430 eligibility to hold a license or appointment of any such person,
431 if it finds that as to the applicant, licensee, or appointee any
432 one or more of the following applicable grounds exist:

433 (a) Lack of one or more of the qualifications for the
434 license or appointment as specified in this code.

435 (b) Material misstatement, misrepresentation, or fraud in
436 obtaining the license or appointment or in attempting to obtain
437 the license or appointment.

438 (c) Failure to pass to the satisfaction of the department
439 any examination required under this code.

440 (d) If the license or appointment is willfully used, or to
441 be used, to circumvent any of the requirements or prohibitions
442 of this code.

443 (e) Willful misrepresentation of any insurance policy or
444 annuity contract or willful deception with regard to any such
445 policy or contract, done either in person or by any form of



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446 dissemination of information or advertising.

447 (f) If, as an adjuster, or agent licensed and appointed to
448 adjust claims under this code, he or she has materially
449 misrepresented to an insured or other interested party the terms
450 and coverage of an insurance contract with intent and for the
451 purpose of effecting settlement of claim for loss or damage or
452 benefit under such contract on less favorable terms than those
453 provided in and contemplated by the contract.

454 (g) Demonstrated lack of fitness or trustworthiness to
455 engage in the business of insurance.

456 (h) Demonstrated lack of reasonably adequate knowledge and
457 technical competence to engage in the transactions authorized by
458 the license or appointment.

459 (i) Fraudulent or dishonest practices in the conduct of
460 business under the license or appointment.

461 (j) Misappropriation, conversion, or unlawful withholding
462 of moneys belonging to insurers or insureds or beneficiaries or
463 to others and received in conduct of business under the license
464 or appointment.

465 (k) Unlawfully rebating, attempting to unlawfully rebate,
466 or unlawfully dividing or offering to divide his or her
467 commission with another.

468 (l) Having obtained or attempted to obtain, or having used
469 or using, a license or appointment as agent or customer
470 representative for the purpose of soliciting or handling
471 "controlled business" as defined in s. 626.730 with respect to
472 general lines agents, s. 626.784 with respect to life agents,
473 and s. 626.830 with respect to health agents.

474 (m) Willful failure to comply with, or willful violation



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475 of, any proper order or rule of the department or willful
476 violation of any provision of this code.

477 (n) Having been found guilty of or having pleaded guilty or
478 nolo contendere to a felony or a crime punishable by
479 imprisonment of 1 year or more under the law of the United
480 States of America or of any state thereof or under the law of
481 any other country which involves moral turpitude, without regard
482 to whether a judgment of conviction has been entered by the
483 court having jurisdiction of such cases.

484 (o) Fraudulent or dishonest practice in submitting or
485 aiding or abetting any person in the submission of an
486 application for workers' compensation coverage under chapter 440
487 containing false or misleading information as to employee
488 payroll or classification for the purpose of avoiding or
489 reducing the amount of premium due for such coverage.

490 (p) Sale of an unregistered security that was required to
491 be registered, pursuant to chapter 517.

492 (q) In transactions related to viatical settlement
493 contracts as defined in s. 626.9911:

494 1. Commission of a fraudulent or dishonest act.

495 2. No longer meeting the requirements for initial
496 licensure.

497 3. Having received a fee, commission, or other valuable
498 consideration for his or her services with respect to viatical
499 settlements that involved unlicensed viatical settlement
500 providers or persons who offered or attempted to negotiate on
501 behalf of another person a viatical settlement contract as
502 defined in s. 626.9911 and who were not licensed life agents.

503 4. Dealing in bad faith with viators.



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504 Section 20. Section 626.621, Florida Statutes, is amended
505 to read:

506 626.621 Grounds for discretionary refusal, suspension, or
507 revocation of agent's, adjuster's, umpire's, customer
508 representative's, service representative's, or managing general
509 agent's license or appointment.—The department may, in its
510 discretion, deny an application for, suspend, revoke, or refuse
511 to renew or continue the license or appointment of any
512 applicant, agent, adjuster, umpire, customer representative,
513 service representative, or managing general agent, and it may
514 suspend or revoke the eligibility to hold a license or
515 appointment of any such person, if it finds that as to the
516 applicant, licensee, or appointee any one or more of the
517 following applicable grounds exist under circumstances for which
518 such denial, suspension, revocation, or refusal is not mandatory
519 under s. 626.611:

520 (1) Any cause for which issuance of the license or
521 appointment could have been refused had it then existed and been
522 known to the department.

523 (2) Violation of any provision of this code or of any other
524 law applicable to the business of insurance in the course of
525 dealing under the license or appointment.

526 (3) Violation of any lawful order or rule of the
527 department, commission, or office.

528 (4) Failure or refusal, upon demand, to pay over to any
529 insurer he or she represents or has represented any money coming
530 into his or her hands belonging to the insurer.

531 (5) Violation of the provision against twisting, as defined
532 in s. 626.9541(1)(1).



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533 (6) In the conduct of business under the license or
534 appointment, engaging in unfair methods of competition or in
535 unfair or deceptive acts or practices, as prohibited under part
536 IX of this chapter, or having otherwise shown himself or herself
537 to be a source of injury or loss to the public.

538 (7) Willful overinsurance of any property or health
539 insurance risk.

540 (8) Having been found guilty of or having pleaded guilty or
541 nolo contendere to a felony or a crime punishable by
542 imprisonment of 1 year or more under the law of the United
543 States of America or of any state thereof or under the law of
544 any other country, without regard to whether a judgment of
545 conviction has been entered by the court having jurisdiction of
546 such cases.

547 (9) If a life agent, violation of the code of ethics.

548 (10) Cheating on an examination required for licensure or
549 violating test center or examination procedures published
550 orally, in writing, or electronically at the test site by
551 authorized representatives of the examination program
552 administrator. Communication of test center and examination
553 procedures must be clearly established and documented.

554 (11) Failure to inform the department in writing within 30
555 days after pleading guilty or nolo contendere to, or being
556 convicted or found guilty of, any felony or a crime punishable
557 by imprisonment of 1 year or more under the law of the United
558 States or of any state thereof, or under the law of any other
559 country without regard to whether a judgment of conviction has
560 been entered by the court having jurisdiction of the case.

561 (12) Knowingly aiding, assisting, procuring, advising, or



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562 abetting any person in the violation of or to violate a
563 provision of the insurance code or any order or rule of the
564 department, commission, or office.

565 (13) Has been the subject of or has had a license, permit,
566 appointment, registration, or other authority to conduct
567 business subject to any decision, finding, injunction,
568 suspension, prohibition, revocation, denial, judgment, final
569 agency action, or administrative order by any court of competent
570 jurisdiction, administrative law proceeding, state agency,
571 federal agency, national securities, commodities, or option
572 exchange, or national securities, commodities, or option
573 association involving a violation of any federal or state
574 securities or commodities law or any rule or regulation adopted
575 thereunder, or a violation of any rule or regulation of any
576 national securities, commodities, or options exchange or
577 national securities, commodities, or options association.

578 (14) Failure to comply with any civil, criminal, or
579 administrative action taken by the child support enforcement
580 program under Title IV-D of the Social Security Act, 42 U.S.C.
581 ss. 651 et seq., to determine paternity or to establish, modify,
582 enforce, or collect support.

583 (15) Directly or indirectly accepting any compensation,
584 inducement, or reward from an inspector for the referral of the
585 owner of the inspected property to the inspector or inspection
586 company. This prohibition applies to an inspection intended for
587 submission to an insurer in order to obtain property insurance
588 coverage or establish the applicable property insurance premium.

589 Section 21. Subsection (4) of section 626.641, Florida
590 Statutes, is amended to read:



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591 626.641 Duration of suspension or revocation.—

592 (4) During the period of suspension or revocation of a
593 license or appointment, and until the license is reinstated or,
594 if revoked, a new license issued, the former licensee or
595 appointee may not engage in or attempt or profess to engage in
596 any transaction or business for which a license or appointment
597 is required under this code or directly or indirectly own,
598 control, or be employed in any manner by an agent, agency,
599 adjuster, ~~or~~ adjusting firm, or umpire.

600 Section 22. Subsection (2) of section 626.7845, Florida
601 Statutes, is amended to read:

602 626.7845 Prohibition against unlicensed transaction of life
603 insurance.—

604 (2) Except as provided in s. 626.112(8) ~~626.112(6)~~, with
605 respect to any line of authority specified in s. 626.015(10), no
606 individual shall, unless licensed as a life agent:

607 (a) Solicit insurance or annuities or procure applications;

608 (b) In this state, engage or hold himself or herself out as
609 engaging in the business of analyzing or abstracting insurance
610 policies or of counseling or advising or giving opinions to
611 persons relative to insurance or insurance contracts other than:

612 1. As a consulting actuary advising an insurer; or

613 2. As to the counseling and advising of labor unions,
614 associations, trustees, employers, or other business entities,
615 the subsidiaries and affiliates of each, relative to their
616 interests and those of their members or employees under
617 insurance benefit plans; or

618 (c) In this state, from this state, or with a resident of
619 this state, offer or attempt to negotiate on behalf of another



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620 person a viatical settlement contract as defined in s. 626.9911.

621 Section 23. Section 626.8305, Florida Statutes, is amended
622 to read:

623 626.8305 Prohibition against the unlicensed transaction of
624 health insurance.—Except as provided in s. 626.112(8)
625 ~~626.112(6)~~, with respect to any line of authority specified in
626 s. 626.015(6), no individual shall, unless licensed as a health
627 agent:

628 (1) Solicit insurance or procure applications; or

629 (2) In this state, engage or hold himself or herself out as
630 engaging in the business of analyzing or abstracting insurance
631 policies or of counseling or advising or giving opinions to
632 persons relative to insurance contracts other than:

633 (a) As a consulting actuary advising insurers; or

634 (b) As to the counseling and advising of labor unions,
635 associations, trustees, employers, or other business entities,
636 the subsidiaries and affiliates of each, relative to their
637 interests and those of their members or employees under
638 insurance benefit plans.

639 Section 24. Paragraph (a) of subsection (2) of section
640 626.8411, Florida Statutes, is amended to read:

641 626.8411 Application of Florida Insurance Code provisions
642 to title insurance agents or agencies.—

643 (2) The following provisions of part I do not apply to
644 title insurance agents or title insurance agencies:

645 (a) Section 626.112(9) ~~626.112(7)~~, relating to licensing of
646 insurance agencies.

647 Section 25. Subsection (4) of section 626.8443, Florida
648 Statutes, is amended to read:



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649 626.8443 Duration of suspension or revocation.—

650 (4) During the period of suspension or after revocation of
651 the license and appointment, the former licensee shall not
652 engage in or attempt to profess to engage in any transaction or
653 business for which a license or appointment is required under
654 this code or directly or indirectly own, control, or be employed
655 in any manner by any insurance agent or agency, ~~or~~ adjuster, ~~or~~
656 adjusting firm, or umpire.

657 Section 26. Paragraph (d) is added to subsection (11) of
658 section 626.854, Florida Statutes, to read:

659 626.854 "Public adjuster" defined; prohibitions.—The
660 Legislature finds that it is necessary for the protection of the
661 public to regulate public insurance adjusters and to prevent the
662 unauthorized practice of law.

663 (11)

664 (d) If a public adjuster enters into a contract with an
665 insured or a claimant to perform an appraisal, as defined in s.
666 626.9964, the public adjuster may not charge, agree to, or
667 accept from any source compensation, payment, commission, fee,
668 or any other thing of value in excess of the limitations set
669 forth in paragraph (b) for the appraisal services or, if also
670 serving as adjuster on the claim, a combination of adjuster and
671 appraisal services.

672 Section 27. Section 626.8791, Florida Statutes, is created
673 to read:

674 626.8791 Contracts for appraisal services; required
675 notice.—A contract between an adjuster and an insured or
676 claimant to perform an appraisal must contain the following
677 language in at least 14-point boldfaced, uppercase type: "THERE



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678 IS NO LEGAL REQUIREMENT THAT AN APPRAISER CHARGE A CLIENT A SET
679 FEE OR A PERCENTAGE OF MONEY RECOVERED IN A CASE. YOU, THE
680 CLIENT, HAVE THE RIGHT TO TALK WITH YOUR APPRAISER ABOUT THE
681 PROPOSED FEE AND TO BARGAIN ABOUT THE RATE OR PERCENTAGE AS IN
682 ANY OTHER CONTRACT. IF YOU DO NOT REACH AN AGREEMENT WITH ONE
683 APPRAISER YOU MAY TALK WITH OTHER APPRAISERS."

684 Section 28. Subsection (1) of section 626.9957, Florida
685 Statutes, is amended to read:

686 626.9957 Conduct prohibited; denial, revocation, or
687 suspension of registration.—

688 (1) As provided in s. 626.112, only a person licensed as an
689 insurance agent or customer representative may engage in the
690 solicitation of insurance. A person who engages in the
691 solicitation of insurance as described in s. 626.112(1) without
692 such license is subject to the penalties provided under s.
693 626.112(11) ~~626.112(9)~~.

694 Section 29. Part XIV of chapter 626, Florida Statutes,
695 consisting of sections 626.9961 through 626.9968, is created to
696 read:

697 PART XIV

698 PROPERTY INSURANCE APPRAISAL UMPIRES

699 626.9961 Short title.—This part may be referred to as the
700 "Property Insurance Appraisal Umpire Law."

701 626.9962 Legislative purpose.—The Legislature finds it
702 necessary to regulate persons that hold themselves out to the
703 public as qualified to provide services as property insurance
704 appraisal umpires in order to protect the public safety and
705 welfare and to avoid economic injury to the residents of this
706 state. This part applies only to property insurance appraisal



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707 umpires as defined in this part.

708 626.9963 Part supplements licensing law.—This part is
709 supplementary to part I, the “Licensing Procedures Law.”

710 626.9964 Definitions.—As used in this part, the term:

711 (1) “Appraisal” means, for purposes of licensure under this
712 part only, a process of alternative dispute resolution used in a
713 personal residential or commercial residential property
714 insurance claim.

715 (2) “Competent” means sufficiently qualified and capable of
716 performing an appraisal.

717 (3) “Department” means the Department of Financial
718 Services.

719 (4) “Property insurance appraisal umpire” or “umpire” means
720 a person selected by the appraisers representing the insurer and
721 the insured, or, if the appraisers cannot agree, by the court,
722 who is charged with resolving issues that the appraisers are
723 unable to agree upon during the course of an appraisal.

724 (5) “Property insurance appraiser” or “appraiser” means the
725 person selected by an insurer or insured to perform an
726 appraisal.

727 626.9965 Qualification for license as a property insurance
728 appraisal umpire.—

729 (1) The department shall issue a license as an umpire to a
730 person who meets the requirements of subsection (2) and is one
731 of the following:

732 (a) A retired county, circuit, or appellate judge.

733 (b) Licensed as an engineer pursuant to chapter 471 or is a
734 retired professional engineer as defined in s. 471.005.

735 (c) Licensed as a general contractor, building contractor,



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736 or residential contractor pursuant to part I of chapter 489.
737 (d) Licensed or registered as an architect to engage in the
738 practice of architecture pursuant to part I of chapter 481.
739 (e) A member of The Florida Bar.
740 (f) Licensed as an adjuster pursuant to part VI of chapter
741 626, which license includes the property and casualty lines of
742 insurance. An adjuster must have been licensed for at least 5
743 years as an adjuster before he or she may be licensed as an
744 umpire.
745 (2) An applicant may be licensed to practice in this state
746 as an umpire if the applicant:
747 (a) Is a natural person at least 18 years of age;
748 (b) Is a United States citizen or legal alien who possesses
749 work authorization from the United States Bureau of Citizenship
750 and Immigration;
751 (c) Is of good moral character;
752 (d) Has paid the applicable fees specified in s. 624.501;
753 and
754 (e) Has, before the date of the application for licensure,
755 satisfactorily completed education courses approved by the
756 department covering:
757 1. Insurance claims estimating; and
758 2. Insurance law, ethics for insurance professionals,
759 disciplinary trends, and case studies.
760 (3) The department may not reject an application solely
761 because the applicant is or is not a member of a given appraisal
762 organization.
763 626.9966 Grounds for refusal, suspension, or revocation of
764 an umpire license or appointment.—The department may deny an



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765 application for license or appointment under this part; suspend,
766 revoke, or refuse to renew or continue a license or appointment
767 of an umpire; or suspend or revoke eligibility for licensure or
768 appointment as an umpire if the department finds that one or
769 more of the following applicable grounds exist:

770 (1) Violating a duty imposed upon him or her by law or by
771 the terms of the umpire agreement; aiding, assisting, or
772 conspiring with any other person engaged in any such misconduct
773 and in furtherance thereof; or forming the intent, design, or
774 scheme to engage in such misconduct and committing an overt act
775 in furtherance of such intent, design, or scheme. An umpire
776 commits a violation of this part regardless of whether the
777 victim or intended victim of the misconduct has sustained any
778 damage or loss; the damage or loss has been settled and paid
779 after the discovery of misconduct; or the victim or intended
780 victim is an insurer or customer or a person in a confidential
781 relationship with the umpire or is an identified member of the
782 general public.

783 (2) Having a registration, license, or certification to
784 practice or conduct any regulated profession, business, or
785 vocation revoked, suspended, or encumbered; or having an
786 application for such registration, licensure, or certification
787 to practice or conduct any regulated profession, business, or
788 vocation denied, by this or any other state, any nation, or any
789 possession or district of the United States.

790 (3) Making or filing a report or record, written or oral,
791 which the umpire knows to be false; willfully failing to file a
792 report or record required by state or federal law; willfully
793 impeding or obstructing such filing; or inducing another person



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794 to impede or obstruct such filing.

795 (4) Agreeing to serve as an umpire if service is contingent
796 upon the umpire reporting a predetermined amount, analysis, or
797 opinion.

798 (5) Agreeing to serve as an umpire, if the fee to be paid
799 for his or her services is contingent upon the opinion,
800 conclusion, or valuation he or she reaches.

801 (6) Failure of an umpire, without good cause, to
802 communicate within 10 business days of a request for
803 communication from an appraiser.

804 (7) Violation of any ethical standard for umpires specified
805 in s. 626.9967.

806 626.9967 Ethical standards for property insurance appraisal
807 umpires.-

808 (1) CONFIDENTIALITY.-

809 (a) Unless disclosure is otherwise required by law, an
810 umpire shall maintain confidentiality of all information
811 revealed during an appraisal.

812 (b) An umpire shall maintain confidentiality in the storage
813 and disposal of records and may not disclose any identifying
814 information if materials are used in research, training, or
815 statistical compilations.

816 (2) FEES AND EXPENSES.-

817 (a) The fees charged by an umpire must be reasonable and
818 consistent with the nature of the case.

819 (b) In determining fees, an umpire:

820 1. Must charge on an hourly basis and may bill only for
821 actual time spent on or allocated for the appraisal.

822 2. May not charge, agree to, or accept as compensation or



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823 reimbursement any payment, commission, or fee that is based on a
824 percentage of the value of the claim or that is contingent upon
825 a specified outcome.

826 3. May charge for costs actually incurred, and no other
827 costs.

828 (c) An appraiser may assign the duty of paying the umpire's
829 fee to, and the umpire is entitled to receive payment directly
830 from, the insurer and the insured if the insurer and the insured
831 acknowledge and accept the duty and agree in writing to be
832 responsible for payment.

833 (3) MAINTENANCE OF RECORDS.—An umpire shall maintain
834 records necessary to support charges for services and expenses,
835 and, upon request, shall provide an accounting of all applicable
836 charges to the insurer and insured. An umpire shall retain
837 original or true copies of any contracts engaging his or her
838 services, appraisal reports, and supporting data assembled and
839 formulated by the umpire in preparing appraisal reports for at
840 least 5 years. The umpire shall make the records available to
841 the department for inspection and copying within 7 business days
842 of a request. If an appraisal has been the subject of, or has
843 been admitted as evidence in, a lawsuit, reports and records
844 related to the appraisal must be retained for at least 2 years
845 after the date that the trial ends.

846 (4) ADVERTISING.—An umpire may not engage in marketing
847 practices that contain false or misleading information. An
848 umpire shall ensure that any advertisement of his or her
849 qualifications, services to be rendered, or the appraisal
850 process are accurate and honest. An umpire may not make claims
851 of achieving specific outcomes or promises implying favoritism



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852 for the purpose of obtaining business.

853 (5) INTEGRITY AND IMPARTIALITY.—

854 (a)1. An umpire may not accept an appraisal unless he or
855 she can serve competently, promptly commence the appraisal and,
856 thereafter, devote the time and attention to its completion in
857 the manner expected by all persons involved in the appraisal.

858 2. An umpire shall conduct the appraisal process in a
859 manner that advances the fair and efficient resolution of issues
860 that arise.

861 3. An umpire shall deliberate and decide all issues within
862 the scope of the appraisal, but may not render a decision on any
863 other issues. An umpire shall decide all matters justly,
864 exercising independent judgment. An umpire may not delegate his
865 or her duties to any other person. An umpire who considers the
866 opinion of an independent expert does not violate this
867 paragraph.

868 (b) An umpire may not engage in any business, provide any
869 service, or perform any act that would compromise his or her
870 integrity or impartiality.

871 (6) SKILL AND EXPERIENCE.—An umpire shall decline or
872 withdraw from an appraisal or request appropriate assistance
873 when the facts and circumstances of the appraisal prove to be
874 beyond his or her skill or experience.

875 (7) GIFTS AND SOLICITATION.—An umpire or any individual or
876 entity acting on behalf of an umpire may not solicit, accept,
877 give, or offer to give, directly or indirectly, any gift, favor,
878 loan, or other item of value in excess of \$25 to any individual
879 who participates in the appraisal, for the purpose of
880 solicitation or otherwise attempting to procure future work from



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881 any person who participates in the appraisal, or as an
882 inducement to entering into an appraisal with an umpire. This
883 subsection does not prevent an umpire from accepting other
884 appraisals where the appraisers agree upon the umpire or the
885 court appoints the umpire.

886 626.9968 Conflicts of interest.—An insurer may challenge an
887 umpire's impartiality and disqualify the proposed umpire only
888 if:

889 (1) A familial relationship within the third degree exists
890 between the umpire and a party or a representative of a party;

891 (2) The umpire has previously represented a party in a
892 professional capacity in the same claim or matter involving the
893 same property;

894 (3) The umpire has represented another person in a
895 professional capacity in the same or a substantially related
896 matter that includes the claim, the same property or an adjacent
897 property, and the other person's interests are materially
898 adverse to the interests of a party; or

899 (4) The umpire has worked as an employer or employee of a
900 party within the preceding 5 years.

901 Section 30. Section 627.70151, Florida Statutes, is
902 repealed.

903 Section 31. For the 2016-2017 fiscal year, the sums of
904 \$24,000 in recurring funds from the Insurance Regulatory Trust
905 Fund and \$73,107 in recurring funds and \$39,230 in nonrecurring
906 funds from the Administrative Trust Fund are appropriated to the
907 Department of Financial Services, and one full-time equivalent
908 position with associated salary rate of 47,291 is authorized,
909 for the purpose of implementing this act.



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910 Section 32. This act applies to all appraisals requested on
911 or after October 1, 2016.

912 Section 33. This act shall take effect October 1, 2016.

913

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

915 And the title is amended as follows:

916 Delete everything before the enacting clause
917 and insert:

918 A bill to be entitled
919 An act relating to property insurance appraisers and
920 property insurance appraisal umpires; amending s.
921 624.04, F.S.; revising the definition of the term
922 "person"; amending s. 624.303, F.S.; exempting
923 certificates issued to property insurance appraisal
924 umpires from the requirement to bear a seal of the
925 Department of Financial Services; amending s. 624.311,
926 F.S.; providing a schedule for destruction of property
927 insurance appraisal umpire licensing files and
928 records; amending s. 624.317, F.S.; authorizing the
929 department to investigate property insurance appraisal
930 umpires for violations of the insurance code; amending
931 s. 624.501, F.S.; authorizing specified licensing fees
932 for property insurance appraisal umpires; amending s.
933 624.523, F.S.; requiring fees associated with property
934 insurance appraisal umpires' appointments to be
935 deposited into the Insurance Regulatory Trust Fund;
936 amending s. 626.015, F.S.; providing a definition;
937 amending s. 626.016, F.S.; revising the scope of the
938 Chief Financial Officer's powers and duties and the



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939 department's enforcement jurisdiction to include
940 umpires; amending s. 626.022, F.S.; including property
941 insurance appraisal umpire licensing in the scope of
942 part I of chapter 626, F.S., relating to licensing
943 procedures; amending s. 626.112, F.S.; requiring
944 umpires to be licensed and appointed; requiring
945 licensure as an adjuster when serving as an appraiser
946 under certain conditions; amending s. 626.171, F.S.;
947 requiring applicants for licensure as an umpire to
948 submit fingerprints to the department; amending s.
949 626.207, F.S.; excluding applicants for licensure as
950 umpires from application of s. 112.011, F.S., relating
951 to disqualification from license or public employment;
952 amending s. 626.2815, F.S.; requiring specified
953 continuing education for licensure as an umpire;
954 amending s. 626.451, F.S.; providing requirements
955 relating to the appointment of an umpire; amending s.
956 626.461, F.S.; providing that an umpire appointment
957 continues in effect, subject to renewal or earlier
958 written notice of termination, until the person's
959 license is revoked or otherwise terminated; amending
960 s. 626.521, F.S.; authorizing the department to obtain
961 a credit and character report for certain umpire
962 applicants; amending s. 626.541, F.S.; requiring an
963 umpire to provide certain information to the
964 department when doing business under a different
965 business name or when information in the licensure
966 application changes; amending s. 626.601, F.S.;
967 authorizing the department to investigate improper



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968 conduct of any licensed umpire; amending s. 626.611,
969 F.S.; requiring the department to refuse, suspend, or
970 revoke an umpire's license under certain
971 circumstances; amending s. 626.621, F.S.; authorizing
972 the department to refuse, suspend, or revoke an
973 umpire's license under certain circumstances; amending
974 s. 626.641, F.S.; prohibiting an umpire from owning,
975 controlling, or being employed by other licensees
976 during the period the umpire's license is suspended or
977 revoked; amending ss. 626.7845, 626.8305, and
978 626.8411, F.S.; conforming provisions to changes made
979 by the act; amending s. 626.8443, F.S.; prohibiting a
980 title insurance agent from owning, controlling, or
981 being employed by an umpire during the period the
982 agent's license is suspended or revoked; amending s.
983 626.854, F.S.; providing limitations on fees charged
984 by a public adjuster during an appraisal; creating s.
985 626.8791, F.S.; establishing required notice in a
986 contract for appraisal services; amending s. 626.9957,
987 F.S.; conforming a cross-reference; creating part XIV
988 of chapter 626, F.S., relating to property insurance
989 appraisal umpires; creating s. 626.9961, F.S.;
990 providing a short title; creating s. 626.9962, F.S.;
991 providing legislative purpose; creating s. 626.9963,
992 F.S.; providing that the part supplements part I of
993 chapter 626, F.S., the "Licensing Procedure Law";
994 creating s. 626.9964, F.S.; providing definitions;
995 creating s. 626.9965, F.S.; providing qualifications
996 for license as an umpire; creating s. 626.9966, F.S.;



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997 authorizing the department to refuse, suspend, or
998 revoke an umpire's license under certain
999 circumstances; creating s. 626.9967, F.S.; providing
1000 ethical standards for property insurance appraisal
1001 umpires; creating s. 626.9968, F.S.; providing for
1002 disqualification of an umpire under certain
1003 circumstances; repealing s. 627.70151, F.S., relating
1004 to appraisal conflicts of interest; providing an
1005 appropriation and authorizing positions; providing
1006 applicability; providing an effective date.
1007



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2016	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 624.04, Florida Statutes, is amended to
read:

624.04 "Person" defined.—"Person" includes an individual,
insurer, company, association, organization, Lloyds, society,
reciprocal insurer or interinsurance exchange, partnership,
syndicate, business trust, corporation, agent, general agent,



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11 broker, service representative, adjuster, property insurance
12 appraisal umpire, and every legal entity.

13 Section 2. Subsection (2) of section 624.303, Florida
14 Statutes, is amended to read:

15 624.303 Seal; certified copies as evidence.—

16 (2) All certificates executed by the department or office,
17 other than licenses of agents, property insurance appraisal
18 umpires, ~~or~~ adjusters, or similar licenses or permits, shall
19 bear its respective seal.

20 Section 3. Subsection (4) of section 624.311, Florida
21 Statutes, is amended to read:

22 624.311 Records; reproductions; destruction.—

23 (4) To facilitate the efficient use of floor space and
24 filing equipment in its offices, the department, commission, and
25 office may each destroy the following records and documents
26 pursuant to chapter 257:

27 (a) General closed correspondence files over 3 years old;

28 (b) Agent, adjuster, property insurance appraisal umpire,
29 and similar license files, including license files of the
30 Division of State Fire Marshal, over 2 years old; except that
31 the department or office shall preserve by reproduction or
32 otherwise a copy of the original records upon the basis of which
33 each such licensee qualified for her or his initial license,
34 except a competency examination, and of any disciplinary
35 proceeding affecting the licensee;

36 (c) All agent, adjuster, property insurance appraisal
37 umpire, and similar license files and records, including
38 original license qualification records and records of
39 disciplinary proceedings 5 years after a licensee has ceased to



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40 be qualified for a license;

41 (d) Insurer certificate of authority files over 2 years
42 old, except that the office shall preserve by reproduction or
43 otherwise a copy of the initial certificate of authority of each
44 insurer;

45 (e) All documents and records which have been photographed
46 or otherwise reproduced as provided in subsection (3), if such
47 reproductions have been filed and an audit of the department or
48 office has been completed for the period embracing the dates of
49 such documents and records; and

50 (f) All other records, documents, and files not expressly
51 provided for in paragraphs (a)-(e).

52 Section 4. Section 624.317, Florida Statutes, is amended to
53 read:

54 624.317 Investigation of agents, adjusters, property
55 insurance appraisal umpires, administrators, service companies,
56 and others.—If it has reason to believe that any person has
57 violated or is violating any provision of this code, or upon the
58 written complaint signed by any interested person indicating
59 that any such violation may exist:

60 (1) The department shall conduct such investigation as it
61 deems necessary of the accounts, records, documents, and
62 transactions pertaining to or affecting the insurance affairs of
63 any general agent, surplus lines agent, adjuster, property
64 insurance appraisal umpire, managing general agent, insurance
65 agent, insurance agency, customer representative, service
66 representative, or other person subject to its jurisdiction,
67 subject to the requirements of s. 626.601.

68 (2) The office shall conduct such investigation as it deems



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69 necessary of the accounts, records, documents, and transactions
70 pertaining to or affecting the insurance affairs of any:

71 (a) Administrator, service company, or other person subject
72 to its jurisdiction.

73 (b) Person having a contract or power of attorney under
74 which she or he enjoys in fact the exclusive or dominant right
75 to manage or control an insurer.

76 (c) Person engaged in or proposing to be engaged in the
77 promotion or formation of:

- 78 1. A domestic insurer;
79 2. An insurance holding corporation; or
80 3. A corporation to finance a domestic insurer or in the
81 production of the domestic insurer's business.

82 Section 5. Paragraph (c) of subsection (19) and subsection
83 (28) of section 624.501, Florida Statutes, are amended, and
84 subsection (29) is added to that section, to read:

85 624.501 Filing, license, appointment, and miscellaneous
86 fees.—The department, commission, or office, as appropriate,
87 shall collect in advance, and persons so served shall pay to it
88 in advance, fees, licenses, and miscellaneous charges as
89 follows:

90 (19) Miscellaneous services:

91 (c) For preparing lists of agents, adjusters, property
92 insurance appraisal umpires, and other insurance
93 representatives, and for other miscellaneous services, such
94 reasonable charge as may be fixed by the office or department.

95 (28) Late filing of appointment renewals for agents,
96 adjusters, property insurance appraisal umpires, and other
97 insurance representatives, each appointment.....\$20.00



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- 98 (29) Property insurance appraisal umpires:
- 99 (a) Property insurance appraisal umpire's appointment and
- 100 biennial renewal or continuation thereof, each
- 101 appointment.....\$60.00
- 102 (b) Fee to cover the actual cost of a credit report when
- 103 the report must be secured by the department.

104 Section 6. Paragraph (e) of subsection (1) of section

105 624.523, Florida Statutes, is amended to read:

106 624.523 Insurance Regulatory Trust Fund.—

107 (1) There is created in the State Treasury a trust fund

108 designated "Insurance Regulatory Trust Fund" to which shall be

109 credited all payments received on account of the following

110 items:

111 (e) All payments received on account of items provided for

112 under respective provisions of s. 624.501, as follows:

- 113 1. Subsection (1) (certificate of authority of insurer).
- 114 2. Subsection (2) (charter documents of insurer).
- 115 3. Subsection (3) (annual license tax of insurer).
- 116 4. Subsection (4) (annual statement of insurer).
- 117 5. Subsection (5) (application fee for insurance

118 representatives).

119 6. The "appointment fee" portion of any appointment

120 provided for under paragraphs (6) (a) and (b) (insurance

121 representatives, property, marine, casualty and surety

122 insurance, and agents).

123 7. Paragraph (6) (c) (nonresident agents).

124 8. Paragraph (6) (d) (service representatives).

125 9. The "appointment fee" portion of any appointment

126 provided for under paragraph (7) (a) (life insurance agents,



127 original appointment, and renewal or continuation of
128 appointment).

129 10. Paragraph (7) (b) (nonresident agent license).

130 11. The "appointment fee" portion of any appointment
131 provided for under paragraph (8) (a) (health insurance agents,
132 agent's appointment, and renewal or continuation fee).

133 12. Paragraph (8) (b) (nonresident agent appointment).

134 13. The "appointment fee" portion of any appointment
135 provided for under subsections (9) and (10) (limited licenses
136 and fraternal benefit society agents).

137 14. Subsection (11) (surplus lines agent).

138 15. Subsection (12) (adjusters' appointment).

139 16. Subsection (13) (examination fee).

140 17. Subsection (14) (temporary license and appointment as
141 agent or adjuster).

142 18. Subsection (15) (reissuance, reinstatement, etc.).

143 19. Subsection (16) (additional license continuation fees).

144 20. Subsection (17) (filing application for permit to form
145 insurer).

146 21. Subsection (18) (license fee of rating organization).

147 22. Subsection (19) (miscellaneous services).

148 23. Subsection (20) (insurance agencies).

149 24. Subsection (29) (property insurance appraisal umpires'
150 appointment).

151 Section 7. Subsections (16) through (19) of section
152 626.015, Florida Statutes, are renumbered as subsections (17)
153 through (20), respectively, and a new subsection (16) is added
154 to that section, to read:
155 626.015 Definitions.—As used in this part:



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156 (16) "Property insurance appraisal umpire" or "umpire"
157 means a property insurance appraisal umpire as defined in s.
158 626.9964.

159 Section 8. Subsection (1) of section 626.016, Florida
160 Statutes, is amended to read:

161 626.016 Powers and duties of department, commission, and
162 office.—

163 (1) The powers and duties of the Chief Financial Officer
164 and the department specified in this part apply only with
165 respect to insurance agents, insurance agencies, managing
166 general agents, ~~insurance~~ adjusters, umpires, reinsurance
167 intermediaries, viatical settlement brokers, customer
168 representatives, service representatives, and agencies.

169 Section 9. Subsection (1) of section 626.022, Florida
170 Statutes, is amended to read:

171 626.022 Scope of part.—

172 (1) This part applies as to insurance agents, service
173 representatives, adjusters, umpires, and insurance agencies; as
174 to any and all kinds of insurance; and as to stock insurers,
175 mutual insurers, reciprocal insurers, and all other types of
176 insurers, except that:

177 (a) It does not apply as to reinsurance, except that ss.
178 626.011-626.022, ss. 626.112-626.181, ss. 626.191-626.211, ss.
179 626.291-626.301, s. 626.331, ss. 626.342-626.521, ss. 626.541-
180 626.591, and ss. 626.601-626.711 shall apply as to reinsurance
181 intermediaries as defined in s. 626.7492.

182 (b) The applicability of this chapter as to fraternal
183 benefit societies shall be as provided in chapter 632.

184 (c) It does not apply to a bail bond agent, as defined in



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185 s. 648.25, except as provided in chapter 648 or chapter 903.

186 (d) This part does not apply to a certified public
187 accountant licensed under chapter 473 who is acting within the
188 scope of the practice of public accounting, as defined in s.
189 473.302, provided that the activities of the certified public
190 accountant are limited to advising a client of the necessity of
191 obtaining insurance, the amount of insurance needed, or the line
192 of coverage needed, and provided that the certified public
193 accountant does not directly or indirectly receive or share in
194 any commission or referral fee.

195 Section 10. Section 626.112, Florida Statutes, is amended
196 to read:

197 626.112 License and appointment required; agents, customer
198 representatives, adjusters, umpires, insurance agencies, service
199 representatives, managing general agents.—

200 (1) (a) No person may be, act as, or advertise or hold
201 himself or herself out to be an insurance agent, insurance
202 adjuster, or customer representative unless he or she is
203 currently licensed by the department and appointed by an
204 appropriate appointing entity or person.

205 (b) Except as provided in subsection (8) ~~(6)~~ or in
206 applicable department rules, and in addition to other conduct
207 described in this chapter with respect to particular types of
208 agents, a license as an insurance agent, service representative,
209 customer representative, or limited customer representative is
210 required in order to engage in the solicitation of insurance.
211 For purposes of this requirement, as applicable to any of the
212 license types described in this section, the solicitation of
213 insurance is the attempt to persuade any person to purchase an



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214 insurance product by:

215 1. Describing the benefits or terms of insurance coverage,
216 including premiums or rates of return;

217 2. Distributing an invitation to contract to prospective
218 purchasers;

219 3. Making general or specific recommendations as to
220 insurance products;

221 4. Completing orders or applications for insurance
222 products;

223 5. Comparing insurance products, advising as to insurance
224 matters, or interpreting policies or coverages; or

225 6. Offering or attempting to negotiate on behalf of another
226 person a viatical settlement contract as defined in s. 626.9911.

227

228 However, an employee leasing company licensed pursuant to
229 chapter 468 which is seeking to enter into a contract with an
230 employer that identifies products and services offered to
231 employees may deliver proposals for the purchase of employee
232 leasing services to prospective clients of the employee leasing
233 company setting forth the terms and conditions of doing
234 business; classify employees as permitted by s. 468.529; collect
235 information from prospective clients and other sources as
236 necessary to perform due diligence on the prospective client and
237 to prepare a proposal for services; provide and receive
238 enrollment forms, plans, and other documents; and discuss or
239 explain in general terms the conditions, limitations, options,
240 or exclusions of insurance benefit plans available to the client
241 or employees of the employee leasing company were the client to
242 contract with the employee leasing company. Any advertising



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243 materials or other documents describing specific insurance
244 coverages must identify and be from a licensed insurer or its
245 licensed agent or a licensed and appointed agent employed by the
246 employee leasing company. The employee leasing company may not
247 advise or inform the prospective business client or individual
248 employees of specific coverage provisions, exclusions, or
249 limitations of particular plans. As to clients for which the
250 employee leasing company is providing services pursuant to s.
251 468.525(4), the employee leasing company may engage in
252 activities permitted by ss. 626.7315, 626.7845, and 626.8305,
253 subject to the restrictions specified in those sections. If a
254 prospective client requests more specific information concerning
255 the insurance provided by the employee leasing company, the
256 employee leasing company must refer the prospective business
257 client to the insurer or its licensed agent or to a licensed and
258 appointed agent employed by the employee leasing company.

259 (2) No agent or customer representative shall solicit or
260 otherwise transact as agent or customer representative, or
261 represent or hold himself or herself out to be an agent or
262 customer representative as to, any kind or kinds of insurance as
263 to which he or she is not then licensed and appointed.

264 (3) No person shall act as an adjuster as to any class of
265 business for which he or she is not then licensed and appointed.

266 (4) No person shall be, act as, or represent or hold
267 himself or herself out to be a service representative unless he
268 or she then holds a currently effective service representative
269 license and appointment. This subsection does not apply as to
270 similar representatives or employees of casualty insurers whose
271 duties are restricted to health insurance.



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272 (5) No person shall be, act as, or represent or hold
273 himself or herself out to be a managing general agent unless he
274 or she then holds a currently effective managing general agent
275 license and appointment.

276 (6) No person shall be, act as, or represent or hold
277 himself or herself out to be a property insurance appraisal
278 umpire unless he or she holds a currently effective license and
279 appointment as a property insurance appraisal umpire.

280 (7) No person shall be, act as, or represent or hold
281 himself or herself out to be a property insurance appraiser who
282 is eligible to represent an insured on a personal residential or
283 commercial residential property insurance claim unless he or she
284 holds a currently effective license as an adjuster or is exempt
285 from licensure under s. 626.860. Only a self-appointed insurance
286 appraiser may serve as an adjuster.

287 (8)~~(6)~~ An individual employed by a life or health insurer
288 as an officer or other salaried representative may solicit and
289 effect contracts of life insurance or annuities or of health
290 insurance, without being licensed as an agent, when and only
291 when he or she is accompanied by and solicits for and on the
292 behalf of a licensed and appointed agent.

293 (9) (a)~~(7) (a)~~ An individual, firm, partnership, corporation,
294 association, or other entity shall not act in its own name or
295 under a trade name, directly or indirectly, as an insurance
296 agency unless it complies with s. 626.172 with respect to
297 possessing an insurance agency license for each place of
298 business at which it engages in an activity that may be
299 performed only by a licensed insurance agent. However, an
300 insurance agency that is owned and operated by a single licensed



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301 agent conducting business in his or her individual name and not
302 employing or otherwise using the services of or appointing other
303 licensees shall be exempt from the agency licensing requirements
304 of this subsection.

305 (b) A branch place of business that is established by a
306 licensed agency is considered a branch agency and is not
307 required to be licensed so long as it transacts business under
308 the same name and federal tax identification number as the
309 licensed agency and has designated with the department a
310 licensed agent in charge of the branch location as required by
311 s. 626.0428 and the address and telephone number of the branch
312 location have been submitted to the department for inclusion in
313 the licensing record of the licensed agency within 30 days after
314 insurance transactions begin at the branch location.

315 (c) If an agency is required to be licensed but fails to
316 file an application for licensure in accordance with this
317 section, the department shall impose on the agency an
318 administrative penalty of up to \$10,000.

319 (d) Effective October 1, 2015, the department must
320 automatically convert the registration of an approved registered
321 insurance agency to an insurance agency license.

322 ~~(10)(8)~~ No insurance agent, insurance agency, or other
323 person licensed under the Insurance Code may pay any fee or
324 other consideration to an unlicensed person other than an
325 insurance agency for the referral of prospective purchasers to
326 an insurance agent which is in any way dependent upon whether
327 the referral results in the purchase of an insurance product.

328 ~~(11)(9)~~ Any person who knowingly transacts insurance or
329 otherwise engages in insurance activities in this state without



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330 a license in violation of this section commits a felony of the
331 third degree, punishable as provided in s. 775.082, s. 775.083,
332 or s. 775.084.

333 Section 11. Subsections (1) and (4) of section 626.171,
334 Florida Statutes, are amended to read:

335 626.171 Application for license as an agent, customer
336 representative, adjuster, umpire, service representative,
337 managing general agent, or reinsurance intermediary.-

338 (1) The department may not issue a license as agent,
339 customer representative, adjuster, umpire, service
340 representative, managing general agent, or reinsurance
341 intermediary to any person except upon written application filed
342 with the department, meeting the qualifications for the license
343 applied for as determined by the department, and payment in
344 advance of all applicable fees. The application must be made
345 under the oath of the applicant and be signed by the applicant.
346 An applicant may permit a third party to complete, submit, and
347 sign an application on the applicant's behalf, but is
348 responsible for ensuring that the information on the application
349 is true and correct and is accountable for any misstatements or
350 misrepresentations. The department shall accept the uniform
351 application for nonresident agent licensing. The department may
352 adopt revised versions of the uniform application by rule.

353 (4) An applicant for a license as an agent, customer
354 representative, adjuster, umpire, service representative,
355 managing general agent, or reinsurance intermediary must submit
356 a set of the individual applicant's fingerprints, or, if the
357 applicant is not an individual, a set of the fingerprints of the
358 sole proprietor, majority owner, partners, officers, and



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359 directors, to the department and must pay the fingerprint
360 processing fee set forth in s. 624.501. Fingerprints shall be
361 used to investigate the applicant's qualifications pursuant to
362 s. 626.201. The fingerprints shall be taken by a law enforcement
363 agency, designated examination center, or other department-
364 approved entity. The department shall require all designated
365 examination centers to have fingerprinting equipment and to take
366 fingerprints from any applicant or prospective applicant who
367 pays the applicable fee. The department may not approve an
368 application for licensure as an agent, customer service
369 representative, adjuster, umpire, service representative,
370 managing general agent, or reinsurance intermediary if
371 fingerprints have not been submitted.

372 Section 12. Subsection (9) of section 626.207, Florida
373 Statutes, is amended to read:

374 626.207 Disqualification of applicants and licensees;
375 penalties against licensees; rulemaking authority.-

376 (9) Section 112.011 does not apply to any applicants for
377 licensure under the Florida Insurance Code, including, but not
378 limited to, agents, agencies, adjusters, adjusting firms,
379 umpires, customer representatives, or managing general agents.

380 Section 13. Subsections (1) and (2) of section 626.2815,
381 Florida Statutes, are amended to read:

382 626.2815 Continuing education requirements.-

383 (1) The purpose of this section is to establish
384 requirements and standards for continuing education courses for
385 individuals licensed to solicit, sell, or adjust insurance or to
386 serve as an umpire in the state.

387 (2) Except as otherwise provided in this section, this



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388 section applies to individuals licensed to transact ~~engage in~~
389 ~~the sale of~~ insurance or adjust ~~adjustment of~~ insurance claims
390 in this state for all lines of insurance for which an
391 examination is required for licensing and to individuals
392 licensed to serve as an umpire ~~each insurer, employer, or~~
393 ~~appointing entity, including, but not limited to, those created~~
394 ~~or existing pursuant to s. 627.351.~~ This section does not apply
395 to an individual who holds a license for the sale of any line of
396 insurance for which an examination is not required by the laws
397 of this state or who holds a limited license as a crop or hail
398 and multiple-peril crop insurance agent. Licensees who are
399 unable to comply with the continuing education requirements due
400 to active duty in the military may submit a written request for
401 a waiver to the department.

402 Section 14. Subsections (1), (3), (5), and (6) of section
403 626.451, Florida Statutes, are amended to read:

404 626.451 Appointment of agent or other representative.—

405 (1) Each appointing entity or person designated by the
406 department to administer the appointment process appointing an
407 agent, adjuster, umpire, service representative, customer
408 representative, or managing general agent in this state shall
409 file the appointment with the department or office and, at the
410 same time, pay the applicable appointment fee and taxes. Every
411 appointment shall be subject to the prior issuance of the
412 appropriate agent's, adjuster's, umpire's, service
413 representative's, customer representative's, or managing general
414 agent's license.

415 (3) By authorizing the effectuation of the appointment of
416 an agent, adjuster, umpire, service representative, customer



417 representative, or managing general agent the appointing entity
418 is thereby certifying to the department that it is willing to be
419 bound by the acts of the agent, adjuster, umpire, service
420 representative, customer representative, or managing general
421 agent, within the scope of the licensee's employment or
422 appointment.

423 (5) Any law enforcement agency or state attorney's office
424 that is aware that an agent, adjuster, umpire, service
425 representative, customer representative, or managing general
426 agent has pleaded guilty or nolo contendere to or has been found
427 guilty of a felony shall notify the department or office of such
428 fact.

429 (6) Upon the filing of an information or indictment against
430 an agent, adjuster, umpire, service representative, customer
431 representative, or managing general agent, the state attorney
432 shall immediately furnish the department or office a certified
433 copy of the information or indictment.

434 Section 15. Section 626.461, Florida Statutes, is amended
435 to read:

436 626.461 Continuation of appointment of agent or other
437 representative.—Subject to renewal or continuation by the
438 appointing entity, the appointment of the agent, adjuster,
439 umpire, service representative, customer representative, or
440 managing general agent shall continue in effect until the
441 person's license is revoked or otherwise terminated, unless
442 written notice of earlier termination of the appointment is
443 filed with the department or person designated by the department
444 to administer the appointment process by either the appointing
445 entity or the appointee.



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446 Section 16. Subsection (3) of section 626.521, Florida
447 Statutes, is amended to read:

448 626.521 Character, credit reports.—

449 (3) As to an applicant for an adjuster's, umpire's, or
450 reinsurance intermediary's license who is to be self-employed,
451 the department may secure, at the cost of the applicant, a full
452 detailed credit and character report made by an established and
453 reputable independent reporting service relative to the
454 applicant.

455 Section 17. Subsection (1) of section 626.541, Florida
456 Statutes, is amended to read:

457 626.541 Firm, corporate, and business names; officers;
458 associates; notice of changes.—

459 (1) Any licensed agent, ~~or~~ adjuster, or umpire doing
460 business under a firm or corporate name or under any business
461 name other than his or her own individual name shall, within 30
462 days after initially transacting ~~the initial transaction of~~
463 insurance or engaging in insurance activities under such
464 business name, file with the department, on forms adopted and
465 furnished by the department, a written statement of the firm,
466 corporate, or business name being so used, the address of any
467 office or offices or places of business making use of such name,
468 and the name and social security number of each officer and
469 director of the corporation and of each individual associated in
470 such firm or corporation as to the insurance transactions
471 thereof or in the use of such business name.

472 Section 18. Subsection (1) of section 626.601, Florida
473 Statutes, is amended to read:

474 626.601 Improper conduct; inquiry; fingerprinting.—



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475 (1) The department or office may, upon its own motion or
476 upon a written complaint signed by any interested person and
477 filed with the department or office, inquire into any alleged
478 improper conduct of any licensed, approved, or certified
479 licensee, insurance agency, agent, adjuster, umpire, service
480 representative, managing general agent, customer representative,
481 title insurance agent, title insurance agency, mediator, neutral
482 evaluator, navigator, continuing education course provider,
483 instructor, school official, or monitor group under this code.
484 The department or office may thereafter initiate an
485 investigation of any such individual or entity if it has
486 reasonable cause to believe that the individual or entity has
487 violated any provision of the insurance code. During the course
488 of its investigation, the department or office shall contact the
489 individual or entity being investigated unless it determines
490 that contacting such individual or entity could jeopardize the
491 successful completion of the investigation or cause injury to
492 the public.

493 Section 19. Subsection (1) of section 626.611, Florida
494 Statutes, is amended to read:

495 626.611 Grounds for compulsory refusal, suspension, or
496 revocation of agent's, title agency's, adjuster's, umpire's,
497 customer representative's, service representative's, or managing
498 general agent's license or appointment.—

499 (1) The department shall deny an application for, suspend,
500 revoke, or refuse to renew or continue the license or
501 appointment of any applicant, agent, title agency, adjuster,
502 umpire, customer representative, service representative, or
503 managing general agent, and it shall suspend or revoke the



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504 eligibility to hold a license or appointment of any such person,
505 if it finds that as to the applicant, licensee, or appointee any
506 one or more of the following applicable grounds exist:

507 (a) Lack of one or more of the qualifications for the
508 license or appointment as specified in this code.

509 (b) Material misstatement, misrepresentation, or fraud in
510 obtaining the license or appointment or in attempting to obtain
511 the license or appointment.

512 (c) Failure to pass to the satisfaction of the department
513 any examination required under this code.

514 (d) If the license or appointment is willfully used, or to
515 be used, to circumvent any of the requirements or prohibitions
516 of this code.

517 (e) Willful misrepresentation of any insurance policy or
518 annuity contract or willful deception with regard to any such
519 policy or contract, done either in person or by any form of
520 dissemination of information or advertising.

521 (f) If, as an adjuster, or agent licensed and appointed to
522 adjust claims under this code, he or she has materially
523 misrepresented to an insured or other interested party the terms
524 and coverage of an insurance contract with intent and for the
525 purpose of effecting settlement of claim for loss or damage or
526 benefit under such contract on less favorable terms than those
527 provided in and contemplated by the contract.

528 (g) Demonstrated lack of fitness or trustworthiness to
529 engage in the business of insurance.

530 (h) Demonstrated lack of reasonably adequate knowledge and
531 technical competence to engage in the transactions authorized by
532 the license or appointment.



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533 (i) Fraudulent or dishonest practices in the conduct of
534 business under the license or appointment.

535 (j) Misappropriation, conversion, or unlawful withholding
536 of moneys belonging to insurers or insureds or beneficiaries or
537 to others and received in conduct of business under the license
538 or appointment.

539 (k) Unlawfully rebating, attempting to unlawfully rebate,
540 or unlawfully dividing or offering to divide his or her
541 commission with another.

542 (l) Having obtained or attempted to obtain, or having used
543 or using, a license or appointment as agent or customer
544 representative for the purpose of soliciting or handling
545 "controlled business" as defined in s. 626.730 with respect to
546 general lines agents, s. 626.784 with respect to life agents,
547 and s. 626.830 with respect to health agents.

548 (m) Willful failure to comply with, or willful violation
549 of, any proper order or rule of the department or willful
550 violation of any provision of this code.

551 (n) Having been found guilty of or having pleaded guilty or
552 nolo contendere to a felony or a crime punishable by
553 imprisonment of 1 year or more under the law of the United
554 States of America or of any state thereof or under the law of
555 any other country which involves moral turpitude, without regard
556 to whether a judgment of conviction has been entered by the
557 court having jurisdiction of such cases.

558 (o) Fraudulent or dishonest practice in submitting or
559 aiding or abetting any person in the submission of an
560 application for workers' compensation coverage under chapter 440
561 containing false or misleading information as to employee



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562 payroll or classification for the purpose of avoiding or
563 reducing the amount of premium due for such coverage.

564 (p) Sale of an unregistered security that was required to
565 be registered, pursuant to chapter 517.

566 (q) In transactions related to viatical settlement
567 contracts as defined in s. 626.9911:

568 1. Commission of a fraudulent or dishonest act.

569 2. No longer meeting the requirements for initial
570 licensure.

571 3. Having received a fee, commission, or other valuable
572 consideration for his or her services with respect to viatical
573 settlements that involved unlicensed viatical settlement
574 providers or persons who offered or attempted to negotiate on
575 behalf of another person a viatical settlement contract as
576 defined in s. 626.9911 and who were not licensed life agents.

577 4. Dealing in bad faith with viators.

578 Section 20. Section 626.621, Florida Statutes, is amended
579 to read:

580 626.621 Grounds for discretionary refusal, suspension, or
581 revocation of agent's, adjuster's, umpire's, customer
582 representative's, service representative's, or managing general
583 agent's license or appointment.—The department may, in its
584 discretion, deny an application for, suspend, revoke, or refuse
585 to renew or continue the license or appointment of any
586 applicant, agent, adjuster, umpire, customer representative,
587 service representative, or managing general agent, and it may
588 suspend or revoke the eligibility to hold a license or
589 appointment of any such person, if it finds that as to the
590 applicant, licensee, or appointee any one or more of the



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591 following applicable grounds exist under circumstances for which
592 such denial, suspension, revocation, or refusal is not mandatory
593 under s. 626.611:

594 (1) Any cause for which issuance of the license or
595 appointment could have been refused had it then existed and been
596 known to the department.

597 (2) Violation of any provision of this code or of any other
598 law applicable to the business of insurance in the course of
599 dealing under the license or appointment.

600 (3) Violation of any lawful order or rule of the
601 department, commission, or office.

602 (4) Failure or refusal, upon demand, to pay over to any
603 insurer he or she represents or has represented any money coming
604 into his or her hands belonging to the insurer.

605 (5) Violation of the provision against twisting, as defined
606 in s. 626.9541(1)(1).

607 (6) In the conduct of business under the license or
608 appointment, engaging in unfair methods of competition or in
609 unfair or deceptive acts or practices, as prohibited under part
610 IX of this chapter, or having otherwise shown himself or herself
611 to be a source of injury or loss to the public.

612 (7) Willful overinsurance of any property or health
613 insurance risk.

614 (8) Having been found guilty of or having pleaded guilty or
615 nolo contendere to a felony or a crime punishable by
616 imprisonment of 1 year or more under the law of the United
617 States of America or of any state thereof or under the law of
618 any other country, without regard to whether a judgment of
619 conviction has been entered by the court having jurisdiction of



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620 such cases.

621 (9) If a life agent, violation of the code of ethics.

622 (10) Cheating on an examination required for licensure or
623 violating test center or examination procedures published
624 orally, in writing, or electronically at the test site by
625 authorized representatives of the examination program
626 administrator. Communication of test center and examination
627 procedures must be clearly established and documented.

628 (11) Failure to inform the department in writing within 30
629 days after pleading guilty or nolo contendere to, or being
630 convicted or found guilty of, any felony or a crime punishable
631 by imprisonment of 1 year or more under the law of the United
632 States or of any state thereof, or under the law of any other
633 country without regard to whether a judgment of conviction has
634 been entered by the court having jurisdiction of the case.

635 (12) Knowingly aiding, assisting, procuring, advising, or
636 abetting any person in the violation of or to violate a
637 provision of the insurance code or any order or rule of the
638 department, commission, or office.

639 (13) Has been the subject of or has had a license, permit,
640 appointment, registration, or other authority to conduct
641 business subject to any decision, finding, injunction,
642 suspension, prohibition, revocation, denial, judgment, final
643 agency action, or administrative order by any court of competent
644 jurisdiction, administrative law proceeding, state agency,
645 federal agency, national securities, commodities, or option
646 exchange, or national securities, commodities, or option
647 association involving a violation of any federal or state
648 securities or commodities law or any rule or regulation adopted



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649 thereunder, or a violation of any rule or regulation of any
650 national securities, commodities, or options exchange or
651 national securities, commodities, or options association.

652 (14) Failure to comply with any civil, criminal, or
653 administrative action taken by the child support enforcement
654 program under Title IV-D of the Social Security Act, 42 U.S.C.
655 ss. 651 et seq., to determine paternity or to establish, modify,
656 enforce, or collect support.

657 (15) Directly or indirectly accepting any compensation,
658 inducement, or reward from an inspector for the referral of the
659 owner of the inspected property to the inspector or inspection
660 company. This prohibition applies to an inspection intended for
661 submission to an insurer in order to obtain property insurance
662 coverage or establish the applicable property insurance premium.

663 Section 21. Subsection (4) of section 626.641, Florida
664 Statutes, is amended to read:

665 626.641 Duration of suspension or revocation.—

666 (4) During the period of suspension or revocation of a
667 license or appointment, and until the license is reinstated or,
668 if revoked, a new license issued, the former licensee or
669 appointee may not engage in or attempt or profess to engage in
670 any transaction or business for which a license or appointment
671 is required under this code or directly or indirectly own,
672 control, or be employed in any manner by an agent, agency,
673 adjuster, ~~or~~ adjusting firm, or umpire.

674 Section 22. Subsection (2) of section 626.7845, Florida
675 Statutes, is amended to read:

676 626.7845 Prohibition against unlicensed transaction of life
677 insurance.—



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678 (2) Except as provided in s. 626.112(8) ~~626.112(6)~~, with
679 respect to any line of authority specified in s. 626.015(10), no
680 individual shall, unless licensed as a life agent:

681 (a) Solicit insurance or annuities or procure applications;

682 (b) In this state, engage or hold himself or herself out as
683 engaging in the business of analyzing or abstracting insurance
684 policies or of counseling or advising or giving opinions to
685 persons relative to insurance or insurance contracts other than:

686 1. As a consulting actuary advising an insurer; or

687 2. As to the counseling and advising of labor unions,
688 associations, trustees, employers, or other business entities,
689 the subsidiaries and affiliates of each, relative to their
690 interests and those of their members or employees under
691 insurance benefit plans; or

692 (c) In this state, from this state, or with a resident of
693 this state, offer or attempt to negotiate on behalf of another
694 person a viatical settlement contract as defined in s. 626.9911.

695 Section 23. Section 626.8305, Florida Statutes, is amended
696 to read:

697 626.8305 Prohibition against the unlicensed transaction of
698 health insurance.—Except as provided in s. 626.112(8)
699 ~~626.112(6)~~, with respect to any line of authority specified in
700 s. 626.015(6), no individual shall, unless licensed as a health
701 agent:

702 (1) Solicit insurance or procure applications; or

703 (2) In this state, engage or hold himself or herself out as
704 engaging in the business of analyzing or abstracting insurance
705 policies or of counseling or advising or giving opinions to
706 persons relative to insurance contracts other than:



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707 (a) As a consulting actuary advising insurers; or
708 (b) As to the counseling and advising of labor unions,
709 associations, trustees, employers, or other business entities,
710 the subsidiaries and affiliates of each, relative to their
711 interests and those of their members or employees under
712 insurance benefit plans.

713 Section 24. Paragraph (a) of subsection (2) of section
714 626.8411, Florida Statutes, is amended to read:

715 626.8411 Application of Florida Insurance Code provisions
716 to title insurance agents or agencies.—

717 (2) The following provisions of part I do not apply to
718 title insurance agents or title insurance agencies:

719 (a) Section 626.112(9) ~~626.112(7)~~, relating to licensing of
720 insurance agencies.

721 Section 25. Subsection (4) of section 626.8443, Florida
722 Statutes, is amended to read:

723 626.8443 Duration of suspension or revocation.—

724 (4) During the period of suspension or after revocation of
725 the license and appointment, the former licensee shall not
726 engage in or attempt to profess to engage in any transaction or
727 business for which a license or appointment is required under
728 this code or directly or indirectly own, control, or be employed
729 in any manner by any insurance agent or agency, ~~or~~ adjuster, ~~or~~
730 adjusting firm, or umpire.

731 Section 26. Paragraph (d) is added to subsection (11) of
732 section 626.854, Florida Statutes, to read:

733 626.854 "Public adjuster" defined; prohibitions.—The
734 Legislature finds that it is necessary for the protection of the
735 public to regulate public insurance adjusters and to prevent the



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736 unauthorized practice of law.

737 (11)

738 (d) If a public adjuster enters into a contract with an
739 insured or a claimant to perform an appraisal, as defined in s.
740 626.9964, the public adjuster may not charge, agree to, or
741 accept from any source compensation, payment, commission, fee,
742 or any other thing of value in excess of the limitations set
743 forth in paragraph (b) for the appraisal services or, if also
744 servicing as adjuster on the claim, a combination of adjuster and
745 appraisal services.

746 Section 27. Section 626.8791, Florida Statutes, is created
747 to read:

748 626.8791 Contracts for appraisal services; required
749 notice.—A contract between an adjuster and an insured or
750 claimant to perform an appraisal must contain the following
751 language in at least 14-point boldfaced, uppercase type: "THERE
752 IS NO LEGAL REQUIREMENT THAT AN APPRAISER CHARGE A CLIENT A SET
753 FEE OR A PERCENTAGE OF MONEY RECOVERED IN A CASE. YOU, THE
754 CLIENT, HAVE THE RIGHT TO TALK WITH YOUR APPRAISER ABOUT THE
755 PROPOSED FEE AND TO BARGAIN ABOUT THE RATE OR PERCENTAGE AS IN
756 ANY OTHER CONTRACT. IF YOU DO NOT REACH AN AGREEMENT WITH ONE
757 APPRAISER, YOU MAY TALK WITH OTHER APPRAISERS."

758 Section 28. Subsection (1) of section 626.9957, Florida
759 Statutes, is amended to read:

760 626.9957 Conduct prohibited; denial, revocation, or
761 suspension of registration.—

762 (1) As provided in s. 626.112, only a person licensed as an
763 insurance agent or customer representative may engage in the
764 solicitation of insurance. A person who engages in the



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765 solicitation of insurance as described in s. 626.112(1) without
766 such license is subject to the penalties provided under s.
767 626.112(11) ~~626.112(9)~~.

768 Section 29. Part XIV of chapter 626, Florida Statutes,
769 consisting of sections 626.9961 through 626.9968, is created to
770 read:

771 PART XIV

772 PROPERTY INSURANCE APPRAISAL UMPIRES

773 626.9961 Short title.—This part may be referred to as the
774 “Property Insurance Appraisal Umpire Law.”

775 626.9962 Legislative findings.—The Legislature finds it
776 necessary to regulate persons that hold themselves out to the
777 public as qualified to provide services as property insurance
778 appraisal umpires in order to protect the public safety and
779 welfare and to avoid economic injury to the residents of this
780 state. This part applies only to property insurance appraisal
781 umpires as defined in this part.

782 626.9963 Part supplements licensing law.—This part is
783 supplementary to part I, the “Licensing Procedures Law.”

784 626.9964 Definitions.—As used in this part, the term:

785 (1) “Appraisal” means, for purposes of licensure under this
786 part only, a process of alternative dispute resolution used in a
787 personal residential or commercial residential property
788 insurance claim.

789 (2) “Competent” means sufficiently qualified and capable of
790 performing an appraisal.

791 (3) “Department” means the Department of Financial
792 Services.

793 (4) “Property insurance appraisal umpire” or “umpire” means



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794 a person selected by the appraisers representing the insurer and
795 the insured, or, if the appraisers cannot agree, by the court,
796 who is charged with resolving issues that the appraisers are
797 unable to agree upon during the course of an appraisal.

798 (5) "Property insurance appraiser" or "appraiser" means the
799 person selected by an insurer or insured to perform an
800 appraisal.

801 626.9965 Qualification for license as a property insurance
802 appraisal umpire.—

803 (1) The department shall issue a license as an umpire to a
804 person who meets the requirements of subsection (2) and is one
805 of the following:

806 (a) A retired county, circuit, or appellate judge.

807 (b) Licensed as an engineer pursuant to chapter 471 or is a
808 retired professional engineer as defined in s. 471.005.

809 (c) Licensed as a general contractor, building contractor,
810 or residential contractor pursuant to part I of chapter 489.

811 (d) Licensed or registered as an architect to engage in the
812 practice of architecture pursuant to part I of chapter 481.

813 (e) A member of The Florida Bar.

814 (f) Licensed as an adjuster pursuant to part VI of chapter
815 626, which license includes the property and casualty lines of
816 insurance. An adjuster must have been licensed for at least 5
817 years as an adjuster before he or she may be licensed as an
818 umpire.

819 (2) An applicant may be licensed to practice in this state
820 as an umpire if the applicant:

821 (a) Is a natural person at least 18 years of age;

822 (b) Is a United States citizen or legal alien who possesses



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823 work authorization from the United States Bureau of Citizenship
824 and Immigration;
825 (c) Is of good moral character;
826 (d) Has paid the applicable fees specified in s. 624.501;
827 and
828 (e) Has, before the date of the application for licensure,
829 satisfactorily completed education courses approved by the
830 department covering:
831 1. At least 19 hours of insurance claims estimating; and
832 2. At least 5 hours of insurance law, ethics for insurance
833 professionals, disciplinary trends, and case studies.
834 (3) The department may not reject an application solely
835 because the applicant is or is not a member of a given appraisal
836 organization.
837 626.9966 Grounds for refusal, suspension, or revocation of
838 an umpire license or appointment.—The department may deny an
839 application for license or appointment under this part; suspend,
840 revoke, or refuse to renew or continue a license or appointment
841 of an umpire; or suspend or revoke eligibility for licensure or
842 appointment as an umpire if the department finds that one or
843 more of the following applicable grounds exist:
844 (1) Violating a duty imposed upon him or her by law or by
845 the terms of the umpire agreement; aiding, assisting, or
846 conspiring with any other person engaged in any such misconduct
847 and in furtherance thereof; or forming the intent, design, or
848 scheme to engage in such misconduct and committing an overt act
849 in furtherance of such intent, design, or scheme. An umpire
850 commits a violation of this part regardless of whether the
851 victim or intended victim of the misconduct has sustained any



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852 damage or loss; the damage or loss has been settled and paid
853 after the discovery of misconduct; or the victim or intended
854 victim is an insurer or customer or a person in a confidential
855 relationship with the umpire or is an identified member of the
856 general public.

857 (2) Having a registration, license, or certification to
858 practice or conduct any regulated profession, business, or
859 vocation revoked, suspended, or encumbered; or having an
860 application for such registration, licensure, or certification
861 to practice or conduct any regulated profession, business, or
862 vocation denied, by this or any other state, any nation, or any
863 possession or district of the United States.

864 (3) Making or filing a report or record, written or oral,
865 which the umpire knows to be false; willfully failing to file a
866 report or record required by state or federal law; willfully
867 impeding or obstructing such filing; or inducing another person
868 to impede or obstruct such filing.

869 (4) Agreeing to serve as an umpire if service is contingent
870 upon the umpire reporting a predetermined amount, analysis, or
871 opinion.

872 (5) Agreeing to serve as an umpire, if the fee to be paid
873 for his or her services is contingent upon the opinion,
874 conclusion, or valuation he or she reaches.

875 (6) Failure of an umpire, without good cause, to
876 communicate within 10 business days after a request for
877 communication from an appraiser.

878 (7) Violation of any ethical standard for umpires specified
879 in s. 626.9967.

880 626.9967 Ethical standards for property insurance appraisal



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881 umpires.-

882 (1) FEES AND EXPENSES.-

883 (a) The fees charged by an umpire must be reasonable and
884 consistent with the nature of the case.

885 (b) In determining fees, an umpire:

886 1. Must charge on an hourly basis and may bill only for
887 actual time spent on or allocated for the appraisal.

888 2. May not charge, agree to, or accept as compensation or
889 reimbursement any payment, commission, or fee that is based on a
890 percentage of the value of the claim or that is contingent upon
891 a specified outcome.

892 3. May charge for costs actually incurred, and no other
893 costs.

894 (c) An appraiser may assign the duty of paying the umpire's
895 fee to, and the umpire is entitled to receive payment directly
896 from, the insurer and the insured only if the insurer and the
897 insured acknowledge and accept that duty and agree in writing to
898 be responsible for payment.

899 (2) MAINTENANCE OF RECORDS.-An umpire shall maintain
900 records necessary to support charges for services and expenses,
901 and, upon request, shall provide an accounting of all applicable
902 charges to the insurer and insured. An umpire shall retain
903 original or true copies of any contracts engaging his or her
904 services, appraisal reports, and supporting data assembled and
905 formulated by the umpire in preparing appraisal reports for at
906 least 5 years. The umpire shall make the records available to
907 the department for inspection and copying within 7 business days
908 after a request. If an appraisal has been the subject of, or has
909 been admitted as evidence in, a lawsuit, reports and records



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910 related to the appraisal must be retained for at least 2 years
911 after the date that the trial ends.

912 (3) ADVERTISING.—An umpire may not engage in marketing
913 practices that contain false or misleading information. An
914 umpire shall ensure that any advertisement of his or her
915 qualifications, services to be rendered, or the appraisal
916 process are accurate and honest. An umpire may not make claims
917 of achieving specific outcomes or promises implying favoritism
918 for the purpose of obtaining business.

919 (4) INTEGRITY AND IMPARTIALITY.—

920 (a)1. An umpire may not accept an appraisal unless he or
921 she can serve competently, promptly commence the appraisal and,
922 thereafter, devote the time and attention to its completion in
923 the manner expected by all persons involved in the appraisal.

924 2. An umpire shall conduct the appraisal process in a
925 manner that advances the fair and efficient resolution of issues
926 that arise.

927 3. An umpire shall deliberate and decide all issues within
928 the scope of the appraisal, but may not render a decision on any
929 other issues. An umpire shall decide all matters justly,
930 exercising independent judgment. An umpire may not delegate his
931 or her duties to any other person. An umpire who considers the
932 opinion of an expert does not violate this paragraph. However,
933 the umpire must disclose the expert's fees before retaining the
934 expert.

935 (b) An umpire may not engage in any business, provide any
936 service, or perform any act that would compromise his or her
937 integrity or impartiality.

938 (5) SKILL AND EXPERIENCE.—An umpire shall decline or



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939 withdraw from an appraisal or request appropriate assistance
940 when the facts and circumstances of the appraisal prove to be
941 beyond his or her skill or experience.

942 (6) GIFTS AND SOLICITATION.—An umpire or any individual or
943 entity acting on behalf of an umpire may not solicit, accept,
944 give, or offer to give, directly or indirectly, any gift, favor,
945 loan, or other item of value in excess of \$25 to any individual
946 who participates in the appraisal, for the purpose of
947 solicitation or otherwise attempting to procure future work from
948 any person who participates in the appraisal, or as an
949 inducement to entering into an appraisal with an umpire. This
950 subsection does not prevent an umpire from accepting other
951 appraisals where the appraisers agree upon the umpire or the
952 court appoints the umpire.

953 (7) EX PARTE COMMUNICATION.—In any property insurance
954 appraisal, ex parte communication between an umpire and an
955 appraiser is prohibited. However, an appraiser may communicate
956 with another appraiser, if an umpire is not present or does not
957 receive the ex parte communication.

958 626.9968 Conflicts of interest.—An insurer or a
959 policyholder may challenge an umpire's impartiality and
960 disqualify the proposed umpire only if:

961 (1) A familial relationship within the third degree exists
962 between the umpire and a party or a representative of a party;

963 (2) The umpire has previously represented a party in a
964 professional capacity in the same claim or matter involving the
965 same property;

966 (3) The umpire has represented another person in a
967 professional capacity in the same or a substantially related



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968 matter that includes the claim, the same property or an adjacent
969 property, and the other person's interests are materially
970 adverse to the interests of a party;

971 (4) The umpire has worked as an employer or employee of a
972 party within the preceding 5 years; or

973 (5) The umpire has violated s. 626.9966.

974 Section 30. Section 627.70151, Florida Statutes, is
975 repealed.

976 Section 31. For the 2016-2017 fiscal year, the sums of
977 \$24,000 in recurring funds from the Insurance Regulatory Trust
978 Fund and \$73,107 in recurring funds and \$39,230 in nonrecurring
979 funds from the Administrative Trust Fund are appropriated to the
980 Department of Financial Services, and one full-time equivalent
981 position with associated salary rate of 47,291 is authorized,
982 for the purpose of implementing this act.

983 Section 32. This act applies to all appraisals requested on
984 or after October 1, 2016.

985 Section 33. This act shall take effect October 1, 2016.

986
987 ===== T I T L E A M E N D M E N T =====

988 And the title is amended as follows:

989 Delete everything before the enacting clause
990 and insert:

991 A bill to be entitled
992 An act relating to property insurance appraisers and
993 property insurance appraisal umpires; amending s.
994 624.04, F.S.; revising the definition of the term
995 "person"; amending s. 624.303, F.S.; exempting
996 certificates issued to property insurance appraisal



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997 umpires from the requirement to bear a seal of the
998 Department of Financial Services; amending s. 624.311,
999 F.S.; providing a schedule for destruction of property
1000 insurance appraisal umpire licensing files and
1001 records; amending s. 624.317, F.S.; authorizing the
1002 department to investigate property insurance appraisal
1003 umpires for violations of the insurance code; amending
1004 s. 624.501, F.S.; authorizing specified licensing fees
1005 for property insurance appraisal umpires; amending s.
1006 624.523, F.S.; requiring fees associated with property
1007 insurance appraisal umpires' appointments to be
1008 deposited into the Insurance Regulatory Trust Fund;
1009 amending s. 626.015, F.S.; providing a definition;
1010 amending s. 626.016, F.S.; revising the scope of the
1011 Chief Financial Officer's powers and duties and the
1012 department's enforcement jurisdiction to include
1013 umpires; amending s. 626.022, F.S.; including property
1014 insurance appraisal umpire licensing in the scope of
1015 part I of chapter 626, F.S., relating to licensing
1016 procedures; amending s. 626.112, F.S.; requiring
1017 umpires to be licensed and appointed; requiring
1018 licensure as an adjuster when serving as an appraiser
1019 under certain conditions; providing that only a self-
1020 appointed insurance appraiser may serve as an
1021 adjuster; amending s. 626.171, F.S.; requiring
1022 applicants for licensure as an umpire to submit
1023 fingerprints to the department; amending s. 626.207,
1024 F.S.; excluding applicants for licensure as umpires
1025 from application of s. 112.011, F.S., relating to



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1026 disqualification from license or public employment;
1027 amending s. 626.2815, F.S.; requiring specified
1028 continuing education for licensure as an umpire;
1029 amending s. 626.451, F.S.; providing requirements
1030 relating to the appointment of an umpire; amending s.
1031 626.461, F.S.; providing that an umpire appointment
1032 continues in effect, subject to renewal or earlier
1033 written notice of termination, until the person's
1034 license is revoked or otherwise terminated; amending
1035 s. 626.521, F.S.; authorizing the department to obtain
1036 a credit and character report for certain umpire
1037 applicants; amending s. 626.541, F.S.; requiring an
1038 umpire to provide certain information to the
1039 department when doing business under a different
1040 business name or when information in the licensure
1041 application changes; amending s. 626.601, F.S.;
1042 authorizing the department or office to investigate
1043 improper conduct of any licensed umpire; amending s.
1044 626.611, F.S.; requiring the department to refuse,
1045 suspend, or revoke an umpire's license under certain
1046 circumstances; amending s. 626.621, F.S.; authorizing
1047 the department to refuse, suspend, or revoke an
1048 umpire's license under certain circumstances; amending
1049 s. 626.641, F.S.; prohibiting an umpire from owning,
1050 controlling, or being employed by other licensees
1051 during the period the umpire's license is suspended or
1052 revoked; amending ss. 626.7845, 626.8305, and
1053 626.8411, F.S.; conforming provisions to changes made
1054 by the act; amending s. 626.8443, F.S.; prohibiting a



968182

1055 title insurance agent from owning, controlling, or
1056 being employed by an umpire during the period the
1057 agent's license is suspended or revoked; amending s.
1058 626.854, F.S.; providing limitations on fees charged
1059 by a public adjuster during an appraisal; creating s.
1060 626.8791, F.S.; establishing required notice in a
1061 contract for appraisal services; amending s. 626.9957,
1062 F.S.; conforming a cross-reference; creating part XIV
1063 of chapter 626, F.S., relating to property insurance
1064 appraisal umpires; creating s. 626.9961, F.S.;

1065 providing a short title; creating s. 626.9962, F.S.;

1066 providing legislative purpose; creating s. 626.9963,
1067 F.S.; providing that the part supplements part I of
1068 chapter 626, F.S., the "Licensing Procedure Law";

1069 creating s. 626.9964, F.S.; providing definitions;

1070 creating s. 626.9965, F.S.; providing qualifications
1071 for license as an umpire; creating s. 626.9966, F.S.;

1072 authorizing the department to refuse, suspend, or
1073 revoke an umpire's license under certain
1074 circumstances; creating s. 626.9967, F.S.; providing
1075 ethical standards for property insurance appraisal
1076 umpires; creating s. 626.9968, F.S.; providing for
1077 disqualification of an umpire under certain
1078 circumstances; repealing s. 627.70151, F.S., relating
1079 to appraisal conflicts of interest; providing an
1080 appropriation and authorizing positions; providing
1081 applicability; providing an effective date.



512052

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2016	.	
	.	
	.	
	.	

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

Senate Amendment to Amendment (968182)

Between lines 893 and 894

insert:

4. May not charge more than \$500 if the amount reported by the appraiser for the insurer or by the appraiser for the insured does not exceed \$2,500.



468366

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2016	.	
	.	
	.	
	.	

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

Senate Amendment to Amendment (968182)

Between lines 833 and 834

insert:

A retired county, circuit, or appellate judge is exempt from the continuing education requirements in s. 626.285, F.S., and this subsection.



507214

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2016	.	
	.	
	.	
	.	

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

1 **Senate Amendment to Amendment (968182) (with title**
2 **amendment)**

3
4 Between lines 286 and 287
5 insert:

6 (8) No person who is a convicted felon or disqualified
7 under s. 626.207, F.S., may act or serve as an property
8 insurance appraisal umpire or property insurance appraiser.

9
10 ===== T I T L E A M E N D M E N T =====



507214

11 And the title is amended as follows:

12 Delete line 1021

13 and insert:

14 adjuster; prohibits convicted felons from engaging in
15 certain activities; amending s. 626.171, F.S.;
16 requiring

17



249202

LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
02/10/2016	.	
	.	
	.	
	.	

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

Senate Amendment to Amendment (968182) (with title amendment)

Delete lines 5 - 767
and insert:

Section 1. A person may not engage in an appraisal, as defined in s. 626.9964, F.S., if the person is a convicted felon.

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



249202

11 And the title is amended as follows:

12 Delete lines 993 - 1062

13 and insert:

14 property insurance appraisal umpires; creating an
15 unnumbered section of the Florida Statutes,
16 prohibiting a convicted felon from engaging in an
17 appraisal; creating part XIV

By Senator Richter

23-00345-16

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1 A bill to be entitled
2 An act relating to property insurance appraisals;
3 creating part XIV of ch. 626, F.S., relating to
4 property insurance appraisers and property insurance
5 appraisal umpires; creating s. 626.9961, F.S.;
6 creating the property insurance appraiser and property
7 insurance appraisal umpire licensing program within
8 the Department of Financial Services; providing
9 legislative purpose; providing applicability; creating
10 s. 626.9962, F.S.; defining terms; creating s.
11 626.9963, F.S.; authorizing the department to
12 establish specified fees; requiring the deposit of
13 fees into the Insurance Regulatory Trust Fund;
14 creating s. 626.9964, F.S.; authorizing the department
15 to issue a license as a property insurance appraiser
16 or a property insurance appraisal umpire upon receipt
17 of an application; requiring applications to be made
18 under oath or affirmation and signed by the applicant;
19 requiring applicants to include specified information
20 in their applications; requiring that applications be
21 submitted with applicable fees; requiring applicants
22 to submit fingerprints to the department; providing
23 for state and national processing of fingerprints;
24 requiring an applicant to pay specified fingerprint
25 processing fees; requiring the department to develop
26 and maintain as a public record a current list of
27 appraisers and umpires; authorizing applicants to
28 practice in this state if they meet specified
29 requirements; requiring the department to review and

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30 approve continuing education courses for appraisers
31 and umpires; prohibiting the department from issuing
32 an appraiser or umpire license to an individual found
33 to be untrustworthy or incompetent or who fails to
34 meet other specified requirements; providing that an
35 incomplete application expires after a specified
36 period; prohibiting the department from rejecting an
37 applicant based solely upon membership or lack of
38 membership in any particular appraisal organization;
39 creating s. 626.9965, F.S.; authorizing the department
40 to issue a license by endorsement to an applicant who
41 the department certifies is qualified unless the
42 applicant is under investigation in another state for
43 specified acts until the investigation is complete and
44 disciplinary proceedings have been terminated;
45 creating s. 626.9966, F.S.; requiring licensed
46 appraisers and umpires to appoint their respective
47 licenses with the department; requiring appraisers and
48 umpires to complete their appointments before
49 undertaking the duties of an appraiser or umpire;
50 providing that an individual who has been licensed by
51 the department may be subsequently appointed without
52 additional written examination if his or her
53 application for appointment is filed with the
54 department within a specified period; providing that
55 an appointment continues in force until canceled,
56 suspended, revoked, or terminated; providing for
57 expiration of a license after a specified period;
58 creating s. 626.9967, F.S.; requiring an appraiser or

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59 umpire to submit to the department satisfactory proof
60 that specified continuing education requirements have
61 been met; authorizing the department to immediately
62 terminate or refuse to renew the appointment of an
63 appraiser or umpire if the department does not receive
64 such proof; requiring the department to establish by
65 rule criteria and course content for appraisal
66 courses; requiring each appraiser or umpire course
67 provider, instructor, and classroom course to be
68 approved by and registered with the department before
69 continuing education courses may be offered; requiring
70 the department to adopt rules establishing standards
71 for the approval, registration, discipline, or removal
72 from registration of course providers, instructor, and
73 courses; prohibiting an approved instructor from
74 teaching specified courses; creating s. 626.9968,
75 F.S.; authorizing the practice of or the offer to
76 practice as an appraiser or umpire by licensees
77 through specified entities; requiring specified
78 entities that hold themselves out as offering property
79 insurance appraisal services to be registered with the
80 department; providing that specified entities are not
81 relieved of responsibility for the conduct or acts of
82 their agents, employees, or officers; providing that
83 an individual practicing as an appraiser or umpire is
84 not relieved of responsibility for professional
85 services performed as a result of employment with
86 specified entities; creating s. 626.9969, F.S.;

87 requiring the department to deny an application for,

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88 suspend, revoke, or refuse to renew or continue the
89 license or appointment of any applicant, property
90 insurance appraiser, or property insurance appraisal
91 umpire and suspend or revoke the eligibility to hold a
92 license or appointment of any such person in certain
93 circumstances; creating s. 626.9971, F.S.; authorizing
94 the department to deny an application for and suspend,
95 revoke, or refuse to renew or continue a license as an
96 appraiser or umpire in certain circumstances; creating
97 s. 626.9972, F.S.; requiring appraisers and umpires to
98 maintain confidentiality of all information obtained
99 during an appraisal; requiring appraisers and umpires
100 to maintain confidentiality in the storage and
101 disposal of records; prohibiting appraisers and
102 umpires from disclosing identifying information in
103 certain circumstances; requiring that the fees charged
104 by an appraiser or an umpire are reasonable and
105 consistent with the nature of the case; prohibiting an
106 umpire from charging, agreeing to, or accepting as
107 compensation or reimbursement any payment, commission,
108 or fee that is based on a percentage of the appraised
109 value or that is contingent on a specified outcome;
110 requiring appraisers and umpires to maintain specified
111 records and provide an accounting of applicable
112 charges upon request; prohibiting appraisers and
113 umpires from engaging in marketing practices that
114 convey false or misleading information; prohibiting
115 appraisers from accepting an appointment in certain
116 circumstances; requiring appraisers to conduct the

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117 appraisal process in a specified manner; prohibiting
118 umpires from engaging in any business, providing any
119 service, or performing any act under certain
120 circumstances; requiring appraisers and umpires to
121 decline an appointment or selection, withdraw, or
122 request appropriate assistance in certain
123 circumstances; prohibiting appraisers and umpires from
124 giving or accepting any gift, favor, loan, or other
125 item of value in the appraisal process; prohibiting
126 appraisers and umpires from soliciting or otherwise
127 attempting to procure future professional services
128 during the appraisal process; requiring appraisers to
129 abide by any agreement they reach on the manner or
130 content of communications between them; prohibiting
131 appraisers from discussing a proceeding with any party
132 or with the umpire except in specified circumstances;
133 providing exceptions; prohibiting communications in
134 which a party dictates to an appraiser a specified
135 result, consideration, or action; creating s.
136 626.9973, F.S.; prohibiting certain acts regarding
137 appraisers or umpires; providing penalties; creating
138 s. 626.9974, F.S.; authorizing the department to adopt
139 rules to administer this part; providing an
140 appropriation; providing effective dates.

141

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

143

144 Section 1. Part XIV of chapter 626, Florida Statutes,
145 consisting of sections 626.9961 through 626.9974, is created to

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146 read:

147 PART XIV148 PROPERTY INSURANCE APPRAISERS AND PROPERTY INSURANCE APPRAISAL149 UMPIRES

150
151 626.9961 Property insurance appraiser and property
152 insurance appraisal umpire licensing program; legislative
153 purpose; scope of part.-

154 (1) The property insurance appraiser and property insurance
155 appraisal umpire licensing program is created within the
156 Department of Financial Services.

157 (2) The Legislature finds it necessary to regulate persons
158 and companies that hold themselves out to the public as
159 qualified to provide services as appraisers and umpires to
160 protect the public safety and welfare, to prevent damage to real
161 and personal property, and to avoid economic injury to the
162 residents of this state.

163 (3) This part applies to residential, commercial
164 residential, and commercial property insurance contracts and to
165 the appraisers and umpires who participate in the appraisal
166 process.

167 626.9962 Definitions.-As used in this part, the term:

168 (1) "Appraisal" means the process of dispute resolution, as
169 defined in the property insurance contract, which determines the
170 amount of loss when the insurer and insured are unable to agree
171 on the amount of the loss, or, if the insurer has elected to
172 repair the property and the insurer and the insured are unable
173 to agree on the scope of repairs, the scope of repairs.

174 Appraisal occurs after coverage is established.

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175 (2) "Competent" means sufficiently qualified and capable of
176 performing an appraisal.

177 (3) "Department" means the Department of Financial
178 Services.

179 (4) "Independent" means a person who is not subject to any
180 control, restriction, modification, or limitation by an
181 appointing party.

182 (a) An appraiser may not represent himself or herself as an
183 independent appraiser if he or she accepts an appointment that
184 is contingent upon reporting a predetermined result, analysis,
185 or opinion, or if the fee to be paid for the services of the
186 appraiser in connection with an appointment is contingent upon a
187 predetermined opinion, conclusion, or valuation.

188 (b) An umpire may not represent himself or herself as an
189 independent umpire unless he or she conducts his or her
190 investigation, evaluation, and estimation without instruction
191 from an appointing party. An umpire is not independent if he or
192 she accepts an appointment that is contingent upon reporting a
193 predetermined result, analysis, or opinion or if the fee to be
194 paid for the services of the umpire in connection with an
195 appointment is contingent upon a predetermined opinion,
196 conclusion, or valuation.

197 (5) "Property insurance appraisal umpire" or "umpire" means
198 a third party selected by appraisers representing the insurer
199 and the insured who is charged with resolving issues that the
200 appraisers are unable to agree upon during the course of an
201 appraisal process conducted pursuant to a residential,
202 commercial residential, or commercial property insurance
203 contract that provides for resolution of claim disputes by

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204 appraisal.

205 (6) "Property insurance appraiser" or "appraiser" means a
206 third party selected by an insurer or an insured to develop an
207 appraisal under a residential, commercial residential, or
208 commercial property insurance contract that provides for
209 resolution of claim disputes by appraisal.

210 626.9963 Fees.—

211 (1) The department may establish an application fee and
212 fees for examination, reexamination, and licensure and
213 appointment as a property insurance appraiser or a property
214 insurance appraisal umpire, and for designation as a provider of
215 continuing education. Fees shall be remitted at the time of
216 application.

217 (a) The application fee is \$50 and is nonrefundable.

218 (b) The examination and reexamination fees, at a minimum,
219 must be sufficient to cover the actual cost of examination and
220 reexamination.

221 (c) The fee for an initial license is \$5.

222 (d) The fee for a biennial appointment and renewal of such
223 appointment is \$60.

224 (e) The fee for applications for designation as a provider
225 of continuing education is \$100 per course.

226 (2) Fees shall be deposited into the Insurance Regulatory
227 Trust Fund.

228 626.9964 Application for license as a property insurance
229 appraiser or property insurance appraisal umpire.—

230 (1) Effective October 1, 2016, upon receipt of a completed
231 application that is made under oath and signed by the applicant,
232 the department may issue a license as a property insurance

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233 appraiser or a property insurance appraisal umpire to a person
234 who meets the requirements of subsection (6).

235 (2) The application for license must include the following
236 information:

237 (a) The applicant's full name; age; social security number;
238 residence address; business address; mailing address; contact
239 telephone numbers, including a business telephone number; and e-
240 mail address.

241 (b) Whether the applicant has been refused or has
242 voluntarily surrendered or has had suspended or revoked a
243 professional license by any state.

244 (c) Proof that the applicant meets the requirements for
245 licensure as an appraiser or umpire under subsection (6).

246 (d) The applicant's gender.

247 (e) The applicant's native language.

248 (f) The applicant's highest achieved level of education.

249 (3) The applicant shall submit the applicable fee with his
250 or her application.

251 (4) An applicant must submit a full set of fingerprints to
252 the department. The department must forward the fingerprints to
253 the Department of Law Enforcement for state processing, and the
254 Department of Law Enforcement shall forward the fingerprints to
255 the Federal Bureau of Investigation for national processing.
256 Fees for state and federal fingerprint processing must be paid
257 by the applicant. The state fee for fingerprint processing, at a
258 minimum, must be sufficient to cover the actual costs of
259 fingerprint processing.

260 (5) The department shall develop and maintain as a public
261 record a current list of licensed appraisers and umpires.

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262 (6) An applicant may be licensed to practice in this state
263 as an appraiser or umpire if he or she is of good moral
264 character and meets one of the following requirements:

265 (a) Is a retired county, circuit, or appellate judge.

266 (b) Is licensed as an engineer pursuant to chapter 471 or
267 is a retired professional engineer as defined in s. 471.005.

268 (c) Is licensed as a general contractor, building
269 contractor, or residential contractor pursuant to part I of
270 chapter 489.

271 (d) Is licensed or registered as an architect to engage in
272 the practice of architecture pursuant to part I of chapter 481.

273 (e) Is a member of The Florida Bar.

274 (f) Is licensed as an adjuster pursuant to part VI of
275 chapter 626, which license includes the property and casualty
276 lines of insurance. An adjuster must have been licensed for at
277 least 3 years as an adjuster before he or she may be licensed as
278 an appraiser and must have been licensed for at least 5 years as
279 an adjuster before he or she may be licensed as an umpire.

280 (7) The department shall review and approve courses of
281 study for the continued education of appraisers and umpires.

282 (8) The department may not issue a license as an appraiser
283 or umpire to any individual found by the department to be
284 untrustworthy or incompetent or who:

285 (a) Has not filed an application with the department in
286 accordance with this subsection (2).

287 (b) Is not a natural person who is at least 18 years of
288 age.

289 (c) Is not a United States citizen or legal alien who
290 possesses work authorization from the United States Bureau of

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291 Citizenship and Immigration Services.

292 (d) Has not completed the experience or licensing
293 requirements of this part.

294 (9) An incomplete application expires 6 months after the
295 date it is received by the department.

296 (10) The department may not reject an application solely
297 because the applicant is or is not a member of a given appraisal
298 organization.

299 626.9965 Licensure by endorsement.—The department may issue
300 a license by endorsement to an applicant who the department
301 certifies is qualified to practice as an appraiser or umpire
302 unless the applicant is under investigation in this or another
303 state for any act that would constitute a violation of this part
304 and until the investigation is complete and disciplinary
305 proceedings have been terminated.

306 626.9966 Appointment of license.—

307 (1) A property insurance appraiser or property insurance
308 appraisal umpire must appoint himself or herself with the
309 department and pay fees in the amount specified in s. 626.9963.
310 The appraiser or umpire must complete his or her appointment
311 before undertaking the duties of an appraiser or an umpire. The
312 appointment of an appraiser or umpire continues in force until
313 suspended, revoked, or terminated, as provided in this part, and
314 is subject to biennial renewal or continuation by the licensee.

315 (2) An individual who has been licensed by the department
316 as an appraiser or umpire may be subsequently appointed without
317 additional written examination if his or her application for
318 appointment is filed with the department within 48 months after
319 the date of cancellation or expiration of the previous

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320 appointment.

321 (3) The license of an appraiser or umpire continues in
322 force until canceled, suspended, or revoked or until it is
323 otherwise terminated, as provided in this part, but expires by
324 operation of law 48 months after the date of cancellation or
325 expiration of the last appointment.

326 626.9967 Continuing education.—

327 (1) The property insurance appraiser or property insurance
328 appraisal umpire must provide satisfactory proof to the
329 department that, during the 2 years before his or her
330 application for renewal, he or she completed at least 24 hours
331 of continuing education, approved by the department and relating
332 to appraisers and umpires, which covers new laws, ethics,
333 disciplinary trends, case studies, industry trends, and other
334 similar topics that the department determines are relevant to
335 legally and ethically performing the responsibilities of an
336 appraiser or umpire. If the department does not receive such
337 proof, the department may immediately terminate or refuse to
338 renew the appointment of an appraiser or umpire. The department
339 shall establish the criteria for and content of appraisal
340 courses by rule.

341 (2) Each appraiser or umpire course provider, instructor,
342 and classroom course must be approved by and registered with the
343 department before offering continuing education courses.

344 (3) The department shall adopt rules establishing standards
345 for the approval of courses and the registration, discipline, or
346 removal from registration of course providers and instructors.
347 The standards adopted by the department must ensure that
348 instructors have the knowledge, competence, and integrity to

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349 fulfill the educational objectives of this part.

350 (4) An approved instructor may not teach any course that is
351 outside the scope of this part.

352 626.9968 Partnerships, corporations, and other business
353 entities.—A licensee may practice or offer to practice as a
354 property insurance appraiser or property insurance appraisal
355 umpire through a partnership, corporation, or other business
356 entity that offers appraisal or umpire services to the public,
357 or through the agents, employees, or officers of, or partners in
358 such a partnership, corporation, or business entity. However,
359 partnerships, corporations, or other business entities that hold
360 themselves out as offering property insurance appraisal services
361 must be registered with the department. This section does not
362 allow a corporation or other business entity to hold a license
363 to practice appraisal or umpire services. A partnership,
364 corporation, or other business entity is not relieved of
365 responsibility for the conduct or acts of its agents, employees,
366 or officers by reason of its compliance with this section. An
367 individual who practices as an appraiser or umpire is not
368 relieved of responsibility for professional services performed
369 as a result of his or her employment or relationship with a
370 partnership, corporation, or other business entity.

371 626.9969 Grounds for compulsory refusal, suspension, or
372 revocation of an appraiser or umpire license.—The department
373 shall deny an application for license under this section;
374 suspend, revoke, or refuse to renew or continue a license or
375 appointment of an applicant, property insurance appraiser, or
376 property insurance appraisal umpire; or suspend or revoke
377 eligibility for licensure or appointment as an appraiser or

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378 umpire if the department finds that one or more of the following
379 applicable grounds exist:

380 (1) Lacking one or more of the qualifications for licensure
381 as specified in this part.

382 (2) Making a material misstatement or misrepresentation or
383 committing fraud in obtaining a license or in attempting to
384 obtain a license or appointment.

385 (3) Failing to achieve a passing score, as determined by
386 the department, on any examination required under this part.

387 (4) Willfully using a license or appointment to circumvent
388 any of the requirements or prohibitions of this part.

389 (5) Demonstrating a lack of fitness or trustworthiness to
390 practice as an appraiser or umpire.

391 (6) Demonstrating a lack of reasonably adequate knowledge
392 and technical competence to conduct transactions authorized by
393 the license.

394 (7) Committing fraudulent or dishonest practices in the
395 conduct of business under the license.

396 (8) Willfully failing to comply with or willfully violating
397 any order or rule of the department or this part.

398 (9) Having been found guilty of or having pled guilty or
399 nolo contendere to a felony or a crime punishable by
400 imprisonment of 1 year or more under federal or any state law,
401 or under the law of any other country, which involves moral
402 turpitude, without regard of whether a judgment or conviction
403 has been entered by the court having jurisdiction of such cases.

404 (10) Violating a duty imposed upon him or her by law or by
405 the terms of a contract, whether written, oral, expressed, or
406 implied, during the course of an appraisal; aiding, assisting,

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407 or conspiring with any other person engaged in any such
408 misconduct and in furtherance thereof; or forming the intent,
409 design, or scheme to engage in such misconduct and committing an
410 overt act in furtherance of such intent, design, or scheme. A
411 licensee commits a violation of this subsection regardless of
412 whether the victim or intended victim of the misconduct has
413 sustained any damage or loss; the damage or loss has been
414 settled and paid after the discovery of misconduct; or the
415 victim or intended victim is a customer or a person in a
416 confidential relationship with the licensee or is an identified
417 member of the general public.

418 (11) Having a registration, license, or certification as an
419 appraiser or umpire revoked, suspended, or otherwise acted
420 against; having a registration, license, or certificate to
421 practice or conduct any regulated profession, business, or
422 vocation revoked or suspended; or having an application for such
423 registration, licensure, or certification to practice or conduct
424 any regulated profession, business, or vocation denied, by this
425 or any other state, any nation, or any possession or district of
426 the United States.

427 (12) Making or filing a report or record, written or oral,
428 which the licensee knows to be false; willfully failing to file
429 a report or record required by state or federal law; willfully
430 impeding or obstructing such filing; or inducing another person
431 to impede or obstruct such filing.

432 (13) Accepting an appointment as an appraiser or umpire if
433 the appointment is contingent upon the appraiser or umpire
434 reporting a predetermined result, analysis, or opinion, or if
435 the fee to be paid for the services of the umpire is contingent

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436 upon the opinion, conclusion, or valuation reached by the
437 umpire.

438 626.9971 Grounds for discretionary denial, suspension, or
439 revocation of a property insurance appraiser's or property
440 insurance appraisal umpire's license.—The department may deny an
441 application for license or suspend, revoke, or refuse to renew
442 or continue a license as a property insurance appraiser or
443 property insurance appraisal umpire if any of the following
444 occurs:

445 (1) If the licensee is, or is applying for a license to be,
446 an appraiser, failure to timely communicate with the opposing
447 party's appraiser without good cause or failure or refusal to
448 exercise reasonable diligence in submitting recommendations to
449 the opposing party's appraiser.

450 (2) If the licensee is, or is applying for a license to be,
451 an umpire, failure to timely communicate with the appraiser
452 representing the insurer and the insured without good cause or
453 failure or refusal to exercise reasonable diligence in
454 submitting recommendations to such appraisers.

455 (3) Violation of any ethical standard for appraisers and
456 umpires specified in s. 626.9972.

457 (4) Failure to inform the department in writing within 30
458 days after pleading guilty or nolo contendere to, or being
459 convicted or found guilty of, a felony.

460 (5) Failure to timely notify the department of any change
461 in business location, or failure to fully disclose all business
462 locations from which he or she operates as an appraiser or
463 umpire.

464 (6) Any cause for which issuance of the license or

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465 appointment could have been refused had it then existed and been
466 known to the department.

467 (7) Violation of this part or of any other law applicable
468 to the business of insurance in the course of his or her
469 practice under this section.

470 (8) Violation of any order or rule of the department,
471 commission, or office.

472 (9) Knowingly aiding, assisting, procuring, advising, or
473 abetting any person in the violation of the insurance code or
474 any order or rule of the department, commission, or office.

475 (10) Failure to comply with any civil, criminal, or
476 administrative action taken by the child support enforcement
477 program under Title IV-D of the Social Security Act, 42 U.S.C.
478 ss. 651 et seq., to determine paternity or to establish, modify,
479 enforce, or collect support.

480 626.9972 Ethical standards for property insurance
481 appraisers and property insurance appraisal umpires.-

482 (1) CONFIDENTIALITY.-Unless disclosure is otherwise
483 required by law, a property insurance appraiser or a property
484 insurance appraisal umpire shall maintain confidentiality of all
485 information revealed during an appraisal. However, an appraiser
486 may disclose such information to the party who hired him or her.

487 (2) RECORDKEEPING.-An appraiser or umpire shall maintain
488 confidentiality in the storage and disposal of records and may
489 not disclose any identifying information if materials are used
490 in research, training, or statistical compilations.

491 (3) FEES AND EXPENSES.-

492 (a) The fees charged by an appraiser or umpire must be
493 reasonable and consistent with the nature of the case. In

23-00345-16

2016336__

494 determining fees, an appraiser or umpire:

495 1. If charging on an hourly basis, may bill for services
496 only for actual time spent on or allocated for the appraisal.

497 2. May charge for costs actually incurred, and no other
498 costs.

499 (b) An umpire may not charge, agree to, or accept as
500 compensation or reimbursement any payment, commission, or fee
501 that is based on a percentage of the appraised value or that is
502 contingent upon a specified outcome.

503 (4) MAINTENANCE OF RECORDS.—An appraiser or umpire shall
504 maintain records necessary to support charges for services and
505 expenses, and, upon request, shall provide an accounting of all
506 applicable charges to the parties. An appraiser or umpire shall
507 retain original or true copies of any contracts engaging his or
508 her services, appraisal reports, and supporting data assembled
509 and formulated by the licensee in preparing appraisal reports
510 for at least 5 years. The period for retaining such records
511 begins on the date of the submission of the appraisal report to
512 the client. Upon reasonable notice, the records shall be made
513 available by the licensee to the department for inspection and
514 making copies. If an appraisal has been the subject of, or has
515 been admitted as evidence in, a lawsuit, reports and records
516 related to the appraisal must be retained for at least 2 years
517 after the date that the trial ends.

518 (5) ADVERTISING.—An appraiser or umpire may not engage in
519 marketing practices that contain false or misleading
520 information. A licensee shall ensure that any advertisement of
521 his or her qualifications, services to be rendered, or the
522 appraisal process are accurate and honest. An appraiser or

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523 umpire may not make claims of achieving specific outcomes or
524 promises implying favoritism for the purpose of obtaining
525 business.

526 (6) INTEGRITY AND IMPARTIALITY.—

527 (a)1. An appraiser may not accept an appointment unless he
528 or she can serve independently of the party appointing him or
529 her; serve competently; and promptly commence the appraisal and,
530 thereafter, devote the time and attention to its completion in
531 the manner expected by all of the parties involved in the
532 appraisal.

533 2. An appraiser shall conduct the appraisal process in a
534 manner that advances the fair and efficient resolution of issues
535 that arise during the appraisal process. An appraiser shall make
536 all reasonable efforts to prevent delays in the appraisal
537 process, the harassment of parties or other participants, or
538 other abuse or disruption of the appraisal process.

539 3. After an appraiser accepts an appointment, the appraiser
540 may not withdraw or abandon the appointment unless compelled to
541 do so by unanticipated circumstances that would render it
542 impossible or impracticable to continue.

543 4. An appraiser shall deliberate and decide all issues
544 submitted for determination, but may not render a decision on
545 any other issues. An appraiser shall decide all matters justly,
546 exercising independent judgment. An appraiser may not delegate
547 the duty to make a determination to any other person.

548 (b) An umpire may not engage in any business, provide any
549 service, or perform any act that would compromise his or her
550 integrity or impartiality.

551 (7) SKILL AND EXPERIENCE.—An appraiser or umpire shall

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552 decline an appointment or selection, withdraw, or request
553 appropriate assistance when the facts and circumstances of the
554 appraisal prove to be beyond his or her skill or experience.

555 (8) GIFTS AND SOLICITATION.—An appraiser or umpire may not
556 give or accept any gift, favor, loan, or other item of value in
557 the appraisal process. During the appraisal process, an
558 appraiser or umpire may not solicit or otherwise attempt to
559 procure future work with the client.

560 (9) COMMUNICATIONS WITH PARTIES.—

561 (a) If an agreement of the parties establishes the manner
562 or content of the communications between the appointed
563 appraisers, the affected parties, and the umpire, the appraisers
564 shall abide by such agreement. In the absence of such an
565 agreement, an appraiser may not discuss a proceeding with any
566 party or with the umpire in the absence of any other party,
567 except in the following circumstances:

568 1. If the appointment of the appraiser or umpire is being
569 considered, the prospective appraiser or umpire may inquire
570 about the identity of the parties, the parties' legal counsel,
571 and the general nature of the case, and may respond to inquiries
572 from any party or its counsel or an umpire which are designed to
573 determine his or her suitability and availability for the
574 appointment.

575 2. The appraiser may consult with the party who appointed
576 him or her concerning the selection of a neutral umpire.

577 3. The appraiser may make arrangements for any compensation
578 to be paid by the party who appointed him or her.

579 4. The appraiser may make arrangements for obtaining
580 materials and providing for inspection of the property with the

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581 party who appointed the appraiser. Such communication is limited
582 to scheduling and the exchange of materials.

583 (b) There may not be any communication during which a party
584 dictates to an appraiser the outcome of the proceedings, the
585 matters or elements that may be included or considered by the
586 appraiser, or specific actions the appraiser may take.

587 626.9973 Prohibitions; penalties.—Effective October 1,
588 2016, a person may not use the name or title "property insurance
589 appraiser," "appraiser," "property insurance appraisal umpire,"
590 or "umpire" unless he or she is licensed pursuant to this part.
591 A person who is found to be in violation of this section commits
592 a misdemeanor of the first degree, punishable as provided in s.
593 775.082 or s. 775.083.

594 626.9974 Rulemaking authority.—The department may adopt
595 rules to administer this part. Such rules may:

596 (1) Establish a process for determining compliance with
597 licensure requirements.

598 (2) Prescribe necessary forms.

599 (3) Implement specific rulemaking authority pursuant to
600 this section.

601 (4) Establish specific penalties which may be assessed
602 against licensees under this part for violations of the Florida
603 Insurance Code.

604 Section 2. For the 2016-2017 fiscal year, the sums of
605 \$605,874 in recurring funds and \$59,053 in nonrecurring funds
606 from the Insurance Regulatory Trust Fund are appropriated to the
607 Department of Financial Services, and four full-time equivalent
608 positions with associated salary rate of 212,315 are authorized,
609 for the purpose of implementing this act.

23-00345-16

2016336__

610 Section 3. Except as otherwise expressly provided, this act
611 shall take effect July 1, 2016.



The Florida Senate

Committee Agenda Request

To: Senator Rob Bradley, Chair
Committee on Regulated Industries

Subject: Committee Agenda Request

Date: October 19, 2015

I respectfully request that **Senate Bill #336**, relating to Property Insurance Appraisals, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in blue ink, appearing to read "Garrett Richter".

Senator Garrett Richter
Florida Senate, District 23



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Ethics and Elections, *Chair*
Banking and Insurance, *Vice Chair*
Appropriations
Appropriations Subcommittee on Health
and Human Services
Commerce and Tourism
Regulated Industries
Rules

SENATOR GARRETT RICHTER

President Pro Tempore
23rd District

February 5, 2016

The Honorable Rob Bradley, Chair
Committee on Regulated Industries
330 Knott Building
404 South Monroe Street
Tallahassee, FL 32399

Dear Mr. Chair:

I respectfully ask to be excused from the Regulated Industries Committee meeting scheduled for Tuesday February 9th, 2016.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Garrett S. Richter".

Garrett S. Richter

cc: Diana Caldwell, Staff Director
Lynn Koon, Administrative Assistant

REPLY TO:

- 3299 E. Tamiami Trail, Suite 203, Naples, Florida 34112-4961 (239) 417-6205
- 404 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5023

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Ethics and Elections, *Chair*
Banking and Insurance, *Vice Chair*
Appropriations
Appropriations Subcommittee on Health
and Human Services
Commerce and Tourism
Regulated Industries
Rules

SENATOR GARRETT RICHTER

President Pro Tempore
23rd District

February 5, 2016

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

Dear Chair Bradley:

Thank you for placing Senate Bill 336, relating to Property Insurance Appraisals, on your agenda. Unfortunately, I will not be able to present this bill personally and request that the House sponsor, Representative Frank Artiles, be allowed to present this bill to your committee.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Garrett Richter".

Garrett Richter

cc: Diana Caldwell, Staff Director

REPLY TO:

- 3299 E. Tamiami Trail, Suite 203, Naples, Florida 34112-4961 (239) 417-6205
- 404 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5023

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)

2-4-16

Meeting Date

336

Bill Number (if applicable)

Topic umpires

Amendment Barcode (if applicable)

Name Greg Thomas

Job Title Director of Agent & Agency Services

Address 200 East Gaines St

Phone 850-413-5401

Street

Tallahassee

FL

32399

City

State

Zip

Email greg.thomas@myfloridaleg.com

Speaking: For Against Information

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

Representing DFS

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)

2/9/16

Meeting Date

336

Bill Number (if applicable)

968182

Amendment Barcode (if applicable)

Topic Appraiser Vampire Licensing

Name PAUL HANDERHAN

Job Title Consultant

Address 120 South Monroe Street

Street

Phone 561 704 0428

Tallahassee FL 32301

City

State

Zip

Email Paul@rambaconsulting.com

Speaking: For Against Information

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

Representing IAVA - Insurance Appraisers + Vampires 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)

2/9/16

Meeting Date

336

Bill Number (if applicable)

512052

Amendment Barcode (if applicable)

Topic APPRAISER / UMPIRE BILL AMDMT SEN. MARLLOIS

Name JASON MYLHOLLAND

Job Title ATTORNEY

Address 9312 N. ARMENIA AVE. Street

Phone 813 935 8256

TAMPA FL 33612 City State Zip

Email esquire@tampabay.rr.com

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

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

Representing POLICY HOLDERS

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

Lobbyist registered with Legislature: [] Yes [X] 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

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2/9/14

Meeting Date

336

Bill Number (if applicable)

512052

Amendment Barcode (if applicable)

Topic Appraiser + umpires

Name Paul Handerkhan

Job Title Rambo Consulting

Address 120 South Monroe Street

Street

Phone

Tallahassee FL 32301

City

State

Zip

Email

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

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

Representing IAVA - INSURANCE APPRAISER + UMPIRE ASSOCIATION

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.

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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)

2/9/16
Meeting Date

336
Bill Number (if applicable)

968182
Amendment Barcode (if applicable)

Topic APPRAISER/UMPIRE BILL 2/8 STRIKEBALL

Name JASON MULHOLLAND

Job Title ATTORNEY

Address 9312 N. ARMENIA AVE.
Street

Phone 813 935 8256

TAMPA FL 33612
City State Zip

Email esquire@tampabay.rr.com

Speaking: For Against Information

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

Representing POLICY HOLDERS

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)

2-9-16

Meeting Date

336

Bill Number (if applicable)

512052

Amendment Barcode (if applicable)

Topic PROPERTY INSURANCE

Name GARY FARMER

Job Title

Address 475 N ANDREWS AVE

Street

Phone 954-574-7820

FT. LAUDERDALE FL 33067

City

State

Zip

Email GARY@PATHTOJUSTICE.COM

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

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

Representing CONSUMERS

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

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)

336

Meeting Date _____ Bill Number (if applicable) 968182

Topic UMPIRE "WENSE" + Regulation Amendment Barcode (if applicable) Strike All

Name Reggie Garcia

Job Title _____

Address PO BOX 11069 Phone 933-7150
Street

Tallahassee, Fla. 32302 Email _____
City State Zip

Speaking: For Against Information

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

Representing The Fla. Justice 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)

29-16

Meeting Date

336

Bill Number (if applicable)

Topic PROPERTY INSURANCE

Amendment Barcode (if applicable)

Name GARY FARMER

Job Title

Address 425 N. ANDREWS AVE

Phone 954-584-2820

Street

FT. LAUDERDALE FL 33067

Email GARY@PATHTOJUSTICE.COM

City

State

Zip

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

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

Representing CONSUMERS

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

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336

2/9

Meeting Date

Bill Number (if applicable)

Topic "UMPIRE License" + Regulation

Amendment Barcode (if applicable)

Name Reggie Garcia

Job Title

Address POBOX 11069

Phone 933-7150

Street

Tallahassee

FLA.

32302

Email

City

State

Zip

Speaking: For Against Information

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

Representing the Florida Justice 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)

2 19 2016

Meeting Date

Topic _____

Bill Number 336

(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

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)

2/9
Meeting Date

336
Bill Number (if applicable)

Topic \$7500 ISSUE

Amendment Barcode (if applicable)

Name Mark Delegal

Job Title

Address Street

Phone

City State Zip

Email

Speaking: For Against Information

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

Representing State Farm Insurance

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

2/9/16

Meeting Date

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

336

Bill Number (if applicable)

Topic Umpires + Appraisers

Amendment Barcode (if applicable)

Name Steve Beller

Job Title Attorney

Address 200 E. Broward Blvd. 18th FL

Phone 954-491-1120

Street

Fort Lauderdale FL 33301

City

State

Zip

Email Steve.Beller@qm-law.com

Speaking: For Against Information

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

Representing FAPFA

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)

2/9/16

Meeting Date

336

Bill Number (if applicable)

Topic Appraisers & Umpires

Amendment Barcode (if applicable)

Name Paul Handerkhan

Job Title Ramba Consulting

Address 120 South Monroe Street

Phone 561 704 0428

Street

Tallahassee FL 32301

City

State

Zip

Email

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

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

Representing IAUA - INSURANCE APPRAISER & UMPIRES 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.

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 706

INTRODUCER: Regulated Industries Committee and Senator Altman

SUBJECT: Culinary Education Programs

DATE: February 9, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Oxamendi	Caldwell	RI	Fav/CS
2.			HP	
3.			FP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 706 permits certain culinary education programs to qualify for an alcoholic beverages license for the sale of beer, wine, and distilled spirits (alcoholic beverages). The Department of Business and Professional Regulation (DBPR) regulates public food service establishments through its Division of Hotels and Restaurants and the sale and service of alcoholic beverages through its Division of Alcoholic Beverages and Tobacco (DABT).

The bill defines a culinary education program to mean a program that educates enrolled students in the culinary arts, including preparation, cooking, and presentation of food, or a program that provides education and experience in culinary arts-related businesses. A culinary education program must be inspected by a state agency for compliance with sanitation standards. The culinary education program must be provided by a:

- State university;
- Florida College System institution;
- Career center;
- Charter technical career center;
- Nonprofit independent college or university that is located and chartered in this state, meets certain accreditation requirements, and is eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program; or
- Nonpublic postsecondary educational institution.

The bill creates a special alcoholic beverages license for culinary education programs. Current law requires that a caterer must possess a public food service establishment license issued by the Division of Hotels and Restaurants in order to qualify for an alcoholic beverage license. However, current law may disqualify a culinary education program from a license issued by the Division of Hotels and Restaurants if it is a place regulated and licensed by the Department of Health. The bill permits a culinary education program to qualify for a public food service license issued by the Division of Hotels and Restaurants in order for the program to also qualify for an alcoholic beverage license. The program would remain subject to the sanitation rules established by the Department of Health.

Current law requires that a caterer licensed to sell or serve alcohol beverages must derive at least 51 percent of its gross receipts from the sale of food and nonalcoholic beverages. The bill deletes this requirement for culinary education programs.

The bill explicitly provides that the special license does not authorize the culinary education program to conduct any activities that would violate alcoholic beverages laws, including certain age restrictions, or local law. A culinary education program with a special license may not sell alcoholic beverages by the package for off-premise consumption.

The bill provides an effective date of July 1, 2016.

II. Present Situation:

Florida's Beverage Law

Florida's Beverage Law regulates alcoholic beverages.¹ The Division of Alcoholic Beverages and Tobacco (DABT), within the Department of Business and Professional Regulation (department), is responsible for the regulation of the manufacture, packaging, distribution, and sale of alcoholic beverages within the state.²

The term "alcoholic beverages" is defined in s. 561.01(4)(a), F.S., to mean distilled spirits and all beverages containing one-half of 1 percent or more alcohol by volume and that the percentage of alcohol by volume is determined by comparing the volume of ethyl alcohol with all other ingredients in the beverage.

The terms "intoxicating beverage" and "intoxicating liquor" are defined in s. 561.01(5), F.S., to mean only those alcoholic beverages containing more than 4.007 percent of alcohol by volume.

Liquor and distilled spirits are regulated by ch. 565, F.S. The terms "liquor," "distilled spirits," "spirituous liquors," "spirituous beverages," or "distilled spirituous liquors" are defined by s. 565.01, F.S., to mean that substance known as ethyl alcohol, ethanol, or spirits of wine in any form, including all dilutions and mixtures thereof from whatever source or by whatever process produced.

¹ Chapters 561-565 and 567-568, F.S., comprise Florida's Beverage Law

² Section 561.02, F.S.

Section 561.20, F.S., limits the number of alcoholic beverage licenses that permit the sale of beer, wine, and distilled spirits that may be issued per county. The number of licenses is limited to one license per 7,500 residents within the county. These limited alcoholic beverage licenses are known as “quota” licenses. New quota licenses are created and issued when there is an increase in the population of a county. The licenses can also be issued when a county initially changes from a county which does not permit the sale of intoxicating liquors to one that does permit their sale. The quota license is the only type of alcoholic beverage license that is limited in number. Due to the limitation on the number of quota licenses that may be issued, a prospective applicant must either purchase an existing license or enter a drawing to win the right to apply for a newly authorized quota license.³

Section 561.20(2), F.S., provides several exceptions to the number of licenses that permit the sale of beer, wine, and distilled spirits.⁴ Quota license exceptions are known as “special licenses.”

The annual fee for a quota license for the consumption of alcoholic beverages on the premises will vary based on county population but ranges from \$624 to \$1,820.⁵ However, at the initial issuance of a new license, the licensee must pay a one-time fee of \$10,750.⁶ For the purchase and transfer of an existing license, a licensee must pay a transfer fee (not to exceed \$5,000). The cost of purchasing an existing license is determined by the market condition for quota licenses.⁷

Quota License Exception for Caterers

The limitation on the number of licenses per county does not apply to a caterer licensed by the Division of Hotels and Restaurants under ch. 509, F.S., who derives at least 51 percent of its gross revenue from the sale of food and nonalcoholic beverages, and sells or serves alcoholic beverages only for consumption on the premises of a catered event at which the licensee is also providing prepared food.⁸

A qualified, licensed caterer’s annual fee is \$1,820 for a license to sell or serve beer, wine and distilled spirits, on the premises of events at which the caterer is also providing prepared food.⁹

Food Safety Programs

Three state agencies operate food safety programs in Florida: the Department of Agriculture and Consumer Services (DACS), the Department of Business and Professional Regulation (DBPR),

³ Florida Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco, FAQs – Frequently Asked Questions, Licensing-related FAQs, available at <http://www.myfloridalicense.com/dbpr/abt/faq.html> (last visited February 1, 2016).

⁴ Section 561.20(2), F.S., also provides special licenses for hotels and motels, condominiums licensed under ch. 509, F.S., restaurants that derive at least 51% of gross profits from the sale of food and nonalcoholic beverages; and specialty centers built on government-owned land, bowling establishments, and airports.

⁵ See s. 565.02(1), F.S.

⁶ Section 561.19(5), F.S.

⁷ Florida Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco, FAQs – *Frequently Asked Questions*, available at <http://www.myfloridalicense.com/dbpr/abt/faq.html> (last visited January 25, 2016).

⁸ Section 561.20(2)(a)5., F.S.

⁹ See ss. 561.20(2)(a)5. and 565.02(1)(b), F.S.

and the Department of Health (DOH). The three agencies carry out similar regulatory activities, regulate separate sectors of the food service industry, and are funded at different levels because of statutory fee caps.¹⁰ Each agency issues food establishment licenses or permits, conducts food safety and sanitation inspections, and enforces regulations through fines and other disciplinary actions.¹¹

Each agency has authority over specific types of food establishments. In general, the DACS regulates grocery stores, supermarkets, bakeries, and convenience stores that offer food service, the DBPR regulates restaurants and caterers, and the DOH regulates facilities that serve high-risk populations such as hospitals, nursing homes, residential care facilities, and schools.¹² While these agencies do not perform duplicate inspections, a single establishment with multiple food operations could be licensed or have food permits from multiple departments.¹³

Public Food Service Establishments

The Division of Hotels and Restaurants is the state entity charged with enforcing the provisions of part I of ch. 509, F.S., and all other applicable laws relating to the inspection and regulation of public food service establishments for the purpose of protecting the public health, safety, and welfare.

The Division of Hotels and Restaurants inspects and licenses public food service establishments, defined in s. 509.013(5)(a), F.S., to mean:

any building, vehicle, place, or structure, or any room or division in a building, vehicle, place, or structure where food is prepared, served, or sold for immediate consumption on or in the vicinity of the premises; called for or taken out by customers; or prepared prior to being delivered to another location for consumption.¹⁴

There are several exclusions from the definition of public food service establishment, including:¹⁵

- Any place maintained and operated by a public or private school, college, or university for the use of students and faculty or temporarily to serve events such as fairs, carnivals, and athletic contests.
- Any eating place maintained and operated by a church or a religious, nonprofit fraternal, or nonprofit civic organization for the use of members and associates or temporarily to serve events such as fairs, carnivals, or athletic contests.

¹⁰ Office of Program Policy Analysis and Gov't Accountability, *State Food Safety Programs Should Improve Performance and Financial Self-Sufficiency*, Report No. 08-67 (Dec. 2008), available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/0867rpt.pdf> (last visited February 1, 2016).

¹¹ *Id.*

¹² Office of Program Policy Analysis and Gov't Accountability, *State's Food Safety Programs Have Improved Performance and Financial Self-Sufficiency*, Report No. 10-44 (June 2010), available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1044rpt.pdf> (last visited February 1, 2016).

¹³ *Supra* note 10.

¹⁴ Section 509.013(5)(a), F.S.

¹⁵ Section 509.013(5)(b), F.S.

- Any eating place located on an airplane, train, bus, or watercraft which is a common carrier.
- Any eating place maintained by a facility certified or licensed and regulated by the Agency for Health Care Administration, the Department of Children and Families, or other similar place regulated under s. 381.0072, F.S.
- Any place of business issued a permit or inspected by the Department of Agriculture and Consumer Services (DACS) under s. 500.12, F.S.
- Any place of business where the food available for consumption is limited to ice, beverages, popcorn, or other prepackaged food.
- Any theater, if the primary use is as a theater and if patron service is limited to food items customarily served to the admittees of theaters.
- Any vending machine that dispenses any food or beverages other than potentially hazardous foods.
- Any research and development test kitchen limited to the use of employees and not open to the general public.

The exemption for places regulated under s. 381.0072, F.S., applies to “food service establishments” licensed and regulated by the DOH. The term “food service establishment” includes various types of facilities, including public or private schools, adult day care centers, short-term residential treatment centers, residential treatment facilities, homes for special services, and intermediate care facilities for persons with developmental disabilities.¹⁶

Department of Agriculture and Consumer Services - Florida Food Safety Act

Under the Florida Food Safety Act (Food Safety Act),¹⁷ the DACS is charged with administering and enforcing the provisions of the Food Safety Act in order to prevent fraud, harm, adulteration, misbranding, or false advertising in the preparation, manufacture, or sale of articles of food. It is further charged with the regulation of the production, manufacture, transportation, and sale of food, as well as articles entering into, and intended for use as ingredients in the preparation of food.¹⁸

An individual seeking to operate a food establishment or retail food store must first obtain a food permit from the DACS.¹⁹ Prior to the issuance of a permit, the DACS performs an inspection of the food establishment, its equipment, and the methods of operation for compliance with the Food Safety Act. Section 500.03(1)(p), F.S., defines “food establishment” as a factory, food outlet, or other facility manufacturing, processing, packing, holding, or preparing food or selling food at wholesale or retail. The term does not include business or activity regulated under s. 413.051, F.S., s. 500.80, F.S., ch. 509, F.S., or ch. 601, F.S.²⁰

¹⁶ See s. 381.0072(1)(b), F.S.

¹⁷ See ch. 500, F.S.

¹⁸ Section 500.032, F.S.

¹⁹ Section 500.12(1), F.S.

²⁰ This exemption applies to vending stands operated by eligible blind persons, cottage food operations, lodging and food service establishments, and citrus facilities.

Department of Health Food Service Protections

The Department of Health has been charged with protecting the public from food borne illness for locations that are not licensed under ch. 500, F.S., by the DACS or ch. 509, F.S., by the Division of Hotels and restaurants.²¹ This Department of Health's authority includes developing and enforcing standards and requirements for the storage, preparation, serving, and display of food in food service establishments as defined in s. 381.0072(2)(c), F.S.

The Department of Health utilizes a risk-based inspection program to conduct more frequent inspections of facilities posing a greater risk to the public becoming sick from the consumption of their product.²² The inspections are performed by the environmental health sections of the local county health departments.

III. Effect of Proposed Changes:

Department of Health Food Service Protections

The bill amends s. 381.0072(1), F.S., to provide that a food service establishment that is a culinary education program licensed under ch. 509, F.S., is subject to the sanitation rules of the DOH.

Culinary Education Programs

The bill amends s. 381.0072(2), F.S., to define the term "culinary education program" as a program that educates enrolled students in the culinary arts, including the preparation, cooking, and presentation of food, or provides education and experience in culinary arts-related businesses. A culinary education program must be inspected by a state agency for compliance with sanitation standards. The culinary education program must be provided by a:

- State university as defined in s. 100.21, F.S.;²³
- Florida College System institution as defined in s. 100.21, F.S.;²⁴
- Career center, as defined in s. 1001.44, F.S.;²⁵
- Charter technical career center, as defined in s. 1002.34, F.S.;²⁶
- Nonprofit independent college or university that is located and chartered in this state and accredited by the Commission on Colleges of the Southern Association of Colleges and

²¹ Section 381.0072(1), F.S.

²² Florida Department of Health, *Food Safety and Sanitation*, available at <http://www.floridahealth.gov/Environmental-Health/food-safety-and-sanitation/index.html> (last visited February 1, 2016).

²³ Pursuant to s. 1000.21(6), F.S., "state university" refers to the 12 state universities and any branch campuses, centers, or other affiliates of the institutions.

²⁴ Pursuant to s. 1000.21(3), F.S., "Florida College System institution" refers to the 28 state colleges and any branch campuses, centers, or other affiliates of the institutions.

²⁵ Section 1001.44, F.S., defines a career center as an educational institution offering terminal courses of a technical nature and courses for out-of-school youth and adults, and is subject to the state's education code and the control of the district school board of the school district in which it is located.

²⁶ Section 1002.34(3)(a), F.S., defines a charter technical career center as a public school or a public technical center operated under a charter granted by a district school board or Florida College System institution board of trustees or a consortium, including one or more district school boards and Florida College System institution boards of trustees, that includes the district in which the facility is located, that is nonsectarian in its programs, admission policies, employment practices, and operations, and is managed by a board of directors.

Schools to grant baccalaureate degrees, that is under the jurisdiction of the Department of Education, and that is eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program;²⁷ or

- Nonpublic postsecondary educational institution licensed pursuant to part III of ch. 1005, F.S.²⁸

Culinary education programs located in secondary schools are not included in this definition.²⁹

The bill amends s. 381.0072(2) (c), F.S., to provide that the term “food service establishment” includes a culinary education program where food is prepared and intended for individual portion service, regardless of the whether there is a charge for the food or whether the program is inspected by another state agency with compliance standards.

Chapter 509, F.S., Public Food Service Establishments

The bill amends s. 509.013(5)(a), F.S., to provide that the term “public food service establishments,” which are regulated by the Division of Hotels and Restaurants, includes a culinary education program that offers, prepares, serves, or sells food to the general public, regardless of whether it is inspected by another agency.

Alcoholic Beverage License for Caterers

The bill amends s. 561.20(2)(a)5., F.S., to exempt a licensed culinary education program from the requirement that a caterer licensed to sell alcoholic beverages must derive at least 51 percent of its gross profits from the sale of food and nonalcoholic beverages.

The bill also creates s. 561.20(2)(a)6., F.S., to create a quota license exception for a culinary education program, as defined in s. 381.0072(2), F.S., which is license as a public food service establishment by the Division of Hotels and Restaurants.

This special license permits a licensed culinary education program to sell alcoholic beverages for consumption on its licensed premises. The culinary education program must specify designated areas in its facility where alcoholic beverages may be consumed. Alcoholic beverages may not be removed from the designated area and the alcoholic beverages sold for consumption on the premises must be consumed on the licensed premises only.³⁰

²⁷ The William L. Boyd, IV, Florida Resident Access Grant Program provides tuition assistance to Florida undergraduate students attending an eligible independent, non-profit college or university located in Florida. *See* s. 1009.89, F.S.

²⁸ Pursuant to s. 1005.02(11), F.S., a nonpublic postsecondary educational institution means any postsecondary educational institution that operates in this state or makes application to operate in this state, and is not provided, operated, or supported by the State of Florida, is political subdivisions, or the federal government.

²⁹ The term “secondary school” generally refers to a high school or similar institution providing instruction for students between elementary school and college and usually offering general, technical, vocational, or college-preparatory courses. *See* <http://www.merriam-webster.com/dictionary/secondary%20school> (last visited January 25, 2016).

³⁰ Pursuant to s. 561.01(11), F.S., “licensed premises” means not only the rooms where alcoholic beverages are stored or sold by the licensee, but also all other rooms in the building which are so closely connected therewith as to admit of free passage from drink parlor to other rooms over which the licensee has some dominion or control and shall also include all of the area embraced within the sketch, appearing on or attached to the application for the license involved and designated as such on said sketch, in addition to that included or designated by general law.

The bill provides that this special license for a culinary education program does not require the licensee to derive at least 51 percent of its gross revenue from the sale of food and nonalcoholic beverages.

If a culinary education program also provides catering services, the bill provides that the special license will also allow for the sale and consumption of alcoholic beverages on the premises of a catered event at which the licensee is also providing prepared food. The culinary education program must prominently display its license at catered events, and maintain for three years all records required by the department by rule to demonstrate compliance with the requirements of s. 561.20(2)(a)6., F.S.

The bill provides that the culinary education program will be assessed an annual fee of \$1,820 annually in compliance with s. 565.02(1)(b), F.S., regardless of the population of the county where the license is issued. The culinary education program must prominently display its beverage license at any catered event at which it will be selling or serving alcoholic beverages.

The bill requires the culinary education program to maintain for three years all records required by rule of the DBPR to demonstrate compliance with state law. In current law, the recordkeeping requirement for alcoholic beverage licensees is based on statute. Section 561.55(3)(b), F.S., requires each licensed vendor of alcoholic beverages to keep records of all purchases and other acquisitions of alcoholic beverages for a period of three years.

If a culinary education program also has any other license under the Beverage Law, the special license, provided under the bill's provisions, does not authorize the holder to conduct activities on the premises that are governed by the other license or licenses that would otherwise be prohibited by the terms of that license or the Beverage Law. Nothing in this bill authorizes a licensee to conduct activities that are prohibited by the Beverage Law or local law.

If the culinary education program possess any other license under the Beverage Law, the bill prohibits the culinary education program on the licensed premises authorized under the other license. The bill prohibits a licensed culinary education program from selling alcoholic beverages by the package for off-premise consumption. The bill requires a culinary education program to comply with age requirements for vendors as provided under the Beverage Law.³¹

The bill authorizes the Division of Alcoholic Beverages and Tobacco to promulgate rules to administer the special license, including rules governing licensure, recordkeeping, and enforcement.

The bill provides an effective date of July 1, 2016.

³¹ Sections 562.11(4) and 562.111(2), F.S., allows alcoholic beverages to be served to a student who is at least 18 years of age and the alcoholic beverage is delivered as part of the student's required curriculum at an accredited postsecondary educational institution if the student is enrolled in the college and required to taste alcoholic beverages for instructional purposes only during class under the supervision of authorized personnel. Section 562.13, F.S., prohibits the employment of a person under the age of 18 by vendors licensed under the Beverage Law; however, this prohibition does not apply to employees under the age of 18 for certain types of establishments, such as drug stores, grocery stores, hotels, bowling alleys, etc.

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:

None.

C. Government Sector Impact:

The bill creates a new special alcoholic beverage license for culinary education programs. According to the Department of Business and Professional Regulation the new license type will generate additional state revenue. Each license fee will generate \$1,820 annually regardless of the population of the county where the license is issued. The number of new licenses contingent upon the number of entities that meet the license qualifications. The department estimates that 62 entities are currently known to operate culinary education programs in the state which could qualify for the new license. The city and county where each new license is issued will receive 38 percent and 24 percent of the license fees, respectively.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 381.0072, 509.013, and 561.20.

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 Regulated Industries Committee on February 9, 2016:

The committee substitute includes the following places within the definition of a culinary arts education program: a career center, as defined in s. 1001.44, F.S., and a charter technical career center, as defined in s. 1002.34, F.S.

- B. **Amendments:**

None.

The Florida Senate
COMMITTEE VOTE RECORD

COMMITTEE: Regulated Industries
ITEM: SB 706
FINAL ACTION: Favorable with Committee Substitute
MEETING DATE: Tuesday, February 9, 2016
TIME: 1:30—3:30 p.m.
PLACE: 110 Senate Office Building

Table with columns for FINAL VOTE (Yea, Nay), SENATORS, and multiple Yea/Nay columns for votes. Includes a totals row at the bottom showing 11 Yea and 0 Nay votes.

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



479482

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2016	.	
	.	
	.	
	.	

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

Senate Amendment

Delete lines 50 - 57

and insert:

c. A career center as provided for in s. 1001.44;

d. A charter technical career center as defined in s. 1002.34;

e. A nonprofit independent college or university that is located and chartered in this state and accredited by the Commission on Colleges of the Southern Association of Colleges



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11 and Schools to grant baccalaureate degrees, that is under the
12 jurisdiction of the Department of Education, and that is
13 eligible to participate in the William L. Boyd, IV, Florida
14 Resident Access Grant Program; or
15 f. A nonpublic postsecondary educational institution

By Senator Altman

16-00803-16

2016706__

1 A bill to be entitled
2 An act relating to culinary education programs;
3 amending s. 381.0072, F.S.; providing for the
4 applicability of Department of Health sanitation rules
5 to a licensed culinary education program; defining the
6 term "culinary education program"; including certain
7 culinary education programs under the term "food
8 service establishment" and providing for the
9 applicability of food service protection requirements
10 thereto; conforming provisions to changes made by the
11 act; amending s. 509.013, F.S.; revising the term
12 "public food service establishment" to include a
13 culinary education program; amending s. 561.20, F.S.;
14 authorizing a culinary education program with a public
15 food service establishment license to obtain an
16 alcoholic beverage license under certain conditions;
17 authorizing the Division of Alcoholic Beverages and
18 Tobacco to adopt rules to administer such licenses;
19 providing an effective date.

20
21 Be It Enacted by the Legislature of the State of Florida:

22
23 Section 1. Section 381.0072, Florida Statutes, is amended
24 to read:

25 381.0072 Food service protection.—

26 (1) DEPARTMENT OF HEALTH; SANITATION RULES.—

27 (a) It shall be the duty of the Department of Health to
28 adopt and enforce sanitation rules consistent with law to ensure
29 the protection of the public from food-borne illness. These

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30 rules shall provide the standards and requirements for the
31 storage, preparation, serving, or display of food in food
32 service establishments as defined in this section ~~and which are~~
33 ~~not permitted or licensed under chapter 500 or chapter 509.~~

34 (b) A food service establishment is subject to the
35 sanitation rules adopted and enforced by the department. This
36 section does not apply to a food service establishment permitted
37 or licensed under chapter 500 or chapter 509 unless the food
38 service establishment is a culinary education program licensed
39 under chapter 509.

40 (2) ~~(1)~~ DEFINITIONS.—As used in this section, the term:

41 (a) "Culinary education program" means a program that:

42 1. Educates enrolled students in the culinary arts,
43 including the preparation, cooking, and presentation of food, or
44 provides education and experience in culinary arts-related
45 businesses;

46 2. Is provided by:

47 a. A state university as defined in s. 1000.21;

48 b. A Florida College System institution as defined in s.
49 1000.21;

50 c. A nonprofit independent college or university that is
51 located and chartered in this state and accredited by the
52 Commission on Colleges of the Southern Association of Colleges
53 and Schools to grant baccalaureate degrees, that is under the
54 jurisdiction of the Department of Education, and that is
55 eligible to participate in the William L. Boyd, IV, Florida
56 Resident Access Grant Program; or

57 d. A nonpublic postsecondary educational institution
58 licensed pursuant to part III of chapter 1005; and

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59 3. Is inspected by any state agency or agencies for
60 compliance with sanitation standards.

61 (b)(a) "Department" means the Department of Health or its
62 representative county health department.

63 (c)(b) "Food service establishment" means detention
64 facilities, public or private schools, migrant labor camps,
65 assisted living facilities, facilities participating in the
66 United States Department of Agriculture Afterschool Meal Program
67 that are located at a facility or site that is not inspected by
68 another state agency for compliance with sanitation standards,
69 adult family-care homes, adult day care centers, short-term
70 residential treatment centers, residential treatment facilities,
71 homes for special services, transitional living facilities,
72 crisis stabilization units, hospices, prescribed pediatric
73 extended care centers, intermediate care facilities for persons
74 with developmental disabilities, boarding schools, civic or
75 fraternal organizations, bars and lounges, vending machines that
76 dispense potentially hazardous foods at facilities expressly
77 named in this paragraph, and facilities used as temporary food
78 events or mobile food units at any facility expressly named in
79 this paragraph, where food is prepared and intended for
80 individual portion service, including the site at which
81 individual portions are provided, regardless of whether
82 consumption is on or off the premises and regardless of whether
83 there is a charge for the food. The term includes a culinary
84 education program where food is prepared and intended for
85 individual portion service, regardless of whether there is a
86 charge for the food or whether the program is inspected by
87 another state agency for compliance with sanitation standards.

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88 The term does not include any entity not expressly named in this
89 paragraph; nor does the term include a domestic violence center
90 certified by the Department of Children and Families and
91 monitored by the Florida Coalition Against Domestic Violence
92 under part XII of chapter 39 if the center does not prepare and
93 serve food to its residents and does not advertise food or drink
94 for public consumption.

95 (d)~~(e)~~ "Operator" means the owner, operator, keeper,
96 proprietor, lessee, manager, assistant manager, agent, or
97 employee of a food service establishment.

98 (3)~~(2)~~ DUTIES.—

99 (a) The department may advise and consult with the Agency
100 for Health Care Administration, the Department of Business and
101 Professional Regulation, the Department of Agriculture and
102 Consumer Services, and the Department of Children and Families
103 concerning procedures related to the storage, preparation,
104 serving, or display of food at any building, structure, or
105 facility not expressly included in this section that is
106 inspected, licensed, or regulated by those agencies.

107 (b) The department shall adopt rules, including definitions
108 of terms which are consistent with law prescribing minimum
109 sanitation standards and manager certification requirements as
110 prescribed in s. 509.039, and which shall be enforced in food
111 service establishments as defined in this section. The
112 sanitation standards must address the construction, operation,
113 and maintenance of the establishment; lighting, ventilation,
114 laundry rooms, lockers, use and storage of toxic materials and
115 cleaning compounds, and first-aid supplies; plan review; design,
116 construction, installation, location, maintenance, sanitation,

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117 and storage of food equipment and utensils; employee training,
118 health, hygiene, and work practices; food supplies, preparation,
119 storage, transportation, and service, including access to the
120 areas where food is stored or prepared; and sanitary facilities
121 and controls, including water supply and sewage disposal;
122 plumbing and toilet facilities; garbage and refuse collection,
123 storage, and disposal; and vermin control. Public and private
124 schools, if the food service is operated by school employees,
125 bars and lounges, civic organizations, and any other facility
126 that is not regulated under this section are exempt from the
127 rules developed for manager certification. The department shall
128 administer a comprehensive inspection, monitoring, and sampling
129 program to ensure such standards are maintained. With respect to
130 food service establishments permitted or licensed under chapter
131 500 or chapter 509, the department shall assist the Division of
132 Hotels and Restaurants of the Department of Business and
133 Professional Regulation and the Department of Agriculture and
134 Consumer Services with rulemaking by providing technical
135 information.

136 (c) The department shall carry out all provisions of this
137 chapter and all other applicable laws and rules relating to the
138 inspection or regulation of food service establishments as
139 defined in this section, for the purpose of safeguarding the
140 public's health, safety, and welfare.

141 (d) The department shall inspect each food service
142 establishment as often as necessary to ensure compliance with
143 applicable laws and rules. The department shall have the right
144 of entry and access to these food service establishments at any
145 reasonable time. In inspecting food service establishments under

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146 this section, the department shall provide each inspected
147 establishment with the food recovery brochure developed under s.
148 595.420.

149 (e) The department or other appropriate regulatory entity
150 may inspect theaters ~~exempted in subsection (1)~~ to ensure
151 compliance with applicable laws and rules pertaining to minimum
152 sanitation standards. A fee for inspection shall be prescribed
153 by rule, but the aggregate amount charged per year per theater
154 establishment shall not exceed \$300, regardless of the entity
155 providing the inspection.

156 (4) ~~(3)~~ LICENSES REQUIRED.—

157 (a) *Licenses; annual renewals.*—Each food service
158 establishment regulated under this section shall obtain a
159 license from the department annually. Food service establishment
160 licenses shall expire annually and are not transferable from one
161 place or individual to another. However, those facilities
162 licensed by the department's Office of Licensure and
163 Certification, the Child Care Services Program Office, or the
164 Agency for Persons with Disabilities are exempt from this
165 subsection. It shall be a misdemeanor of the second degree,
166 punishable as provided in s. 381.0061, s. 775.082, or s.
167 775.083, for such an establishment to operate without this
168 license. The department may refuse a license, or a renewal
169 thereof, to any establishment that is not constructed or
170 maintained in accordance with law and with the rules of the
171 department. Annual application for renewal is not required.

172 (b) *Application for license.*—Each person who plans to open
173 a food service establishment regulated under this section and
174 not regulated under chapter 500 or chapter 509 shall apply for

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175 and receive a license prior to the commencement of operation.

176 (5)~~(4)~~ LICENSE; INSPECTION; FEES.—

177 (a) The department is authorized to collect fees from
178 establishments licensed under this section and from those
179 facilities exempted from licensure under paragraph (4) (a)
180 ~~(3) (a)~~. It is the intent of the Legislature that the total fees
181 assessed under this section be in an amount sufficient to meet
182 the cost of carrying out the provisions of this section.

183 (b) The fee schedule for food service establishments
184 licensed under this section shall be prescribed by rule, but the
185 aggregate license fee per establishment shall not exceed \$300.

186 (c) The license fees shall be prorated on a quarterly
187 basis. Annual licenses shall be renewed as prescribed by rule.

188 (6)~~(5)~~ FINES; SUSPENSION OR REVOCATION OF LICENSES;
189 PROCEDURE.—

190 (a) The department may impose fines against the
191 establishment or operator regulated under this section for
192 violations of sanitary standards, in accordance with s.
193 381.0061. All amounts collected shall be deposited to the credit
194 of the County Health Department Trust Fund administered by the
195 department.

196 (b) The department may suspend or revoke the license of any
197 food service establishment licensed under this section that has
198 operated or is operating in violation of any of the provisions
199 of this section or the rules adopted under this section. Such
200 food service establishment shall remain closed when its license
201 is suspended or revoked.

202 (c) The department may suspend or revoke the license of any
203 food service establishment licensed under this section when such

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204 establishment has been deemed by the department to be an
205 imminent danger to the public's health for failure to meet
206 sanitation standards or other applicable regulatory standards.

207 (d) No license shall be suspended under this section for a
208 period of more than 12 months. At the end of such period of
209 suspension, the establishment may apply for reinstatement or
210 renewal of the license. A food service establishment which has
211 had its license revoked may not apply for another license for
212 that location prior to the date on which the revoked license
213 would have expired.

214 (7) ~~(6)~~ IMMEDIATE DANGERS; STOP-SALE ORDERS.-

215 (a) In the course of epidemiological investigations or for
216 those establishments regulated by the department under this
217 chapter, the department, to protect the public from food that is
218 unwholesome or otherwise unfit for human consumption, may
219 examine, sample, seize, and stop the sale or use of food to
220 determine its condition. The department may stop the sale and
221 supervise the proper destruction of food when the State Health
222 Officer or his or her designee determines that such food
223 represents a threat to the public health.

224 (b) The department may determine that a food service
225 establishment regulated under this section is an imminent danger
226 to the public health and require its immediate closure when such
227 establishment fails to comply with applicable sanitary and
228 safety standards and, because of such failure, presents an
229 imminent threat to the public's health, safety, and welfare. The
230 department may accept inspection results from state and local
231 building and firesafety officials and other regulatory agencies
232 as justification for such actions. Any facility so deemed and

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233 closed shall remain closed until allowed by the department or by
234 judicial order to reopen.

235 ~~(8)~~(7) MISREPRESENTING FOOD OR FOOD PRODUCTS.—No operator
236 of any food service establishment regulated under this section
237 shall knowingly and willfully misrepresent the identity of any
238 food or food product to any of the patrons of such
239 establishment. Food used by food establishments shall be
240 identified, labeled, and advertised in accordance with the
241 provisions of chapter 500.

242 Section 2. Paragraph (a) of subsection (5) of section
243 509.013, Florida Statutes, is amended to read:

244 509.013 Definitions.—As used in this chapter, the term:

245 (5) (a) "Public food service establishment" means any
246 building, vehicle, place, or structure, or any room or division
247 in a building, vehicle, place, or structure where food is
248 prepared, served, or sold for immediate consumption on or in the
249 vicinity of the premises; called for or taken out by customers;
250 or prepared prior to being delivered to another location for
251 consumption. The term includes a culinary education program, as
252 defined in s. 381.0072(2), which offers, prepares, serves, or
253 sells food to the general public, regardless of whether it is
254 inspected by another state agency for compliance with sanitation
255 standards.

256 Section 3. Paragraph (a) of subsection (2) of section
257 561.20, Florida Statutes, is amended to read:

258 561.20 Limitation upon number of licenses issued.—

259 (2) (a) No such limitation of the number of licenses as
260 herein provided shall henceforth prohibit the issuance of a
261 special license to:

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262 1. Any bona fide hotel, motel, or motor court of not fewer
263 than 80 guest rooms in any county having a population of less
264 than 50,000 residents, and of not fewer than 100 guest rooms in
265 any county having a population of 50,000 residents or greater;
266 or any bona fide hotel or motel located in a historic structure,
267 as defined in s. 561.01(21), with fewer than 100 guest rooms
268 which derives at least 51 percent of its gross revenue from the
269 rental of hotel or motel rooms, which is licensed as a public
270 lodging establishment by the Division of Hotels and Restaurants;
271 provided, however, that a bona fide hotel or motel with no fewer
272 than 10 and no more than 25 guest rooms which is a historic
273 structure, as defined in s. 561.01(21), in a municipality that
274 on the effective date of this act has a population, according to
275 the University of Florida's Bureau of Economic and Business
276 Research Estimates of Population for 1998, of no fewer than
277 25,000 and no more than 35,000 residents and that is within a
278 constitutionally chartered county may be issued a special
279 license. This special license shall allow the sale and
280 consumption of alcoholic beverages only on the licensed premises
281 of the hotel or motel. In addition, the hotel or motel must
282 derive at least 60 percent of its gross revenue from the rental
283 of hotel or motel rooms and the sale of food and nonalcoholic
284 beverages; provided that the provisions of this subparagraph
285 shall supersede local laws requiring a greater number of hotel
286 rooms;

287 2. Any condominium accommodation of which no fewer than 100
288 condominium units are wholly rentable to transients and which is
289 licensed under the provisions of chapter 509, except that the
290 license shall be issued only to the person or corporation which

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291 operates the hotel or motel operation and not to the association
292 of condominium owners;

293 3. Any condominium accommodation of which no fewer than 50
294 condominium units are wholly rentable to transients, which is
295 licensed under the provisions of chapter 509, and which is
296 located in any county having home rule under s. 10 or s. 11,
297 Art. VIII of the State Constitution of 1885, as amended, and
298 incorporated by reference in s. 6(e), Art. VIII of the State
299 Constitution, except that the license shall be issued only to
300 the person or corporation which operates the hotel or motel
301 operation and not to the association of condominium owners;

302 4. Any restaurant having 2,500 square feet of service area
303 and equipped to serve 150 persons full course meals at tables at
304 one time, and deriving at least 51 percent of its gross revenue
305 from the sale of food and nonalcoholic beverages; however, no
306 restaurant granted a special license on or after January 1,
307 1958, pursuant to general or special law shall operate as a
308 package store, nor shall intoxicating beverages be sold under
309 such license after the hours of serving food have elapsed; or

310 5. Any caterer, deriving at least 51 percent of its gross
311 revenue from the sale of food and nonalcoholic beverages,
312 licensed by the Division of Hotels and Restaurants under chapter
313 509. This subparagraph does not apply to a culinary education
314 program, as defined in s. 381.0072(2), which is licensed as a
315 public food service establishment by the Division of Hotels and
316 Restaurants and provides catering services. Notwithstanding any
317 other provision of law to the contrary, a licensee under this
318 subparagraph shall sell or serve alcoholic beverages only for
319 consumption on the premises of a catered event at which the

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320 licensee is also providing prepared food, and shall prominently
321 display its license at any catered event at which the caterer is
322 selling or serving alcoholic beverages. A licensee under this
323 subparagraph shall purchase all alcoholic beverages it sells or
324 serves at a catered event from a vendor licensed under s.
325 563.02(1), s. 564.02(1), or licensed under s. 565.02(1) subject
326 to the limitation imposed in subsection (1), as appropriate. A
327 licensee under this subparagraph may not store any alcoholic
328 beverages to be sold or served at a catered event. Any alcoholic
329 beverages purchased by a licensee under this subparagraph for a
330 catered event that are not used at that event must remain with
331 the customer; provided that if the vendor accepts unopened
332 alcoholic beverages, the licensee may return such alcoholic
333 beverages to the vendor for a credit or reimbursement.
334 Regardless of the county or counties in which the licensee
335 operates, a licensee under this subparagraph shall pay the
336 annual state license tax set forth in s. 565.02(1)(b). A
337 licensee under this subparagraph must maintain for a period of 3
338 years all records required by the department by rule to
339 demonstrate compliance with the requirements of this
340 subparagraph, including licensed vendor receipts for the
341 purchase of alcoholic beverages and records identifying each
342 customer and the location and date of each catered event.
343 Notwithstanding any provision of law to the contrary, any vendor
344 licensed under s. 565.02(1) subject to the limitation imposed in
345 subsection (1), may, without any additional licensure under this
346 subparagraph, serve or sell alcoholic beverages for consumption
347 on the premises of a catered event at which prepared food is
348 provided by a caterer licensed under chapter 509. If a licensee

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349 under this subparagraph also possesses any other license under
350 the Beverage Law, the license issued under this subparagraph
351 shall not authorize the holder to conduct activities on the
352 premises to which the other license or licenses apply that would
353 otherwise be prohibited by the terms of that license or the
354 Beverage Law. Nothing in this section shall permit the licensee
355 to conduct activities that are otherwise prohibited by the
356 Beverage Law or local law. The Division of Alcoholic Beverages
357 and Tobacco is hereby authorized to adopt rules to administer
358 the license created in this subparagraph, to include rules
359 governing licensure, recordkeeping, and enforcement. The first
360 \$300,000 in fees collected by the division each fiscal year
361 pursuant to this subparagraph shall be deposited in the
362 Department of Children and Families' Operations and Maintenance
363 Trust Fund to be used only for alcohol and drug abuse education,
364 treatment, and prevention programs. The remainder of the fees
365 collected shall be deposited into the Hotel and Restaurant Trust
366 Fund created pursuant to s. 509.072.

367 6. A culinary education program, as defined in s.
368 381.0072(2), which is licensed as a public food service
369 establishment by the Division of Hotels and Restaurants.

370 a. This special license shall allow the sale and
371 consumption of alcoholic beverages on the licensed premises of
372 the culinary education program. The culinary education program
373 shall specify designated areas in the facility where the
374 alcoholic beverages may be consumed at the time of application.
375 Alcoholic beverages sold for consumption on the premises may be
376 consumed only in areas designated pursuant to s. 561.01(11) and
377 may not be removed from the designated area. Such license shall

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378 be applicable only in and for designated areas used by the
379 culinary education program.

380 b. If the culinary education program provides catering
381 services, this special license shall also allow the sale and
382 consumption of alcoholic beverages on the premises of a catered
383 event at which the licensee is also providing prepared food. A
384 culinary education program that provides catering services is
385 not required to derive at least 51 percent of its gross revenue
386 from the sale of food and nonalcoholic beverages.

387 Notwithstanding any other provision of law to the contrary, a
388 licensee that provides catering services under this sub-
389 subparagraph shall prominently display its beverage license at
390 any catered event at which the caterer is selling or serving
391 alcoholic beverages. Regardless of the county or counties in
392 which the licensee operates, a licensee under this sub-
393 subparagraph shall pay the annual state license tax set forth in
394 s. 565.02(1)(b). A licensee under this sub-subparagraph must
395 maintain for a period of 3 years all records required by the
396 department by rule to demonstrate compliance with the
397 requirements of this sub-subparagraph.

398 c. If a licensee under this subparagraph also possesses any
399 other license under the Beverage Law, the license issued under
400 this subparagraph does not authorize the holder to conduct
401 activities on the premises to which the other license or
402 licenses apply that would otherwise be prohibited by the terms
403 of that license or the Beverage Law. This subparagraph does not
404 permit the licensee to conduct activities that are otherwise
405 prohibited by the Beverage Law or local law. Any culinary
406 education program that holds a license to sell alcoholic

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407 beverages shall comply with the age requirements set forth in
408 ss. 562.11(4), 562.111(2), and 562.13.

409 d. The Division of Alcoholic Beverages and Tobacco may
410 adopt rules to administer the license created in this
411 subparagraph, to include rules governing licensure,
412 recordkeeping, and enforcement.

413 e. A license issued pursuant to this subparagraph does not
414 permit the licensee to sell alcoholic beverages by the package
415 for off-premises consumption.

416
417 However, any license heretofore issued to any such hotel, motel,
418 motor court, or restaurant or hereafter issued to any such
419 hotel, motel, or motor court, including a condominium
420 accommodation, under the general law shall not be moved to a new
421 location, such license being valid only on the premises of such
422 hotel, motel, motor court, or restaurant. Licenses issued to
423 hotels, motels, motor courts, or restaurants under the general
424 law and held by such hotels, motels, motor courts, or
425 restaurants on May 24, 1947, shall be counted in the quota
426 limitation contained in subsection (1). Any license issued for
427 any hotel, motel, or motor court under the provisions of this
428 law shall be issued only to the owner of the hotel, motel, or
429 motor court or, in the event the hotel, motel, or motor court is
430 leased, to the lessee of the hotel, motel, or motor court; and
431 the license shall remain in the name of the owner or lessee so
432 long as the license is in existence. Any special license now in
433 existence heretofore issued under the provisions of this law
434 cannot be renewed except in the name of the owner of the hotel,
435 motel, motor court, or restaurant or, in the event the hotel,

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436 motel, motor court, or restaurant is leased, in the name of the
437 lessee of the hotel, motel, motor court, or restaurant in which
438 the license is located and must remain in the name of the owner
439 or lessee so long as the license is in existence. Any license
440 issued under this section shall be marked "Special," and nothing
441 herein provided shall limit, restrict, or prevent the issuance
442 of a special license for any restaurant or motel which shall
443 hereafter meet the requirements of the law existing immediately
444 prior to the effective date of this act, if construction of such
445 restaurant has commenced prior to the effective date of this act
446 and is completed within 30 days thereafter, or if an application
447 is on file for such special license at the time this act takes
448 effect; and any such licenses issued under this proviso may be
449 annually renewed as now provided by law. Nothing herein prevents
450 an application for transfer of a license to a bona fide
451 purchaser of any hotel, motel, motor court, or restaurant by the
452 purchaser of such facility or the transfer of such license
453 pursuant to law.

454 Section 4. This act shall take effect July 1, 2016.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR THAD ALTMAN

16th District

COMMITTEES:

Military Affairs, Space, and Domestic Security, *Chair*
Appropriations Subcommittee on Criminal and
Civil Justice
Appropriations Subcommittee on Finance and Tax
Children, Families, and Elder Affairs
Criminal Justice
Environmental Preservation and Conservation

SELECT COMMITTEE

Indian River Lagoon and Lake Okeechobee

JOINT COMMITTEE:

Joint Administrative Procedures Committee

November 19, 2015

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

Dear Chairman Bradley:

I respectfully request that SB 706, related to *Culinary Education Programs*, be placed on the committee agenda at your earliest convenience.

Thank you for your consideration, and please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Thad Altman".

Thad Altman

CC: Booter Imhof, Staff Director, 330 Knott Building
Lynn Koon, Committee Administration Assistant

TA/dw

REPLY TO:

- 6767 North Wickham Road, Suite 211, Melbourne, Florida 32940 (321) 752-3138
- 314 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5016

Senate's Website: www.flsenate.gov

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Military and Veterans Affairs, Space, and Domestic Security, *Chair*
Children, Families, and Elder Affairs, *Vice-Chair*
Appropriations
Appropriations Subcommittee on General Government
Environmental Preservation and Conservation
Finance and Tax

SENATOR THAD ALTMAN

16th District

February 9, 2016

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

Dear Chairman Bradley:

Senate Bill 706, related to *Culinary Education Program*, is on the Regulated Industries committee agenda on February 9, 2016. Due to a scheduling conflict I will be unable to attend.

Please recognize my Legislative Aide Lindy Smith to present SB 706 on my behalf. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Thad Altman".

Thad Altman

CC: Diana Caldwell, Staff Director, 330 Knott Building
Lynn Koon, Committee Administrative Assistant

TA/dv

REPLY TO:

- 8910 Astronaut Blvd, Cape Canaveral, FL 32920 (321) 868-2132
- 314 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5016

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)

2 / 9 / 2016

Meeting Date

Topic _____ Bill Number 706

(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.

THE FLORIDA SENATE

APPEARANCE RECORD

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

2-9-16

Meeting Date

706

Bill Number (if applicable)

Topic Culinary Education Programs

Amendment Barcode (if applicable)

Name Susan Goldstein

Job Title Consultant

Address 215 W. College Ave Suite 411

Phone (954) 830-6300

Street

Tallahassee FL 32301

City

State

Zip

Email skgoldstein@hotmail.com

Speaking: For Against Information

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

Representing ARC Broward

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)

2-9-16

Meeting Date

706

Bill Number (if applicable)

Topic SB 706 "CULINARY Education Programs"

Amendment Barcode (if applicable)

Name DENNIS HAAS

Job Title President / CEO, ARC Broward Culinary Institute

Address 10250 NW 53 ST

Street

Phone 954 732 1114

Sunrise

City

FL

State

33351

Zip

Email dhaas@arcbroward.com

Speaking: For Against Information

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

Representing ARC BROWARD

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
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706

Meeting Date

Bill Number (if applicable)

Topic Amendment to SB 706 "culinary education program" 479482
Amendment Barcode (if applicable)

Name Dennis Haas

Job Title President / CEO ARC Broward

Address 10250 NW 53 St
Street

Phone 954 732 1114

Surprise FL 33351
City State Zip

Email dhaas@arcbroward.com

Speaking: For Against Information

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

Representing ARC Broward

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)

706

Meeting Date _____

Bill Number (if applicable)

479482

Amendment Barcode (if applicable)

Topic Amendment to Culinary Edu Bill

Name Susan Goldstein

Job Title Advocate

Address 215 W. College Ave Suite 411
Tallahassee FL 32301

Phone _____

Email _____

Speaking: For Against Information

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

Representing ARC Broward

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
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: SPB 7072

INTRODUCER: For consideration by the Regulated Industries Committee

SUBJECT: Gaming

DATE: February 8, 2016

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Kraemer	Caldwell		Pre-meeting

I. Summary:

SPB 7072 revises ch. 550 regarding Pari-mutuel Wagering to allow a greyhound racing permitholder, jai alai permitholder, harness racing permitholder, and quarter horse permitholder to determine, on an annual basis, whether it will offer live racing or games at its pari-mutuel facility. Ending the requirement for the offering of live racing or games by these types of permitholders is known as “decoupling.”

The bill prohibits the issuance of new pari-mutuel permits after July 1, 2016, and relocation of permits is no longer allowed. All inactive (dormant) pari-mutuel permits are revoked. The division must also revoke any permit to conduct pari-mutuel wagering if a permitholder has not conducted live events within the 24 months preceding the effective date of the bill, excluding certain limited thoroughbred racing permits. A permit revoked for failure to conduct live events within the 24 months preceding the effective date of the bill may not be reissued.

The bill authorizes additional slot machine licenses at one location in Miami-Dade County and one location in Palm Beach County. Those licensees may make available for play a maximum of 500 slot machines and 250 video race terminals before October 1, 2018, and a maximum of 750 slot machines and 750 video racing terminals thereafter. Each new slot machine licensee must transfer an active existing pari-mutuel permit for surrender to the Division of Pari-mutuel Wagering (division) in the Department of Business and Professional Regulation (department), which must void the permit.

The bill reduces the tax rate on slot machine revenue to 30 percent from 35 percent. The maximum number of slot machines that may be made available for play by each licensee is reduced to 1,700 from 2,000. The number of hours that a slot machine gaming area may be open on weekdays is extended, from 18 hours, to 24 hours, which matches the operating hours on weekends. Complimentary alcoholic beverages may be served to slot machine players. The bill provides that a slot machine licensee may allow automatic teller machines (ATMs) or similar devices designed to provide credit or dispense cash, to be located in the gaming area of a slot machine facility.

Licensed pari-mutuel permit holders that operate cardrooms are authorized to offer designated player card games. A designated player game is a game consisting of at least three cards in which the players compare their cards only to the cards of the designated player; the designated player is the player in a designated player game who is identified as the player in the dealer position, is seated in a traditional player position, and who pays winning players and collects from losing players.

Designated card games must be played under the following conditions:

- Cardroom operators that do not possess a slot machine license may offer the games;
- Licensed pari-mutuel facilities that offer slot machine gaming or video race terminals may not offer the games;
- The maximum wager in such games may not exceed \$25;
- The games must meet certain requirements, including who may be a designated player, how often, how the position of designated player moves among players, and how bets may be covered;
- Provides criteria which the cardroom must meet including a ceiling for the number of designated player games of the total authorized game tables at the cardroom;
- The cardroom operator may not serve as a designated player in any game, and may not have any direct or indirect financial or pecuniary interest in a designated player in any game;
- A designated player may only wager personal funds or funds from a sole proprietorship, must operate independently, and may not be directly or indirectly financed or controlled by another party;
- Designated player games offered by a cardroom operator may not make up more than 25 percent of the total authorized game tables at the cardroom; and
- Designated player games may only be approved by the division if such games would not trigger a reduction in revenue-sharing payments under a Gaming Compact between the Seminole Tribe of Florida and the State of Florida.

The bill provides for the establishment of a pari-mutuel permit reduction program, in which the division is authorized to purchase and cancel active pari-mutuel permits. Funding for the program is generated by the revenue share payments made by the Seminole Tribe of Florida associated with the playing of banked card games on tribal lands after November 1, 2015. Payments funding the program are calculated on a monthly basis until the division determines sufficient funds are available, but the funding limit for the program is \$20 million.

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

The division must accept the offer or offers that best use the available funding, however, the division may also accept offers that it determines are the most likely to reduce the incidence of

gaming in Florida. The division must cancel a permit purchased through the program. This provision expires July 1, 2018, unless reenacted.

The bill requires greyhound track veterinarians to prepare and sign detailed reports under oath, on a form adopted by the division of all injuries to racing greyhounds that occur while the greyhounds are on a racetrack. If an injury occurs at a location other than a racetrack, or during transport, then the injury report must be prepared and signed under oath by a greyhound owner, trainer, or kennel operator who has knowledge of the injury.

Reporting is required within 7 days after the date the injury occurred or is believed to have occurred. The reports are public records that must be maintained for 7 years by the division. False statements in an injury report or the failure to report an injury subjects licensees of the department to disciplinary action under pari-mutuel, regulatory, and professional practice laws.

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

The bill provides that the provisions of the bill are not severable; if the bill or any of its provisions are determined to be unconstitutional, or the applicability thereof to any person or circumstance is held invalid, all provisions or applications of the bill are invalid, and the bill is considered never to have become law.

The bill states the requirements for SPB 7072 to become effective. The bill requires the enactment of SB 7074, respecting the Gaming Compact between the Seminole Tribe of Florida and the State of Florida, or similar legislation ratifying the Gaming Compact between the Seminole Tribe of Florida and the State of Florida executed by the Governor and the Seminole Tribe of Florida on December 7, 2015 (the Gaming Compact).

In addition, the bill requires approval of the Gaming Compact by the United States Department of the Interior (Department of the Interior) as required under the Indian Gaming Regulatory Act of 1988. SPB 7072 will be effective upon the date of publication of such approval by the Department of the Interior in the Federal Register.

II. Present Situation:

Generally, in 2014¹ 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.² One jai alai permitholder voluntarily relinquished its permit in October 2015.³ Of the 20 greyhound racing permitholders with operating licenses during 2014-

¹ The Division of Pari-Mutuel Wagering in the Department of Business & Professional Regulation has not yet issued its 84th Annual Report for Fiscal Year 2014-2015. See <http://www.myfloridalicense.com/dbpr/pmw/PMW-Publications.html> (last visited Feb. 8, 2016).

² See Pari-Mutuel Wagering Permitholders With 2014-2015 Operating Licenses map at <http://www.myfloridalicense.com/dbpr/pmw/documents/MAP-Permitholders--WITH--2015-2016-OperatingLicenses.pdf> (last visited Feb. 8, 2016).

³ See the Stipulation and Consent Order at <http://www.floridagamingwatch.com/wp-content/uploads/Hamilton-Jai-Alai-Consent-Order.pdf> (last accessed Feb. 8, 2016).

2015, three permitholders conducted races at leased facilities.⁴ Five pari-mutuel facilities have two permits operating at those locations.⁵ One greyhound racing permitholder's operating license was suspended late in 2014,⁶ so there are now 19 greyhound racing permitholders with operating licenses.⁷ There are 12 permitholders that do not have operating licenses for FY 2014-2015: two greyhound,⁸ three jai alai,⁹ one limited thoroughbred,¹⁰ and six quarter horse.¹¹

Regulation by Division of Pari-Mutuel Wagering

Pari-mutuel wagering is regulated by the Division of Pari-Mutuel Wagering (division) in the Department of Business and Professional Regulation. The division has regulatory oversight of permitted and licensed pari-mutuel wagering facilities, cardrooms located at pari-mutuel facilities, and slot machines at pari-mutuel facilities located in Miami-Dade and Broward counties. According to the division, there were 19 license suspensions, and \$80,950 in fines assessed for violations of all pari-mutuel statutes and rules in Fiscal Year 2013-2014.¹²

A "performance" is a minimum of 8 consecutive live races.¹³ At least three live performances must be held at a track each week.¹⁴ When a permitholder conducts at least three live performances in a week,¹⁵ 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).¹⁶ In order to receive an operating license, permitholders must have conducted a full schedule of live racing during the preceding year.¹⁷

⁴ 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.

⁵ 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.

⁶ See <http://www.myfloridalicense.com/dbpr/pmw/documents/CurrentPermitholdersList.pdf> (last visited Feb. 8, 2016) for a list of current permitholders and their licensing status.

⁷ Information about permitholders for Fiscal Years 2013-2014, 2014-2015, and 2015-2016 is available at <http://www.myfloridalicense.com/dbpr/pmw/track.html> (last visited Feb. 8, 2016).

⁸ North American Racing Association (Key West) and Jefferson County Kennel Club (Monticello).

⁹ Tampa Jai-Alai, Gadsden Jai-alai (Chattahoochee), and Kings Court Key (Florida City).

¹⁰ Under s. 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 Park Thoroughbred After Racing Program (GPTARP) (Hallandale, Broward County), and Ocala Thoroughbred Racing (Marion County).

¹¹ Pompano Park Racing (Pompano Beach), Tampa Bay Downs (Oldsmar), ELH Jefferson (Jefferson County), DeBary Real Estate Holdings (Volusia County), St. Johns Racing (St. Johns County), and North Florida Racing (Jacksonville).

¹² See *supra* note 7, at page 3.

¹³ Section 550.002(25), F.S.

¹⁴ Section 550.002(11), F.S.

¹⁵ 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.

¹⁶ Section 550.09514(2)(c), F.S.

¹⁷ 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.

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

- For a greyhound or jai alai permitholder, . . .at least 100 live evening or matinee performances during the preceding year;
- For a permitholder who has a converted permit . . . at least 100 live evening and matinee wagering performances during either of the 2 preceding years;
- For a jai alai permitholder who does not operate slot machines . . ., who has conducted at least 100 live performances per year for at least 10 years after December 31, 1992, and whose handle on live jai alai games . . . has been less than \$4 million per state fiscal year for at least 2 consecutive years after June 30, 1992, . . . at least 40 live evening or matinee performances during the preceding year;
- For a jai alai permitholder who operates slot machines . . ., at least 150 performances during the preceding year;
- For a harness permitholder, the conduct of at least 100 live regular wagering performances during the preceding year;
- For a quarter horse permitholder at its facility unless an alternative schedule of at least 20 live regular wagering performances is agreed upon by the permitholder and either the Florida Quarter Horse Racing Association or the horsemen’s association representing the majority of the quarter horse owners and trainers at the facility and filed with the division along with its annual date application, in the Fiscal Year 2010-2011, . . . at least 20 regular wagering performances, in Fiscal Year 2011-2012 and Fiscal Year 2012-2013, . . . at least 30 live regular wagering performances, and for every fiscal year after Fiscal Year 2012-2013, . . . at least 40 live regular wagering performances;
- For a quarter horse permitholder leasing another licensed racetrack, the conduct of 160 events at the leased facility; and
- For a thoroughbred permitholder, the conduct of at least 40 live regular wagering performances during the preceding year.

For a permitholder restricted by statute to certain operating periods within the year when other similar permitholders are authorized to operate throughout the year, the specified number of live performances which constitute a full schedule of live racing or games are calculated pro rata based on the authorized operating period and the full calendar year, and the resulting number of live performances is the full schedule of live games for such permitholder and all other permitholders of the same class within 100 air miles of such permitholder. A live performance must consist of no fewer than eight races or games conducted live for each of a minimum of three performances each week at the permitholder’s licensed facility under a single admission charge.

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 suspend¹⁸ the license,¹⁹ unless the

¹⁸ 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 Feb. 8, 2016).

¹⁹ Section 550.01215(4), F.S.

failure is due to certain events beyond the permitholder's control.²⁰ Financial hardship itself is not an acceptable basis to avoid a fine or suspension.²¹

Tax Exemptions

- As provided in s. 550.09514(1), F.S., all greyhound racing permitholders that conduct a full schedule of live racing in a year are eligible for tax exemptions in the form of a credit that directly reduces their state taxes, in the following amounts:
- \$500,000 annually to each permitholder that conducted a full schedule of live racing in 1995, and "are closest to another state that authorizes greyhound pari-mutuel wagering." These requirements qualify three greyhound racing permitholders (Washington County Kennel Club (Ebro), Pensacola Greyhound, and Jefferson County Kennel Club (Monticello);
- \$360,000 annually to each of the other greyhound racing permitholders.

If a permitholder cannot use its full tax exemption amount, then it may transfer of the unused portion of the exemption to another permitholder that has acted as a host track by accepting intertrack wagering.²² 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.

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.²³ 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 pay an amount equal to 10 percent of the escheat credit to qualified greyhound adoption programs.

Types of Handle (Funds Bet by Players)

Section 550.002(13), F.S., defines handle as the aggregate contributions to pari-mutuel pools. There are four types of handle detailed in annual reports²⁴ of the division:

²⁰ *Id.*

²¹ *Id.*

²² Section 550.0951(1)(b), F.S.

²³ Section 550.0951(1)(a), F.S.

²⁴ See <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2013-2014--83rd--20150114.pdf>, at 2 (last accessed Feb. 8, 2016).

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

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).

Current law 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 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. Eleven (11) of the 12 currently operating greyhound racing locations have cardrooms.²⁵ As a result of the so-called “90 percent rule,” the required minimum of live performances varies among greyhound permitholders (e.g., in Fiscal Year 2012-2013, the number of performances ranged from 104 to 395), as shown below.

Greyhound Racing Permitholder	Location (City and County)	Performances FY 2012-13	90 Percent Rule*	Full Schedule
H & T Gaming @ Mardi Gras	Hallandale Beach (Broward)	104	100	100
Mardi Gras	Hallandale Beach (Broward)	110	100	100
Flagler Greyhound (Magic City)	Miami (Miami-Dade)	166	163	100
Naples-Ft. Myers	Bonita Springs (Lee)	395	394	100
Jacksonville Kennel Club (bestbet)	Jacksonville (Duval)	112	100	100
Orange Park Kennel Club	Orange Park (Clay)	112	100	100
Bayard Raceways (St. Johns)	Orange Park (Clay)	191	100	100
Daytona Bch Kennel Club	Daytona Beach (Volusia)	224	100	100
West Volusia Racing-Daytona	Daytona Beach (Volusia)	189	100	100

²⁵ Section 849.086(5)(a), F.S., provides that an initial cardroom license may be issued to a permitholder only after its facilities are in place and it has conducted its first day of live racing or games. If more than one permitholder is operating at a facility, each permitholder must have applied for a license to conduct a full schedule of live racing. See s. 849.086(5)(b), F.S. Renewal of a cardroom license requires that in its annual pari-mutuel license application, the permitholder must request to conduct at least 90 percent of the performances conducted either (1) in the year in which its first cardroom license was issued, or (2) in the state fiscal year immediately prior to the application if a full schedule of live racing was conducted.

Greyhound Racing Permitholder	Location (City and County)	Performances FY 2012-13	90 Percent Rule*	Full Schedule
Palm Beach Kennel Club	West Palm Beach (Palm Beach)	349	100	100
License Acquisitions-Palm Beach	West Palm Beach (Palm Beach)	116	100	100
Sanford-Orlando Kennel Club	Longwood (Seminole)	178	N/A	N/A
Penn Sanford @SOKC	Longwood (Seminole)	156	N/A	N/A
Tampa Greyhound	Tampa (Hillsborough)	207	100	100
Jefferson County Kennel Club	Monticello (Jefferson)	104	217	100
Pensacola Kennel Club	Pensacola (Escambia)	159	160	100
St. Petersburg Kennel Club	St. Petersburg (Pinellas)	207	100	100
Sarasota Kennel Club	Sarasota (Sarasota)	190	188	100
Washington County Kennel Club	Ebro (Washington)	173	167	100
Melbourne Greyhound Park	Melbourne (Brevard)	104	93	93

Section 849.086(13), F.S., provides that at least 4 percent of a greyhound permitholder’s gross cardroom receipts be used to supplement greyhound purses.

Intertrack Wagering & Simulcast Wagering

Section 550.615(2), F.S., allows any permitholder that has conducted a full schedule of live racing in the preceding year to receive broadcasts and accept wagers on any type of pari-mutuel race or game conducted by other licensed pari-mutuel permitholders in the state. This type of wagering is defined as “intertrack wagering.”²⁶

Wagering on a simulcast event occurs when a wager is placed on (1) a live race or game that is broadcast outside the state from an in-state location, or (2) a live race or game that occurs outside the state but is broadcast to a permitholder in the state.²⁷

Slot Machine Gaming and Cardrooms

Chapter 551, F.S., authorizes slot machine gaming at the location of certain licensed pari-mutuel locations in Miami-Dade County or Broward County and provides for state regulation.²⁸ Chapter 849, F.S., authorizes cardrooms at certain pari-mutuel facilities.²⁹ A license to offer pari-mutuel wagering, slot machine gaming, or a cardroom at a pari-mutuel facility is a privilege granted by the state.³⁰

²⁶ Section 550.002(17), F.S.

²⁷ Section 550.002(32), F.S.

²⁸ See ch. 551, F.S., relating to the regulation of slot machine gaming at pari-mutuel locations.

²⁹ Section 849.086, F.S. Section 849.086(2)(c), F.S., defines “cardroom” to mean a facility where authorized card games are played for money or anything of value and to which the public is invited to participate in such games and charges a fee for participation by the operator of such facility.

³⁰ See s. 550.1625(1), F.S., “...legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state.” See also *Solimena v. State*, 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), review denied, 412 So.2d 470, which states “Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right,” citing *State ex rel. Mason v. Rose*, 122 Fla. 413, 165 So. 347 (1936).

Gaming Compact with the Seminole Tribe of Florida

The current gaming compact with the Seminole Tribe of Florida (Seminole Tribe) dated April 7, 2010 (the 2010 Gaming Compact)³¹ 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 2010 Gaming Compact.³²

The 2010 Gaming Compact also provides for revenue-sharing payments from the Seminole Tribe to the state. For its exclusive authority during a five-year period³³ to offer banked card games on tribal lands at five locations, and to offer slot machine gaming during the 20-year term of the 2010 Gaming Compact outside Miami-Dade and Broward Counties, the Seminole Tribe pays the State of Florida a share of “net win” (approximately \$240 million per year).³⁴

Except for those locations authorized pursuant to the 2010 Gaming Compact, free-standing, commercial casinos are not authorized, and gaming activity, other than what is expressly authorized, is illegal.

³¹ The 2010 Gaming Compact was executed by the Governor and the Seminole Tribe on April 7, 2010, ratified by the Legislature, effective April 28, 2010, and approved by U.S. Secretary of the Interior, pursuant to the Indian Gaming Regulatory Act of 1988, on June 24, 2010. It took effect when published in the Federal Register on July 6, 2010. The 20-year term of the 2010 Gaming Compact expires July 31, 2030, unless renewed. Section 285.710(1)(f), F.S., designates the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation as the “state compliance agency” having authority to carry out the state’s oversight responsibilities under the 2010 Gaming Compact *See* <http://www.flsenate.gov/. . . RI/Links/Gaming Compact between The Seminole Tribe of Florida and the State of Florida.pdf> (last accessed Feb. 8, 2016).

³² *See* s. 285.710, F.S., especially subsections (3), (13), and (14). The seven tribal locations where gaming is authorized by the 2010 Gaming 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.

³³ While the exclusive authorization to conduct banked card games expired July 31, 2015, and has not been renewed, according to staff at the department and the Legislature’s Office of Economic and Demographic Research, the Seminole Tribe has continued to transmit monthly payments to the state that include estimated table games revenue. The Seminole Tribe and the State of Florida are parties to litigation regarding the offering of table games by the Seminole Tribe after July 31, 2015. Those parties have negotiated a proposed gaming compact dated December 7, 2015 (the 2015 Gaming Compact), that the Governor, as the designated state officer responsible for negotiating and executing tribal-state gaming compacts with federally recognized Indian tribes, has transmitted to the President of the Senate and the Speaker of the House of Representatives for consideration, as required by s. 285.712, F.S. To be effective, the proposed 2015 Gaming Compact must be ratified by the Senate and by the House, by a majority vote of the members present. *See* s. 285.712(3), F.S.

³⁴ Subject to the outcome of the pending litigation between the state and the Seminole Tribe respecting continuation of the authorization to offer tables games, the 2010 Gaming Compact provides if (1) authorization for banked card games is not extended beyond July 31, 2015, or (2) the Legislature authorizes Class III (casino-style) games in Broward or Miami-Dade County other than at the eight existing state-licensed pari-mutuel locations, then the “net win” for revenue sharing will exclude amounts from the Seminole Tribe’s facilities in Broward County (i.e., payments will be reduced by approximately \$120 million per year). If the Legislature authorizes new Class III (casino-style) games outside Broward and Miami-Dade Counties, then all revenue sharing under the 2010 Gaming Compact is discontinued.

Other Authorized Activities

Chapter 849, F.S., also authorizes, with conditions, penny-ante games,³⁵ bingo,³⁶ charitable drawings, game promotions (sweepstakes),³⁷ bowling tournaments, and amusement games and machines.³⁸

Care of Racing Greyhounds

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 of a greyhound track or kennel compound.³⁹ 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.⁴⁰ If an animal is injured and later dies or is euthanized, the division may conduct a postmortem examination.⁴¹

III. Effect of Proposed Changes:

Section 1 of the bill amends s. 550.002, F.S., (Line 208, page 8) to address the requirements to be met by permitholders for live racing. The bill revises ch. 550 regarding Pari-mutuel Wagering to allow a greyhound racing permitholder, jai alai permitholder, harness racing permitholder, and quarter horse permitholder to determine, on an annual basis, whether it will offer live racing or games (live performances) at its pari-mutuel facility. Ending the requirement for the offering of live performances is known as “decoupling.”

Outdated references to converted greyhound permits and partial-year racing dates are removed. References to evening or matinee performances are removed.

Current law provides that a jai alai permitholder that does not operate slot machines in its pari-mutuel facility must conduct at least 40 live performances, if it has:

- Conducted at least 100 live performances per year for at least 10 years after December 31, 1992; and
- Had handle on live jai alai games conducted at its pari-mutuel facility which was less than \$4 million per state fiscal year for at least 2 consecutive years after June 30, 1992.

³⁵ Section 849.085, F.S.

³⁶ Section 849.0931, F.S.

³⁷ Section 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.

³⁸ Section 849.161, F.S.

³⁹ 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.

⁴⁰ See Rules 61D-2.023(4) and (6), F.A.C.

⁴¹ 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.

If a summer jai alai permitholder meets the above requirements, current law provides it may conduct 40 live performances. The bill changes the minimum number of live performances for summer jai alai live permitholders who do not meet those requirements from 100 to 58.

If a jai alai permitholder operates slot machines in its pari-mutuel facility, current law provides it must conduct at least 150 performances.

The bill defines a form of pari-mutuel wagering based on video signals of recorded thoroughbred races that occurred either in Florida or out of state. The “video race system” or “video race” signals are sent from a server in Florida operated by a licensed totalizator⁴² company and displayed at individual wagering terminals at a pari-mutuel facility.

Section 2 of the bill amends s. 550.01215, F.S., (Line 282, page 10), regarding operating license applications (applications) required to be filed annually with the Division of Pari-mutuel Wagering (division) in the Department of Business and Professional Regulation (department) by pari-mutuel permitholder, for a license to conduct pari-mutuel wagering during the next fiscal year (July 1 through June 30). The bill requires the filing of an application by all greyhound racing permitholders, jai alai permitholders, harness racing permitholders, and quarter horse permitholders accepting intertrack and simulcast wagering, even those not conducting live performances.

Such permitholders, if authorized to conduct slot machine gaming, will no longer be required to conduct live performances, and their slot machine license will no longer be conditioned upon the conduct of live performances. It is not clear whether this provision actually applies to all such permitholders.

The bill requires permitholders that accept wagers on broadcast events to disclose the dates of all those events in their application.

The bill provides that certain greyhound racing permitholders⁴³ may specify that they do not intend to conduct live racing, or that they intend to conduct less than a full schedule of live racing, in the next state fiscal year. Further, a greyhound racing permitholder may receive an operating license to conduct pari-mutuel wagering activities at another permitholder’s greyhound racing facility pursuant to s. 550.475, F.S., which requires that the permitholders be located within a 35-mile radius of each other.

The bill allows the division to approve changes in racing dates for Fiscal Year 2016-2017, if the requests from a greyhound racing permitholder is received before August 31, 2016.

⁴² Section 550.002(36), F.S., defines “totalisator” as the computer system used to accumulate wagers, record sales, calculate payoffs, and display wagering data on a display at a pari-mutuel facility. The term is commonly shortened to “tote board.” Section 550.495, F.S., sets forth licensing and regulation of totalisator companies.

⁴³ Only those greyhound racing permitholders that conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the state Fiscal Year 1996-1997, or that converted a permit to a permit to conduct greyhound racing after that state fiscal year, are authorized to file an application in this manner. *See* Lines 310-320 of the bill, amending s. 550.01215(1) to add subsection (b).

The bill states the requirements for a summer jai alai permitholder to operate a jai alai fronton only for the summer season each year, for dates selected by the permitholder (between May 1 and November 30). All taxes, rules, and provisions of ch. 550 which apply to winter jai alai permitholders apply to summer jai alai permitholders. Winter and summer jai alai permitholders may not operate on the same days or in competition with each other, but the facilities of a winter jai alai permitholder may be leased for the operation of a summer meet.

Section 3 of the bill amends s. 550.0251, F.S., (Line 360, page 13) concerning the required content of the annual report from the division to the Governor, Senate, and House of Representatives. The annual report must include, at a minimum:

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

Section 4 of the bill amends s. 550.054, F.S., (Line 389, page 14), respecting applications for permits to conduct pari-mutuel wagering.⁴⁴ The bill provides for revocation of permits, unless a failure to obtain an operating license was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. The division must revoke a permit if the permitholder:

- Has not obtained an operating license for a period of more than 24 consecutive months after June 30, 2012; or
- Fails to make payments for taxes on handle for more than 24 months.

The bill provides that a new pari-mutuel permit may not be approved or issued after July 1, 2016, and a revoked permit is void and may not be reissued.

The bill allows the division to place a permit into inactive status for a period of 12 months for good cause and renew inactive status for a period of up to 12 months, but a permit may not be inactive for a period of more than 24 consecutive months. Entities with inactive permits are not eligible for licensure for pari-mutuel wagering, slot machines, or cardrooms.

The bill provides that a pari-mutuel license may not be transferred or reissued so as to change the location of a pari-mutuel facility, cardroom, or slot machine facility. The bill removes provisions allowing for the transfer of a thoroughbred permit to another racetrack and allowing conversion of a jai alai permit to a greyhound racing permit.

The bill limits the relocation of a pari-mutuel facility, cardroom, or slot machine facility. The bill allows a greyhound racing permit that was converted from a jai alai to be relocated to another location, if the application is received by July 31, 2018, and if the new location is:

⁴⁴ Applications by permitholders for operating licenses are addressed in Section 2 of the bill.

- In the same county;
- Within a 30-mile radius of the original location; and
- Approved under the zoning regulations of the affected county or municipality.

Section 5 of the bill repeals s. 550.0555, F.S., (Line 521, page 18), relating to the procedures to accomplish relocation of a greyhound racing permit.

Section 6 of the bill repeals s. 550.0745, F.S., (Line 522, page 18), relating to the procedure to convert a pari-mutuel permit to a summer jai alai permit.

Section 7 of the bill amends s. 550.0951, F.S., (Line 523, page 18), respecting the payment of daily license fee and taxes. The bill removes the tax exemption specified in s. 550.09514(1), F.S., of \$360,000 or \$500,000 for each greyhound racing permitholder, and removes other tax credits. The bill removes the authorization in current law that allowed transfers of the tax exemption or other credits among greyhound permitholders, and the requirement that such transfers be approved by the division.

The bill reduces the tax on handle for greyhound racing to 1.28 percent from 5.5 percent. A tax of .5 percent is imposed if the host and guest tracks are thoroughbred racing permitholders, or if the guest track is located outside the market area of a host track that is not a greyhound racing track and within the market of a thoroughbred racing permitholder currently conducting a live meet.

The bill creates a new subsection (5) in s. 550.0951, F.S., to provide for taxes and fees on video race terminals, which may be offered by the additional slot machine licensees that are issued licenses pursuant to s. 551.1041 (*see Section 28*). A permitholder conducting play on video race terminals must pay a tax equal to 2 percent of the handle from the video race terminals located at its facility. Annually on the anniversary date of the authorization to conduct play on video race terminals, the licensee shall pay a \$50,000 fee to the department, for deposit into the Pari-mutuel Wagering Trust Fund, to be used by the division and the Department of Law Enforcement for regulation of video race, enforcement of video race provisions, and related investigations.

Section 8 of the bill amends s. 550.09511, F.S., (Line 728, page 25) to make conforming references.

Section 9 of the bill amends s. 550.09512, F.S., (Line 740, page 26), respecting harness horse racing, by requiring the division to revoke the permit of a harness horse racing permitholder that does not pay tax on handle for live harness racing performances for a full schedule of live races for more than 24 consecutive months, unless the failure to operate and pay tax was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. The revoked permit is void and may not be reissued. The bill removes a provision allowing reissuance of a harness horse permit that has been revoked for nonpayment of taxes (i.e., has escheated to the state).

Section 10 of the bill amends s. 550.09514, F.S., (Line 797, page 28) respecting greyhound racing taxes and purse requirements. The bill removes tax credits of \$360,000 and \$500,000 available to permitholders. The bill revises additional purse payments by requiring greyhound

racing permitholders conducting live racing during a fiscal year to pay an annual amount of \$60 for each live race conducted in the preceding fiscal year. The bill removes fees equal to 75 percent of the daily license fees, and other requirements and qualifications. Purses must be disbursed weekly during the permitholder's race meet. A citation to tax rates is revised, pursuant to s. 6, chapter 2000-354, Laws of Florida.

Section 11 of the bill amends s. 550.09515, F.S., (Line 942, page 33), respecting thoroughbred racing taxes. The bill requires the division to revoke the permit of a thoroughbred racing permitholder that does not pay tax on handle for live thoroughbred horse performances for a full schedule of live races for more than 24 consecutive months, unless the failure to operate and pay tax was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. A revoked permit is void and may not be reissued. The bill removes a provision allowing reissuance of a thoroughbred horse permit that has been revoked for nonpayment of taxes (i.e., has escheated to the state).

Section 12 of the bill amends s. 550.1625, F.S., (Line 1033, page 36) respecting greyhound racing taxes by removing a reference to a greyhound racing permitholder paying the breaks tax.

Section 13 of the bill repeals s. 550.1647, F.S., (Line 1053, page 37), respecting any unclaimed, uncashed, or abandoned pari-mutuel tickets which have remained in the custody of a greyhound racing permitholder.

Section 14 of the bill amends s. 550.1648, F.S., (Line 1055, page 37) respecting greyhound racing adoptions, and requires as a condition of adoption, that a bona fide organization must provide sterilization of greyhounds by a licensed veterinarian before relinquishing custody of the greyhound to the adopter. The fee for sterilization may be included in the cost of adoption.

Section 15 of the bill creates s. 550.1751, (Line 1105, page 38), reducing the number of pari-mutuel permits. The bill defines "active pari-mutuel permit" as a pari-mutuel permit that is actively used for the conduct of pari-mutuel racing or jai alai and under which the permitholder is operating all performances at the dates and times specified on its operating license.

The bill defines "bidder for an additional slot machine license" as a person who submits a bid or intends to submit a bid for an additional slot machine license in Miami-Dade County or Palm Beach County, as provided in s. 551.1041.

A pari-mutuel permitholder may enter into an agreement for the sale and transfer of an active pari-mutuel permit to a bidder for an additional slot machine license. An active pari-mutuel permit sold and transferred to the highest bidder under the process in s. 551.1041 must be surrendered to the division and voided.

The bill authorizes a pari-mutuel permitholder to enter into an agreement for the sale and transfer of an active pari-mutuel permit to a bidder of an additional slot machine license. An active pari-mutuel permit that is sold and transferred to the highest bidder must be surrendered to and voided by the division.

Section 16 of the bill creates s. 550.1752 (Line 1124, page 39), establishing a pari-mutuel permit reduction program. The program is created to authorize the division to purchase and cancel active pari-mutuel permits. Funding for the program is generated by the revenue share payments made by the Seminole Tribe of Florida under the 2010 Gaming Compact and received by the State, that are associated with the playing of banked card games on tribal lands after November 1, 2015. Payments funding the program are calculated on a monthly basis until the division determines sufficient funds are available, but the funding limit for the program is \$20 million.

A pari-mutuel permitholder may not submit an offer to sell unless it is actively conducting racing or jai-alai as required and satisfies all applicable requirements for the permit. Sufficient moneys must be available before the purchase may be made. The division may adopt rules to implement the program.

The value of the permit must be based upon the valuation of fair market value by one or more independent appraisers selected by the division. The value may not include the value of real estate or personal property. The division may establish a value for the permit that is lower than the amount determined by the independent appraiser, but may not establish a higher value.

The division must accept the offer or offers that best use the available funding, however, the division may also accept offers that it determines are the most likely to reduce the incidence of gaming in Florida. The division must cancel a permit purchased through the program. This provision expires July 1, 2018, unless reenacted.

Section 17 of the bill creates s. 550.2416 (Line 1162, page 40), requiring the reporting of racing greyhound injuries. The bill requires greyhound track veterinarians to prepare and sign detailed reports under oath, on a form adopted by the division, of all injuries to racing greyhounds that occur while the greyhounds are on a racetrack.

If the injury of a racing greyhound occurs at a location other than a racetrack, or during transportation, the injury report must state the location where the injury occurred and the circumstances. A report for such an injury must be prepared and signed under oath by a greyhound owner, trainer or kennel operator who has knowledge of the injury.

Reporting is required within 7 days after the date the injury occurred or is believed to have occurred. The reports are public records that must be maintained for 7 years by the division.

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.

False statements in an injury report or the failure to report an injury subjects licensees of the department to disciplinary action under pari-mutuel, regulatory, and professional practice laws. Racing greyhound injury reports must be sworn to under penalty of perjury.⁴⁵ 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 ch. 550, F.S., (Pari-mutuel Wagering, ch. 455, F.S., (Business and Professional Regulation: General Provisions) or ch. 474, F.S., (Veterinary Medical Practice).

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

Section 18 of the bill amends s. 550.26165, F.S., (Line 1216, page 42), respecting breeders' awards to conform references to changes made in the bill.

Section 19 of the bill amends s. 550.3345, F.S., (Line 1265, page 44), regarding issuance of limited thoroughbred racing permits (through conversion from a quarter horse permit as allowed by ch. 2010-29, Laws of Florida). The bill removes obsolete language, and removes a provision allowing for relocation of the permit. The bill prohibits transfer of a limited thoroughbred racing permit to another person or entity.

Section 20 of the bill amends s. 550.3551, F.S., (Line 1346, page 47), regarding transmission of racing and jai alai information, to remove an outdated reference and to remove a reference to live racing requirements for intertrack wagering by harness horse permitholders.

Section 21 of the bill amends s. 550.375 (Line 1396, page 49), regarding the operation of certain harness horse race tracks, by conforming a statutory reference.

Section 22 of the bill amends s. 550.615, F.S., (Line 1404, page 49), regarding intertrack wagering by providing that a track or fronton licensee that conducted a full schedule of live racing or games in the preceding year and a greyhound racing permitholder that conducted a full schedule of live racing for at least 10 consecutive years after Fiscal Year 1996-97 qualifies to receive broadcasts of any class of pari-mutuel race or game and accept wagers on such races or games conducted by any class of permitholders licensed under ch. 550, F.S.

A licensed greyhound racing permitholder that accepts intertrack wagers on live greyhound racing signals is not required to obtain written consent from any operating greyhound racing permitholder within its market area. The bill removes provisions limiting intertrack wagering where there are three or more horserace permitholders within 25 miles of each other, and requiring consent of a permitholder where there are only two permits (greyhound racing and jai alai) in the county.

⁴⁵ 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.

The bill removes requirements in existing s. 550.615(8), F.S., that permitholders in any three contiguous counties where there are only three greyhound racing permitholders conduct live racing before they may conduct intertrack wagering. (*See* Line 1458, page 51).

The bill authorizes a greyhound racing permitholder operating pursuant to a current year's operating license that specifies no live performances or less than a full schedule of live performances to:

- Receive broadcasts at any time of any class of pari-mutuel race or game and accept wagers on such races or games conducted by any class of licensed permitholder; and
- Accept wagers on live races conducted at out-of-state greyhound tracks only on the days when the permitholder receives all live races that any greyhound tract in the state makes available.

Section 23 of the bill amends s. 550.6305, F.S., (Line 1493, page 52), respecting intertrack wagering, and authorizes a permitholder located in any area of the state where there are only two permits (greyhound racing and jai alai), and any permitholder that converted its permit to conduct jai alai to a greyhound permit, to accept wagers on rebroadcasts of an out-of-state thoroughbred or harness horse racing permitholder. The bill also provides conforming changes.

Section 24 of the bill amends s. 550.6308, F.S., (Line 1646, page 55), respecting limited intertrack wagering licenses, by reducing the number of days that thoroughbred horse sales must be conducted from fifteen days to eight days. The bill removes the requirement to conduct at least one day of nonwagering thoroughbred racing with a \$250,000 purse per year for two consecutive years.

The bill amends the requirement that the limited intertrack wagering license not be issued for a facility within 50 miles of any thoroughbred racing permitholder's track, by limiting such issuance to 50 miles of any for-profit thoroughbred racing licensed track. The bill also removes the requirement for consent of all other permitholders in the same county, in order for the limited intertrack wagering permitholder to conduct intertrack wagering on any type of pari-mutuel racing or game.

Section 25 of the bill amends s. 551.101, F.S., (Line 1644, page 57), to restate current law to restrict the possession of slot machines and require the conduct of slot machine gaming at licensed facilities. The bill removes obsolete language.

Section 26 of the bill amends s. 551.102, F.S., (Line 1663, page 58), to revise the definition of the term "eligible facility" to remove substantive provisions relating to qualifications for licensing of a facility pursuant to s. 551.104, F.S., and moves those qualification requirements to s. 551.104, F.S. The bill also makes conforming changes.

Section 27 of the bill amends s. 551.104, F.S., (Line 1694, page 59), to provide the requirements for a licensed pari-mutuel facility to be eligible for a slot machine license to be issued, if it is first determined that a reduction in revenue-sharing payments under the Gaming Compact between the Seminole Tribe of Florida and the State of Florida would not be triggered:

- A facility where live racing or games were conducted during calendar years 2002 and 2003 which is located in Miami-Dade County or Broward County and is authorized for slot machine licensure pursuant to s. 23, Art. X of the State Constitution;
- A facility where a full schedule of live horseracing has been conducted for 2 consecutive calendar years immediately preceding its application for a slot machine license and which is located within a county as defined in s. 125.011; and
- A licensed pari-mutuel facility authorized under s. 551.1041.

The bill authorizes greyhound racing permitholders that have conducted a full schedule of live racing for a period of at least 10 consecutive years after 2002-2003 or a thoroughbred racing permitholder that holds a slot machine license if it has an agreement to conduct its race meet at another thoroughbred permitholder's facility, to conduct slot machine gaming at its slot machine facility.

The bill requires each slot machine licensee that does not offer live racing to withhold two percent of its net revenue to be deposited into a purse pool to be paid as purses to licensed pari-mutuel facilities offering live racing or games. This provision does not apply to the additional slot machine licensees awarded a license pursuant to s. 551.1041.

Section 28 of the bill creates s. 551.1041 (Line 1748, page 61) to provide the procedure by which two additional slot machine licenses may be issued for locations in Miami-Dade and Palm Beach counties. The bill requires a referendum in each county to be held after July 1, 2016.

The bill sets forth the process for award of the additional slot machine licenses:

- An application must be made by sealed bid;
- The award will be made to the highest bidder, based on prequalification criteria that, at a minimum, evidence that the bidder:
 - Meets the qualifications in ch. 550 and ch. 551, as applicable; and
 - Has purchased, or entered into an agreement to purchase and transfer, an active pari-mutuel permit with the intent to surrender and void such permit, as provided in s. 550.1751.
- The minimum bid is \$3 million, and if no minimum bids are received, the award process will begin upon the initiative of division or upon the receipt of a petition by a potential bidder to start the bid process; and
- The number of slot machines that may be offered for play before October 1, 2018 may not exceed 500 slot machines and 250 video race terminals; on or after October 1, 2018, the number of slot machines may not exceed 750 slot machines and 750 video race terminals.

The bill states the requirements for slot machines and video race terminals authorized for the additional slot machine licensees that may be awarded a license for a location in Miami-Dade or Palm Beach counties:

- A wager on a slot machine or a video race terminal may not exceed \$5 per game or race;
- Only one game or race may be played at any given time on a slot machine or video race terminal, and a player may not wager on a new game or race until the previous game or race has been completed;

- Slot machines and video race terminals may not offer games that use tangible playing cards, but may have games that use electronic or virtual cards;

The bill provides that the term “video race terminal” mean an individual racing terminal linked to a central server as part of a network-based video game in which the terminals allow pari-mutuel wagering by players on the results of previously conducted horse races, but only if the game is certified in advance by an independent testing laboratory licensed or contracted by the division as complying with all of the following requirements:

- All data on previously conducted horse races must be stored in a secure format on the central server, which must be located at the pari-mutuel facility;
- Only horse races that were recorded at licensed pari-mutuel facilities in the United States after January 1, 2005, may be used;
- After each wager is placed, the video race terminal must display a video of at least the final seconds of the horse race before any prize is awarded or indicated on the video race terminal;
- The display of the video of the horse race must be shown on the video race terminal’s video screen;
- Mechanical reel displays are prohibited;
- A video race terminal may not contain more than one player position for placing wagers;
- Coins, currency, or tokens may not be dispensed from a video race terminal; and
- Prizes must be awarded based solely on the results of a previously conducted horse race, and no additional element of chance may be used. A random number generator must be used to select from the central server the race to be displayed to the player(s) and to select numbers or other designations of race entrants that will be used in the various bet types for any “Quick Pick” bets. To prevent a player from recognizing the race based on the entrants and identifying the outcome of the race before placing a wager, the entrants of the race may not be identified until after all wagers for that race have been placed.

Section 29 of the bill creates s. 551.1042 (Line 1851, page 64) to prohibit the transfer or relocation of slot machine licenses.

Section 30 of the bill amends s. 551.106, F.S., (Line 1858, page 64), to remove obsolete language, and reduces the tax on slot machine revenues from 35 percent to 30 percent.

Section 31 of the bill amends s. 551.114, F.S., (Line 1898, page 66), by reducing the number of machines that may be available to play in a slot gaming area to 1,700 from 2,000. The bill requires a greyhound racing permitholder, jai alai permitholder, harness racing permitholder, or quarter horse permitholder that no longer offers live performances to operate slot machines only within the gaming area in the eligible facility for which the initial annual slot machine license was issued.

Section 32 of the bill amends s. 551.116, F.S., (Line 1923, page 67), to extend the number of hours that a slot machine gaming area may be open on weekdays, from 18 hours, to 24 hours, which matches the authorized operating hours on weekends.

Section 33 of the bill amends s. 551.121, F.S., (Line 1931, page 67), to allow complimentary or reduced-costs alcoholic beverages to be served to a person playing a slot machine. The bill

provides that a slot machine licensee may allow automatic teller machines (ATMs) or similar devices designed to provide credit or dispense cash, to be located in the gaming area.

Section 34 of the bill amends s. 849.086, F.S., (Line 1943, page 67), regarding the operation of cardrooms, to:

- Amend the definition of “authorized game” to mean a game or series of card and domino games that are played in conformance with the provision of the bill; for authorized games of poker or dominoes, a nonplaying live dealer employed by the cardroom operator must be provided at each game table;
- Revise the definition of “banking game” to delete games in which the cardroom establishes a bank against which participants play;
- Revise the definition for cardroom to state that authorized games and cardrooms do not constitute casino gaming operations, but only if they are conducted at an eligible facility;
- Define the term “designated player game” as a game consisting of at least three cards in which the players compare their cards only to the cards of the designated player; the “designated player” is the player in a designated player game who is identified as the player in the dealer position, is seated in a traditional player position, and who pays winning players and collects from losing players;
- Create an exception for the location of a cardroom by a thoroughbred racing permitholder that holds a slot machine license, but conducts its race meet at another location, if the permitholder has entered into an agreement with another thoroughbred racing permitholder to conduct its race meet at the other thoroughbred racing permitholder’s facility. The cardroom must be operated at the slot facility stated in the permitholder’s slot machine license;
- Remove certain live racing requirements for renewal of a cardroom license by permitholders;
- Exempt certain greyhound racing permitholders from live racing, if they conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the state Fiscal Year 1996-1997, or that converted a permit to a permit to conduct greyhound racing after that state fiscal year. Those greyhound racing permitholders who are not conducting a full schedule of live racing must conduct intertrack wagering on thoroughbred signals, to the extent available, on each day of cardroom operation;
- Extend the hours a cardroom may be open on weekdays, from 18 hours, to 24 hours, which matches the authorized operating hours on weekends;
- Prohibit cardrooms from conducting any game not authorized.
- Revise provisions relating to contributions to purses to apply to those pari-mutuel permitholders that offer live racing.
- Prohibit the transfer or reissuance in the nature of transfer, of a cardroom license that would result in a change of location of a cardroom, and removes provisions relating to the procedure for obtaining consent by referendum for a change in location of a cardroom.
- Authorize designated player games, under the following conditions:
 - Cardroom operators that do not possess a slot machine license may offer the games;
 - Licensed pari-mutuel facilities that offer slot machine gaming or video race terminals may not offer the games;
 - The maximum wager in such games may not exceed \$25;
 - The games must meet certain requirements, including who may be a designated player, how often, how the position of designated player moves among players, and how bets may be covered;

- Provides criteria which the cardroom must meet including maximum makeup of the number of authorized game tables at the cardroom;
- The cardroom operator may not serve as a designated player in any game, and may not have any direct or indirect financial or pecuniary interest in a designated player in any game;
- A designated player may only wager personal funds or funds from a sole proprietorship, must operate independently, and may not be directly or indirectly financed or controlled by another party;
- Designated player games offered by a cardroom operator may not make up more than 25 percent of the total authorized game tables at the cardroom; and
- Designated player games may only be approved by the division if such games would not trigger a reduction in revenue-sharing payments under the Gaming Compact.

Section 35 of the bill (Line 2310, page 80) provides that the division must revoke any permit to conduct pari-mutuel wagering if a permit holder has not conducted live events within the 24 months preceding the effective date of the bill, unless the permit is a limited thoroughbred racing permit that was issued under s. 550.3345, F.S. A permit revoked for failure to conduct live events within the 24 months preceding the effective date of the bill may not be reissued.

Section 36 of the bill (Line 2317, page 80), provides that the provisions of the bill are not severable. If the bill or any of its provisions are determined to be unconstitutional, or the applicability thereof to any person or circumstance is held invalid:

- All other provisions or applications of the provisions of the bill are invalid; and
- The bill is considered never to have become law.

Section 37 of the bill (Line 2324, page 81) states the requirements for SPB 7072 to become effective. The bill requires the enactment of SB 7074, respecting the Gaming Compact between the Seminole Tribe of Florida and the State of Florida, or similar legislation ratifying the Gaming Compact between the Seminole Tribe of Florida and the State of Florida executed by the Governor and the Seminole Tribe of Florida on December 7, 2015 (the 2015 Gaming Compact).

In addition, the bill requires approval of the 2015 Gaming Compact by the United States Department of the Interior (Department of the Interior) as required under the Indian Gaming Regulatory Act of 1988. SPB 7072 will be effective upon the date of publication of such approval by the Department of the Interior in the Federal Register.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

- C. Trust Funds Restrictions:
- D. Other Constitutional Issues:

Article III, section 10, of the Florida Constitution forbids the Legislature to pass a special law without either providing advance notice of intent to enact the law or conditioning the law's effectiveness upon a referendum of the electors of the areas affected.⁴⁶ As the term is used in the Florida Constitution, a special law is “a special or local law, and case law defines “special law,” “local law,” and “general law” as follows:

[A] special law is one relating to, or designed to operate upon, particular persons or things, or one that purports to operate upon classified persons or things when classification is not permissible or the classification adopted is illegal; a local law is one relating to, or designed to operate only in, a specifically indicated part of the state, or one that purports to operate within classified territory when classification is not permissible or the classification adopted is illegal.

A general law operates universally throughout the state, or uniformly upon subjects as they may exist throughout the state, or uniformly within permissible classifications by population of counties or otherwise, or is a law relating to a state function or instrumentality.⁴⁷

The provisions in s. 551.1041 for the issuance of one slot machine license in Miami-Dade County, and one slot machine license in Palm Beach County (in addition to the four existing slot machine licenses in Miami-Dade County, and the four existing slot machine licenses in Broward County) do not operate universally or uniformly throughout the state. Therefore, the bill requires in subsection (3) of s. 551.1041 that additional slot machine licenses may not be issued in Miami-Dade or Palm Beach counties, until a majority of the voters in the county where the proposed slot machine gaming facility is to be located have approved slot machines at that facility in a referendum to be held after July 1, 2016.

V. Fiscal Impact Statement:

- A. Tax/Fee Issues:

An impact conference will be required to evaluate the provisions of SPB 7072. Similar provisions to those in the bill respecting the option granted to greyhound racing permitholders to continue with or discontinue live racing, were evaluated by the Revenue Estimating Conference (REC) on April 16, 2015. The REC assessed the impact of SPB

⁴⁶ *DeBary Real Estate Holdings, LLC v. State Dept. of Bus. and Prof'l. Reg.*, 112 So.3d 157, 163 (Fla. 1st DCA 2011).

⁴⁷ *Id.* (quoting *State ex rel. Landis v. Harris*, 120 Fla. 555, 163 So. 237, 240 (1934)).

7088, regarding Gaming,⁴⁸ which largely mirrors the provisions in SPB 7072 regarding the ending of live racing requirements for greyhound racing permitholders. The REC reviewed provisions in SPB 7088 that included:

- For greyhound racing permitholders, beginning in Fiscal Year 2015-2016, and each fiscal year thereafter, the removal of minimum live performance requirements associated with:
 - Applications for annual pari-mutuel operating license;
 - The conduct of intertrack wagering;
 - Renewal of annual slot machine license; provided the designated slot machine gaming areas may only be located within the eligible facility for which the division issued the initial annual slot machine license; and
 - Renewal of annual cardroom license; provided such permitholder conducts intertrack wagering on greyhound races that are broadcast, to the extent available, on each day of cardroom operations.
- Authorization for a greyhound racing permitholder to amend its operating license for Fiscal Year 2015-2016, through August 31, 2015.

The REC noted the removal of certain tax credits for greyhound racing permitholders that conduct live racing each state fiscal year:

- Exemption tax credit: The three permitholders (Washington County Kennel Club, Pensacola Greyhound, and Jefferson County Kennel Club) that conducted a full schedule of live racing in 1995, and are closest to another state that authorizes greyhound pari-mutuel wagering, receive a credit of \$500,000; all other greyhound racing permitholders exemption tax credit in the amount of \$360,000;
- Daily license fee credit; and
- The unclaimed pari-mutuel tickets (escheated tickets) credit.⁴⁹

Other changes in SPB 7088 that were noted by the REC:

- Amendment of the effective tax rates for host greyhound racing permitholders to a single rate of 1.28 percent for all handle types;
- Removal of the requirement that a greyhound racing permitholder pay the \$80 daily license fee for each live or simulcast race;
- Elimination of the authorization for greyhound racing permitholders to conduct charity days in addition to their regular racing days.
- Removal of the limit of a maximum of 20 percent of the total number of races on which wagers are accepted by certain greyhound racing permitholders not located as specified in s. 550.615(6), F.S., may receive from locations outside the state.

All estimates include:

- Loss in daily license fees from all greyhound tracks;

⁴⁸ See http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2015/_pdf/page462-466.pdf (last accessed Feb. 8, 2016).

⁴⁹ 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,” as required by FLA. CONST. art.IX, s. 6.

- Amending the effective tax rates for host greyhound permitholders to a single tax rate of 1.28 percent for all handle types;
- Adding 60 percent of live and intertrack handle from those that cease or reduce live racing and recapture through intertrack wagering and applying an effective tax rate of 1.28 percent; and
- Removing applicable tax credits that are no longer applicable.

Jefferson Kennel Club was not licensed to operate, and is not included in the estimates.

The REC calculated loss in taxes from six permitholders likely to cease live racing, one that is likely to reduce live races by 50 percent, and six that are likely to reduce live racing by approximately 40 percent. Overall, greyhound racing live racing performances were estimated to be reduced by approximately 42 percent.

The (loss) or gain in tax revenue is projected by the REC as follows (middle estimate):⁵⁰

- Fiscal Year 2015-2016 (\$307,335)
- Fiscal Year 2016-2017 (\$86,092)
- Fiscal Year 2017-2018 \$81,632
- Fiscal Year 2018-2019 \$209,940
- Fiscal Year 2019-2020 \$308,171

B. Private Sector Impact:

Pari-mutuel permitholders who hold active, dormant, and inactive permits must evaluate the impact of the provisions of the bill on their operations and business interests. Greyhound racing permitholders, jai alai permitholders, harness racing permitholders, and quarter horse permitholders must determine, on an annual basis, whether to offer live racing or games at their pari-mutuel facilities. Ending the requirement for the offering of live racing or games by these types of permitholders is known as “decoupling.”

C. Government Sector Impact:

The Division of Pari-mutuel Wagering (division) must implement the provisions of the bill, and establish forms and procedures for the pari-mutuel permit reduction program, and for the issuance of additional slot machine licenses in Miami-Dade and Palm Beach counties.

Recordkeeping and producing documents in response to public records requests for injury reports on racing greyhounds will have an indeterminate impact on the workload of the division, depending on the number of injury reports that are filed. The department estimated the fiscal impact to the state in 2014-2015 from a low of \$60,727 if it collects reports and serves as a repository (one additional staff), to a high of \$425,163 if it

⁵⁰ See <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2015/pdf/page462-466.pdf> (last accessed Feb. 8, 2016) at 463-465.

reviews the reports, assesses the accuracy of reports, investigates false statements, and pursues administrative action (five additional staff and three additional vehicles).⁵¹

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill requires the enactment of SB 7074, respecting the Gaming Compact Between the Seminole Tribe of Florida and the State of Florida, or similar legislation ratifying the Gaming Compact between the Seminole Tribe of Florida and the State of Florida executed by the Governor and the Seminole Tribe of Florida on December 7, 2015 (the 2015 Gaming Compact).

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 550.002, 550.01215, 550.0251, 550.054, 550.0951, 550.09511, 550.09512, 550.09514, 550.09515, 550.1625, 550.1648, 550.26165, 550.3345, 550.3551, 550.375, 550.615, 550.6305, 550.6308, 551.101, 551.102, 551.104, 551.106, 551.114, 551.116, 551.121, and 849.086.

This bill creates the following sections of the Florida Statutes: 550.1751, 550.1752, 550.2416, 551.1041, and 551.1042.

This bill repeals the following sections of the Florida Statutes: 550.0555, 550.0745, and 550.1647.

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.

⁵¹ See 2015 Department of Business and Professional Regulation Legislative Bill Analysis for Senate Bill 2 (January 15, 2015) (on file with Senate Committee on Regulated Industries).



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LEGISLATIVE ACTION

Senate

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House

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

Senate Amendment (with title amendment)

Before line 208

insert:

Section 1. Section 546.11, Florida Statutes, is created to read:

546.11 Short title.—Sections 546.11-546.20 may be cited as the "Fantasy Contest Amusement Act."

Section 2. Section 546.12, Florida Statutes, is created to read:

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11 546.12 Legislative intent.—It is the intent of the
12 Legislature to ensure public confidence in the integrity of
13 fantasy contests and fantasy contest operators. This act is
14 designed to strictly regulate the operators of fantasy contests
15 and individuals who participate in such contests and to adopt
16 consumer protections related to fantasy contests. Furthermore,
17 the Legislature finds that fantasy contests, as that term is
18 defined in s. 546.13, involve the skill of contest participants
19 and do not constitute gambling, gaming, or games of chance.

20 Section 3. Section 546.13, Florida Statutes, is created to
21 read:

22 546.13 Definitions.—As used in ss. 546.11-546.19, the term:

23 (1) "Confidential information" means information related to
24 the playing of fantasy contests by contest participants which is
25 obtained solely as a result of a person's employment with or
26 work as an agent of a contest operator.

27 (2) "Contest operator" means a person or an entity other
28 than a noncommercial contest operator which offers fantasy
29 contests that require an entry fee for a cash prize to members
30 of the public.

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

34 (4) "Entry fee" means the cash or cash equivalent amount
35 that is required to be paid by a fantasy contest player to a
36 fantasy contest operator to participate in a fantasy contest.

37 (5) "Fantasy contest" means a fantasy or simulation sports
38 game or contest offered by a contest operator or a noncommercial
39 contest operator in which a contest participant manages a



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40 fantasy or simulation sports team composed of athletes from an
41 amateur or professional sports organization and which meets the
42 following conditions:

43 (a) All prizes and awards offered to winning participants
44 are established and made known to the participants in advance of
45 the game or contest and their value is not determined by the
46 number of participants or the amount of any fees paid by those
47 participants.

48 (b) All winning outcomes reflect the relative knowledge and
49 skill of the participants and are determined predominantly by
50 accumulated statistical results of the performance of the
51 athletes participating in multiple real-world sporting or other
52 events. However, a winning outcome may not be based:

53 1. On the score, point spread, or any performance or
54 performances of a single real-world team or any combination of
55 such teams; or

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

58 (6) "Noncommercial contest operator" means a person who
59 organizes and conducts a fantasy contest, or who makes available
60 a fantasy contest software platform, in which participants may
61 be charged fees for the right to participate; fees are
62 collected, maintained, and distributed by the same person; and
63 all fees are returned to the players in the form of prizes.

64 (7) "Office" means the Office of Amusements created in s.
65 546.14.

66 Section 4. Section 546.14, Florida Statutes is created to
67 read:

68 546.14 Office of Amusements.—



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69 (1) The Office of Amusements is created within the
70 Department of Business and Professional Regulation. The office
71 shall operate under the supervision of a senior manager exempt
72 under s. 110.205 in the Senior Management Service and appointed
73 by the secretary.

74 (2) The duties of the office include, but are not limited
75 to, administering and enforcing this act and any rules adopted
76 pursuant thereto and any other duties authorized by the
77 Secretary of Business and Professional Regulation. The office
78 may work with department personnel as needed to assist in
79 fulfilling its duties.

80 (3) The office may:

81 (a) Conduct investigations and monitor the operation and
82 play of fantasy contests.

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

85 (c) Suspend or revoke any license, after hearing, for any
86 violation of state law or rule.

87 (d) Take testimony, issue summons and subpoenas for any
88 witness, and issue subpoenas duces tecum in connection with any
89 matter within its jurisdiction.

90 (e) Monitor and ensure the proper collection and
91 safeguarding of contest fees and the payment of contest prizes
92 in accordance with consumer protection procedures adopted
93 pursuant to s. 546.16.

94 (4) The office may adopt rules to implement this act.

95 Section 5. Section 546.15, Florida Statutes, is created to
96 read:

97 546.15 Licensing.-



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98 (1) A contest operator that offers fantasy contests for
99 play by persons in this state must be licensed by the office to
100 conduct fantasy contests within this state. The initial license
101 application fee is \$500,000 and the annual license renewal fee
102 is \$100,000, however, the respective fees may not exceed 10
103 percent of the amount of entry fees collected by a contest
104 operator from the operation of fantasy contests in this state,
105 less the amount of cash or cash equivalents paid to contest
106 participants. The office shall require the contest operator to
107 provide written evidence of the proposed amount of entry fees
108 and cash or cash equivalents to be paid to contest participants
109 during the annual license period. Prior to renewing a license,
110 the contest operator shall provide written evidence to the
111 office of the actual entry fees collected and cash or cash
112 equivalents paid to contest participants during the previous
113 period of licensure. The contest operator shall remit to the
114 office any difference in license fee that results from the
115 difference between the proposed amount of entry fees and cash or
116 cash equivalents paid to contest participants and the actual
117 amounts collected and paid.

118 (2) The office shall grant or deny a complete application
119 within 120 days after receipt, and a completed application that
120 is not acted upon by the office within 120 days after receipt is
121 deemed approved, and the office shall issue the license.
122 Applications for a contest operator's license are exempt from
123 the 90-day licensure timeframe imposed in s. 120.60(1).

124 (3) The application must include:
125 (a) The full name of the applicant.
126 (b) If the applicant is a corporation, the name of the



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127 state in which the applicant is incorporated and the names and
128 addresses of the officers, directors, and shareholders of the
129 corporation who hold 5 percent or more equity.

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

133 (d) The names and addresses of the ultimate equitable
134 owners of the corporation or other business entity, if different
135 from those provided under paragraphs (b) and (c), unless the
136 securities of the corporation or entity are registered pursuant
137 to s. 12 of the Securities Exchange Act of 1934, 15 U.S.C. ss.
138 78a-78kk, and:

139 1. The corporation or entity files with the United States
140 Securities and Exchange Commission, the reports required by s.
141 13 of that act; or

142 2. The securities of the corporation or entity are
143 regularly traded on an established securities market in the
144 United States.

145 (e) The estimated number of fantasy sports contests to be
146 conducted by the applicant annually.

147 (f) A statement of the assets and liabilities of the
148 applicant.

149 (g) If required by the office, the names and addresses of
150 the officers and directors of any debtor of the applicant and of
151 stockholders who hold more than 10 percent of the stock of the
152 debtor.

153 (h) For each individual listed in the application as an
154 officer or director, a complete set of fingerprints taken by an
155 authorized law enforcement officer. The office shall submit such



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156 fingerprints to the Federal Bureau of Investigation for national
157 processing. Foreign nationals shall submit such documents as
158 necessary to allow the office to conduct criminal history
159 records checks in the individual's home country. The applicant
160 must pay the full cost of processing fingerprints and required
161 documentation. The office also may charge a \$2 handling fee for
162 each set of fingerprints submitted.

163 (4) A person or entity is not eligible for licensure as a
164 contest operator or licensure renewal if he or she or an officer
165 or director of the entity is determined by the office, after
166 investigation, not to be of good moral character or if found to
167 have been convicted of a felony in this state, any offense in
168 another jurisdiction which would be considered a felony if
169 committed in this state, or a felony under the laws of the
170 United States. For purposes of this subsection, the term
171 "convicted" means having been found guilty, with or without
172 adjudication of guilt, as a result of a jury verdict, nonjury
173 trial, or entry of a plea of guilty or nolo contendere.

174 (5) The contest operator shall provide evidence of a surety
175 bond in the amount of \$1 million, payable to the state,
176 furnished by a corporate surety authorized to do business. The
177 surety bond shall be kept in full force and effect by the
178 contest operator during the term of the license and any renewal
179 thereof. The office shall adopt by rule the form required for
180 such surety bond.

181 (6) The office may not issue a license pursuant to this
182 section unless the Gaming Compact between the Seminole Tribe of
183 Florida and the State of Florida, authorized pursuant to s.
184 285.710(3)(b), indicates that fantasy contests operated by such



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185 fantasy contest operator do not violate any of the compact's
186 provisions.

187 (7) The office may suspend, revoke, or deny the license of
188 a contest operator who fails to comply with this act or rules
189 adopted pursuant thereto.

190 Section 6. Section 546.16, Florida Statutes, is created to
191 read:

192 546.16 Consumer protection.—

193 (1) A contest operator who charges an entry fee to contest
194 participants shall implement procedures for fantasy sports
195 contests which:

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

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

201 (c) Prevent the employees or agents of the contest operator
202 from sharing with third parties confidential information that
203 could affect fantasy contest play until the information has been
204 made publicly available.

205 (d) Verify that contest participants are 18 years of age or
206 older.

207 (e) Restrict an individual who is a player, a game
208 official, or another participant in a real-world game or
209 competition from participating in a fantasy contest that is
210 determined, in whole or in part, on the performance of that
211 individual, the individual's real-world team, or the accumulated
212 statistical results of the sport or competition in which he or
213 she is a player, game official, or other participant.



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214 (f) Allow individuals to restrict or prevent their own
215 access to a fantasy contest and take reasonable steps to prevent
216 those individuals from entering a fantasy sports contest.

217 (g) Limit the number of entries a single contest
218 participant may submit to each fantasy contest and take
219 reasonable steps to prevent participants from submitting more
220 than the allowable number of entries.

221 (h) Segregate contest participants' funds from operational
222 funds and maintain a reserve in the form of cash, cash
223 equivalents, an irrevocable letter of credit, a bond, or a
224 combination thereof in the total amount of deposits in contest
225 participants' accounts for the benefit and protection of
226 authorized contest participants' funds held in fantasy contest
227 accounts.

228 (2) A contest operator that offers fantasy contests in this
229 state which require contest participants to pay an entry fee
230 shall annually contract with a third party to perform an
231 independent audit, consistent with the standards established by
232 the Public Company Accounting Oversight Board, to ensure
233 compliance with this act. The contest operator shall submit the
234 results of the independent audit to the office.

235 Section 7. Section 546.17, Florida Statutes is created to
236 read:

237 546.17 Records and reports.-

238 (1) Each contest operator shall keep and maintain daily
239 records of its operations relevant to compliance with ss. 546.15
240 and 546.16 and shall maintain such records for a period of at
241 least 3 years. The records must sufficiently detail all
242 financial transactions to determine compliance with the



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243 requirements of this section and must be available for audit and
244 inspection by the office or other law enforcement agencies
245 during the contest operator's regular business hours. The office
246 shall adopt rules to implement this subsection.

247 (2) Each contest operator shall file quarterly with the
248 office a report that includes the required records and any
249 additional information deemed necessary by the office. The
250 report shall be submitted on forms prescribed by the office, and
251 are deemed public records once filed.

252 Section 8. Section 546.18, Florida Statutes, is created to
253 read:

254 549.18 Consent required.—A contest operator who charges an
255 entry fee to contest participants shall ensure that any fantasy
256 contests involving horseracing have received the consent
257 specified in the Interstate Horseracing Act of 1978, 92 Stat.
258 1811, 15 U.S.C. ss. 3001 et seq.

259 Section 9. Section 546.19, Florida Statutes, is created to
260 read:

261 546.19 Penalties.—In addition to other applicable
262 administrative, civil, and criminal sanctions, a contest
263 operator, or an employee or agent thereof, who violates this act
264 is subject to a civil penalty not to exceed \$5,000 for each
265 violation, not to exceed \$100,000 in the aggregate, which shall
266 accrue to the state. An action to recover such penalties may be
267 brought by the office or the Department of Legal Affairs in the
268 circuit courts in the name and on behalf of the state.

269 Section 10. Section 546.20, Florida Statutes, is created to
270 read:

271 546.20 Exemption.—Fantasy contests conducted by a contest



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272 operator or noncommercial contest operator in accordance with
273 this act are not subject to s. 849.01, s. 849.08, s. 849.09, s.
274 849.11, s. 849.14, or s. 849.25.

275 Section 11. The penalty provisions established by s.
276 546.18, Florida Statutes, do not apply to a contest operator who
277 applies for a license within 90 days after the effective date of
278 this act and receives a license within 240 days after the
279 effective date of this act.

280
281 ===== T I T L E A M E N D M E N T =====

282 And the title is amended as follows:

283 Delete line 2

284 and insert:

285 An act relating to gaming; creating s. 546.11, F.S.;

286 providing a short title; creating s. 546.12, F.S.;

287 providing legislative findings and intent; creating s.

288 546.13, F.S.; defining terms; creating s. 545.14,

289 F.S.; creating the Office of Amusements within the

290 Department of Business and Professional Regulation;

291 requiring that the office be under the supervision of

292 a senior manager who is exempt from the Career Service

293 System and is appointed by the secretary of the

294 department; providing duties of the office; providing

295 for rulemaking; creating s. 546.15, F.S.; providing

296 licensing requirements for contest operators offering

297 fantasy contests; requiring the office to grant or

298 deny a license within a specified timeframe; providing

299 that a completed application is deemed approved 120

300 days after receipt by the office under certain



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301 circumstances; providing requirements for the license
302 application; providing that persons or entities are
303 not eligible for licensure under certain
304 circumstances; providing a definition; requiring a
305 contest operator to provide evidence of a surety bond;
306 requiring the surety bond to be kept during the term
307 of the license and any renewal term thereafter;
308 providing that a license may not be issued if it
309 violates the Gaming Compact; authorizing the office to
310 suspend, revoke, or deny a license under certain
311 circumstances; creating s. 546.16, F.S.; requiring a
312 contest operator to implement specified consumer
313 protection procedures; requiring a contest operator to
314 annually contract with a third party to perform an
315 independent audit; requiring a contest operator to
316 submit the audit results to the department; creating
317 s. 546.17, F.S.; requiring contest operators to keep
318 and maintain certain records for a specified period;
319 providing requirements; providing for rulemaking;
320 requiring a contest operator to file a quarterly
321 report with the office; creating s. 546.18, F.S.;
322 requiring a contest operator to obtain certain consent
323 for certain fantasy contests; creating s. 546.19,
324 F.S.; providing a civil penalty; creating s. 546.20,
325 F.S.; exempting fantasy contests from certain
326 provisions in ch. 849, F.S.; providing applicability
327 of penalty provisions; amending s. 550.002, F.S.;



594538

LEGISLATIVE ACTION

Senate

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House

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

Senate Amendment (with title amendment)

Delete lines 473 - 520

and insert:

(14) ~~(a) The holder Any holder of a permit to conduct jai alai may apply to the division to convert such permit to a permit to conduct greyhound racing in lieu of jai alai if:~~

~~1. Such permit is located in a county in which the division has issued only two pari-mutuel permits pursuant to this section;~~



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11 ~~2. Such permit was not previously converted from any other~~
12 ~~class of permit; and~~

13 ~~3. The holder of the permit has not conducted jai alai~~
14 ~~games during a period of 10 years immediately preceding his or~~
15 ~~her application for conversion under this subsection.~~

16 ~~(b) The division, upon application from the holder of a jai~~
17 ~~alai permit meeting all conditions of this section, shall~~
18 ~~convert the permit and shall issue to the permitholder a permit~~
19 ~~to conduct greyhound racing. A permitholder of a permit~~
20 ~~converted pursuant to former s. 550.054(14), Florida Statutes~~
21 ~~2015, as created by s. 6, chapter 2009-170, Laws of Florida,~~
22 ~~must under this section shall be required to apply for and~~
23 ~~conduct a full schedule of live racing each fiscal year to be~~
24 ~~eligible for any tax credit provided by this chapter. Upon~~
25 ~~application from the holder of a permit converted pursuant to~~
26 ~~former s. 550.054(14), Florida Statutes 2015, as created by s.~~
27 ~~6, chapter 2009-170, Laws of Florida, this subsection or any~~
28 ~~holder of a permit to conduct greyhound racing located in a~~
29 ~~county for in which it is the only one permit has been issued~~
30 ~~pursuant to this section and which who operates at a leased~~
31 ~~facility pursuant to s. 550.475, the division may approve the~~
32 ~~relocation may move the location for which the permit has been~~
33 ~~issued to another location within a 30-mile radius of the~~
34 ~~location fixed in the permit if the application is received by~~
35 ~~July 31, 2018, the location is within the same issued in that~~
36 ~~county, provided the move does not cross the county boundary,~~
37 ~~and the such location is approved under the zoning regulations~~
38 ~~of the county or municipality in which the permit is located.~~
39 ~~and Upon such relocation, the permitholder may use the permit~~



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40 for the conduct of pari-mutuel wagering and the operation of a
41 cardroom. Section ~~The provisions of s.~~ 550.6305(9) (d) and (f)
42 ~~shall~~ apply to any permit converted under this subsection and
43 shall continue to apply to any permit which was previously
44 included under and subject to those ~~such~~ provisions before a
45 conversion pursuant to this section occurred.

46
47 ===== T I T L E A M E N D M E N T =====

48 And the title is amended as follows:

49 Delete lines 33 - 38

50 and insert:

51 license under certain conditions; deleting provisions
52 authorizing jai alai permitholders to convert such
53 permits to permits to conduct greyhound racing under
54 certain circumstances; providing that such provisions
55 still apply to permits that have been converted under
56 certain circumstances; repealing s. 550.0555,



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LEGISLATIVE ACTION

Senate

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House

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

Senate Amendment (with title amendment)

Delete lines 1105 - 2309

and insert:

Section 15. Section 550.1752, Florida Statutes, is created to read:

550.1752 Permit reduction program.-

(1) The permit reduction program is created in the Division of Pari-mutuel Wagering for the purpose of purchasing and cancelling active pari-mutuel permits. The program shall be



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11 funded from revenue share payments made by the Seminole Tribe of
12 Florida under the compact ratified by s. 285.710(3) and received
13 by the state after October 31, 2015. Compact payments payable
14 for the program shall be calculated on a monthly basis until
15 such time as the division determines that sufficient funds are
16 available to fund the program. The total funding allocated to
17 the program may not exceed \$20 million.

18 (2) The division shall purchase pari-mutuel permits from
19 pari-mutuel permit holders when sufficient moneys are available
20 for such purchases. A pari-mutuel permit holder may not submit an
21 offer to sell a permit unless it is actively conducting pari-
22 mutuel racing or jai alai as required by law and satisfies all
23 applicable requirements for the permit. The division shall adopt
24 by rule the form to be used by a pari-mutuel permit holder for an
25 offer to sell a permit and shall establish a schedule for the
26 consideration of offers.

27 (3) The division shall establish the value of a pari-mutuel
28 permit based upon the valuation of one or more independent
29 appraisers selected by the division. The valuation of a permit
30 must be based on the permit's fair market value and may not
31 include the value of the real estate or personal property. The
32 division may establish a value for the permit that is lower than
33 the amount determined by an independent appraiser but may not
34 establish a higher value.

35 (4) The division must accept the offer or offers that best
36 utilize available funding; however, the division may also accept
37 the offers that it determines are most likely to reduce the
38 incidence of gaming in this state.

39 (5) The division shall cancel any permit purchased under



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40 this section.

41 (6) This section shall expire on July 1, 2018, unless
42 reenacted by the Legislature.

43 Section 16. Effective July 1, 2018, section 550.1752,
44 Florida Statutes, as amended by this act, is amended to read:

45 550.1752 Thoroughbred purse supplement ~~Permit reduction~~
46 program.-

47 (1) The thoroughbred purse supplement ~~permit reduction~~
48 program is created in the Division of Pari-mutuel Wagering for
49 the purpose of maintaining an active and viable live
50 thoroughbred racing, owning, and breeding industry in the state
51 ~~purchasing and cancelling active pari-mutuel permits~~. The
52 program shall be funded from revenue share payments made by the
53 Seminole Tribe of Florida under the compact ratified by s.
54 285.710(3) and received by the state after July 1, 2018 ~~October~~
55 ~~31, 2015~~. Compact payments payable for the program shall be
56 calculated on a monthly basis until such time as the division
57 determines that sufficient funds are available to fund the
58 program. The total annual funding allocated to the program is
59 ~~may not exceed~~ \$20 million.

60 (2) ~~The division shall purchase pari-mutuel permits from~~
61 ~~pari-mutuel permitholders when sufficient moneys are available~~
62 ~~for such purchases. A pari-mutuel permitholder may not submit an~~
63 ~~offer to sell a permit unless it is actively conducting pari-~~
64 ~~mutuel racing or jai alai as required by law and satisfies all~~
65 ~~applicable requirements for the permit~~. The division shall adopt
66 by rule the form to be used by a pari-mutuel permitholder for
67 applying to receive purse assistance from the program to be used
68 to supplement purses for its live racing meet ~~an offer to sell a~~



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69 ~~permit and shall establish a schedule for the consideration of~~
70 ~~offers.~~

71 (3) The division shall distribute the purse supplement
72 funds on a pro rata basis based upon the number of live race
73 days to be conducted by each thoroughbred permitholder pursuant
74 to its annual racing license ~~establish the value of a pari-~~
75 ~~mutuel permit based upon the valuation of one or more~~
76 ~~independent appraisers selected by the division. The valuation~~
77 ~~of a permit must be based on the permit's fair market value and~~
78 ~~may not include the value of the real estate or personal~~
79 ~~property. The division may establish a value for the permit that~~
80 ~~is lower than the amount determined by an independent appraiser~~
81 ~~but may not establish a higher value.~~

82 (4) If a thoroughbred permitholder fails to conduct a live
83 race day, the thoroughbred permitholder must return the unused
84 purse supplement fund allocated for that day, and the division
85 shall reapportion the allocation of purse supplement funds to
86 the remaining race days to be conducted during the state fiscal
87 year by that thoroughbred permitholder ~~The division must accept~~
88 ~~the offer or offers that best utilize available funding;~~
89 ~~however, the division may also accept the offers that it~~
90 ~~determines are most likely to reduce the incidence of gaming in~~
91 ~~this state.~~

92 (5) The division may adopt rules necessary to implement
93 this section ~~shall cancel any permit purchased under this~~
94 ~~section.~~

95 (6) ~~This section shall expire on July 1, 2018, unless~~
96 ~~reenacted by the Legislature.~~

97 Section 17. Section 550.2416, Florida Statutes, is created



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98 to read:

99 550.2416 Reporting of racing greyhound injuries.-

100 (1) An injury to a racing greyhound which occurs while the
101 greyhound is located in this state must be reported on a form
102 adopted by the division within 7 days after the date on which
103 the injury occurred or is believed to have occurred. The
104 division may adopt rules defining the term "injury."

105 (2) The form shall be completed and signed under oath or
106 affirmation by the:

107 (a) Racetrack veterinarian or director of racing, if the
108 injury occurred at the racetrack facility; or

109 (b) Owner, trainer, or kennel operator who had knowledge of
110 the injury, if the injury occurred at a location other than the
111 racetrack facility, including during transportation.

112 (3) The division may fine, suspend, or revoke the license
113 of any individual who knowingly violates this section.

114 (4) The form must include the following:

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

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

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

121 (d) The specific type and bodily location of the injury,
122 the cause of the injury, and the estimated recovery time from
123 the injury.

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

125 1. The racetrack where the injury occurred;

126 2. The distance, grade, race, and post position of the



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127 greyhound when the injury occurred; and
128 3. The weather conditions, time, and track conditions when
129 the injury occurred.
130 (f) If the injury occurred when the greyhound was not
131 racing:
132 1. The location where the injury occurred, including, but
133 not limited to, a kennel, a training facility, or a
134 transportation vehicle; and
135 2. The circumstances surrounding the injury.
136 (g) Other information that the division determines is
137 necessary to identify injuries to racing greyhounds in this
138 state.
139 (5) An injury form created pursuant to this section must be
140 maintained as a public record by the division for at least 7
141 years after the date it was received.
142 (6) A licensee of the department who knowingly makes a
143 false statement concerning an injury or fails to report an
144 injury is subject to disciplinary action under this chapter or
145 chapters 455 and 474.
146 (7) This section does not apply to injuries to a service
147 animal, personal pet, or greyhound that has been adopted as a
148 pet.
149 (8) The division shall adopt rules to implement this
150 section.
151 Section 18. Subsection (1) of section 550.26165, Florida
152 Statutes, is amended to read:
153 550.26165 Breeders' awards.—
154 (1) The purpose of this section is to encourage the
155 agricultural activity of breeding and training racehorses in



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156 this state. Moneys dedicated in this chapter for use as
157 breeders' awards and stallion awards are to be used for awards
158 to breeders of registered Florida-bred horses winning horseraces
159 and for similar awards to the owners of stallions who sired
160 Florida-bred horses winning stakes races, if the stallions are
161 registered as Florida stallions standing in this state. Such
162 awards shall be given at a uniform rate to all winners of the
163 awards, may ~~shall~~ not be greater than 20 percent of the
164 announced gross purse, and may ~~shall~~ not be less than 15 percent
165 of the announced gross purse if funds are available. In
166 addition, at least ~~no less than~~ 17 percent, but not ~~nor~~ more
167 than 40 percent, as determined by the Florida Thoroughbred
168 Breeders' Association, of the moneys dedicated in this chapter
169 for use as breeders' awards and stallion awards for
170 thoroughbreds shall be returned pro rata to the permitholders
171 that generated the moneys for special racing awards to be
172 distributed by the permitholders to owners of thoroughbred
173 horses participating in prescribed thoroughbred stakes races,
174 nonstakes races, or both, all in accordance with a written
175 agreement establishing the rate, procedure, and eligibility
176 requirements for such awards entered into by the permitholder,
177 the Florida Thoroughbred Breeders' Association, and the Florida
178 Horsemen's Benevolent and Protective Association, Inc., except
179 that the plan for the distribution by any permitholder located
180 in the area described in s. 550.615(7) ~~s. 550.615(9)~~ shall be
181 agreed upon by that permitholder, the Florida Thoroughbred
182 Breeders' Association, and the association representing a
183 majority of the thoroughbred racehorse owners and trainers at
184 that location. Awards for thoroughbred races are to be paid



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185 through the Florida Thoroughbred Breeders' Association, and
186 awards for standardbred races are to be paid through the Florida
187 Standardbred Breeders and Owners Association. Among other
188 sources specified in this chapter, moneys for thoroughbred
189 breeders' awards will come from the 0.955 percent of handle for
190 thoroughbred races conducted, received, broadcast, or simulcast
191 under this chapter as provided in s. 550.2625(3). The moneys for
192 quarter horse and harness breeders' awards will come from the
193 breaks and uncashed tickets on live quarter horse and harness
194 horse racing performances and 1 percent of handle on intertrack
195 wagering. The funds for these breeders' awards shall be paid to
196 the respective breeders' associations by the permitholders
197 conducting the races.

198 Section 19. Section 550.3345, Florida Statutes, is amended
199 to read:

200 550.3345 ~~Conversion of quarter horse permit to a~~ Limited
201 thoroughbred racing permit.-

202 (1) In recognition of the important and long-standing
203 economic contribution of the thoroughbred horse breeding
204 industry to this state and the state's vested interest in
205 promoting the continued viability of this agricultural activity,
206 the state intends to provide a limited opportunity for the
207 conduct of live thoroughbred horse racing with the net revenues
208 from such racing dedicated to the enhancement of thoroughbred
209 purses and breeders', stallion, and special racing awards under
210 this chapter; the general promotion of the thoroughbred horse
211 breeding industry; and the care in this state of thoroughbred
212 horses retired from racing.

213 (2) A limited thoroughbred racing permit previously



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214 ~~converted from~~ Notwithstanding any other provision of law, the
215 ~~holder of~~ a quarter horse racing permit pursuant to chapter
216 2010-29, Laws of Florida, issued under s. 550.334 may only be
217 held by, ~~within 1 year after the effective date of this section,~~
218 ~~apply to the division for a transfer of the quarter horse racing~~
219 ~~permit to~~ a not-for-profit corporation formed under state law to
220 serve the purposes of the state as provided in subsection (1).
221 The board of directors of the not-for-profit corporation must be
222 composed ~~comprised~~ of 11 members, 4 of whom shall be designated
223 by the applicant, 4 of whom shall be designated by the Florida
224 Thoroughbred Breeders' Association, and 3 of whom shall be
225 designated by the other 8 directors, with at least 1 of these 3
226 members being an authorized representative of another
227 thoroughbred racing permitholder in this state. A limited
228 thoroughbred racing ~~The not-for-profit corporation shall submit~~
229 ~~an application to the division for review and approval of the~~
230 ~~transfer in accordance with s. 550.054. Upon approval of the~~
231 ~~transfer by the division, and notwithstanding any other~~
232 ~~provision of law to the contrary, the not-for-profit corporation~~
233 ~~may, within 1 year after its receipt of the permit, request that~~
234 ~~the division convert the quarter horse racing permit to a permit~~
235 ~~authorizing the holder to conduct pari-mutuel wagering meets of~~
236 ~~thoroughbred racing. Neither the transfer of the quarter horse~~
237 ~~racing permit nor its conversion to a limited thoroughbred~~
238 ~~permit shall be subject to the mileage limitation or the~~
239 ~~ratification election as set forth under s. 550.054(2) or s.~~
240 ~~550.0651. Upon receipt of the request for such conversion, the~~
241 ~~division shall timely issue a converted permit. The converted~~
242 ~~permit and the not-for-profit corporation~~ are ~~shall be~~ subject



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243 to the following requirements:

244 (a) All net revenues derived by the not-for-profit
245 corporation under the thoroughbred ~~horse~~ racing permit, after
246 the funding of operating expenses and capital improvements,
247 shall be dedicated to the enhancement of thoroughbred purses and
248 breeders', stallion, and special racing awards under this
249 chapter; the general promotion of the thoroughbred horse
250 breeding industry; and the care in this state of thoroughbred
251 horses retired from racing.

252 (b) From December 1 through April 30, ~~no~~ live thoroughbred
253 racing may not be conducted under the permit on any day during
254 which another thoroughbred racing permitholder is conducting
255 live thoroughbred racing within 125 air miles of the not-for-
256 profit corporation's pari-mutuel facility unless the other
257 thoroughbred racing permitholder gives its written consent.

258 (c) ~~After the conversion of the quarter horse racing permit~~
259 ~~and~~ the issuance of its initial license to conduct pari-mutuel
260 wagering meets of thoroughbred racing, the not-for-profit
261 corporation shall annually apply to the division for a license
262 pursuant to s. 550.5251.

263 (d) Racing under the permit may take place only at the
264 location for which the original quarter horse racing permit was
265 issued, which may be leased by the not-for-profit corporation
266 for that purpose; however, the not-for-profit corporation may,
267 without the conduct of any ratification election pursuant to s.
268 550.054(13) or s. 550.0651, move the location of the permit to
269 another location in the same county or counties, if a permit is
270 situated in such a manner that it is located in more than one
271 county, provided that such relocation is approved under the



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272 zoning and land use regulations of the applicable county or
273 municipality.

274 (e) A limited thoroughbred racing ~~No permit may not be~~
275 transferred ~~converted under this section is eligible for~~
276 ~~transfer~~ to another person or entity.

277 (3) Unless otherwise provided in this section, ~~after~~
278 ~~conversion~~, the permit and the not-for-profit corporation shall
279 be treated under the laws of this state as a thoroughbred racing
280 permit and as a thoroughbred racing permitholder, respectively,
281 with the exception of ss. 550.054(9)(c) and (d) and s.
282 550.09515(3).

283 Section 20. Subsection (6) of section 550.3551, Florida
284 Statutes, is amended to read:

285 550.3551 Transmission of racing and jai alai information;
286 commingling of pari-mutuel pools.—

287 (6) (a) ~~A maximum of 20 percent of the total number of races~~
288 ~~on which wagers are accepted by a greyhound permitholder not~~
289 ~~located as specified in s. 550.615(6) may be received from~~
290 ~~locations outside this state. A permitholder may not conduct~~
291 ~~fewer than eight live races or games on any authorized race day~~
292 ~~except as provided in this subsection.~~ A thoroughbred racing
293 permitholder may not conduct fewer than eight live races on any
294 race day without the written approval of the Florida
295 Thoroughbred Breeders' Association and the Florida Horsemen's
296 Benevolent and Protective Association, Inc., unless it is
297 determined by the department that another entity represents a
298 majority of the thoroughbred racehorse owners and trainers in
299 the state. A harness horse racing permitholder may conduct fewer
300 than eight live races on any authorized race day, except that



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301 such permitholder must conduct a full schedule of live racing
302 during its race meet consisting of at least eight live races per
303 authorized race day for at least 100 days. ~~Any harness horse~~
304 ~~permitholder that during the preceding racing season conducted a~~
305 ~~full schedule of live racing may, at any time during its current~~
306 ~~race meet, receive full-card broadcasts of harness horse races~~
307 ~~conducted at harness racetracks outside this state at the~~
308 ~~harness track of the permitholder and accept wagers on such~~
309 ~~harness races.~~ With specific authorization from the division for
310 special racing events, a permitholder may conduct fewer than
311 eight live races or games when the permitholder also broadcasts
312 out-of-state races or games. The division may not grant more
313 than two such exceptions a year for a permitholder in any 12-
314 month period, and those two exceptions may not be consecutive.

315 (b) Notwithstanding any other provision of this chapter,
316 any harness horse racing permitholder accepting broadcasts of
317 out-of-state harness horse races when such permitholder is not
318 conducting live races must make the out-of-state signal
319 available to all permitholders eligible to conduct intertrack
320 wagering and shall pay to guest tracks located as specified in
321 s. ss. 550.615(6) and 550.6305(9) (d) 50 percent of the net
322 proceeds after taxes and fees to the out-of-state host track on
323 harness horse race wagers which they accept. A harness horse
324 racing permitholder shall be required to pay into its purse
325 account 50 percent of the net income retained by the
326 permitholder on account of wagering on the out-of-state
327 broadcasts received pursuant to this subsection. Nine-tenths of
328 a percent of all harness horse race wagering proceeds on the
329 broadcasts received pursuant to this subsection shall be paid to



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330 the Florida Standardbred Breeders and Owners Association under
331 the provisions of s. 550.2625(4) for the purposes provided
332 therein.

333 Section 21. Subsection (4) of section 550.375, Florida
334 Statutes, is amended to read:

335 550.375 Operation of certain harness tracks.—

336 (4) The permitholder conducting a harness horse race meet
337 must pay the daily license fee, the admission tax, the tax on
338 breaks, and the tax on pari-mutuel handle provided in s.
339 550.0951 and is subject to all penalties and sanctions provided
340 in s. 550.0951(7) ~~s. 550.0951(6)~~.

341 Section 22. Section 550.475, Florida Statutes, is amended
342 to read:

343 550.475 Lease of pari-mutuel facilities by pari-mutuel
344 permitholders.—Holders of valid pari-mutuel permits for the
345 conduct of any jai alai games, dogracing, or thoroughbred and
346 standardbred horse racing in this state are entitled to lease
347 any and all of their facilities to any other holder of a same
348 class, valid pari-mutuel permit for jai alai games, dogracing,
349 or thoroughbred or standardbred horse racing, when they are
350 located within a 35-mile radius of each other, and such lessee
351 is entitled to a permit and license to operate its race meet or
352 jai alai games at the leased premises. A permitholder may not
353 lease facilities from a pari-mutuel permitholder that is not
354 conducting a full schedule of live racing.

355 Section 23. Subsection (1) of section 550.5251, Florida
356 Statutes, is amended, and present subsections (2) and (3) of
357 that section are redesignated as subsections (1) and (2),
358 respectively, to read:



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359 550.5251 Florida thoroughbred racing; certain permits;
360 operating days.—

361 ~~(1) Each thoroughbred permitholder shall annually, during~~
362 ~~the period commencing December 15 of each year and ending~~
363 ~~January 4 of the following year, file in writing with the~~
364 ~~division its application to conduct one or more thoroughbred~~
365 ~~racing meetings during the thoroughbred racing season commencing~~
366 ~~on the following July 1. Each application shall specify the~~
367 ~~number and dates of all performances that the permitholder~~
368 ~~intends to conduct during that thoroughbred racing season. On or~~
369 ~~before March 15 of each year, the division shall issue a license~~
370 ~~authorizing each permitholder to conduct performances on the~~
371 ~~dates specified in its application. Up to February 28 of each~~
372 ~~year, each permitholder may request and shall be granted changes~~
373 ~~in its authorized performances; but thereafter, as a condition~~
374 ~~precedent to the validity of its license and its right to retain~~
375 ~~its permit, each permitholder must operate the full number of~~
376 ~~days authorized on each of the dates set forth in its license.~~

377 Section 24. Subsections (2), (4), (6), and (7) of section
378 550.615, Florida Statutes, are amended, present subsections (8),
379 (9), and (10) of that section are redesignated as subsections
380 (6), (7), and (8), respectively, present subsection (9) of that
381 section is amended, and a new subsection (9) is added to that
382 section, to read:

383 550.615 Intertrack wagering.—

384 (2) A Any track or fronton licensed under this chapter
385 which has conducted a full schedule of live racing for at least
386 5 consecutive calendar years since 2010 in the preceding year
387 ~~conducted a full schedule of live racing is qualified to, at any~~



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388 time, receive broadcasts of any class of pari-mutuel race or
389 game and accept wagers on such races or games conducted by any
390 class of permitholders licensed under this chapter.

391 (4) An In no event shall any intertrack wager may not be
392 accepted on the same class of live races or games of any
393 permitholder without the written consent of such operating
394 permitholders conducting the same class of live races or games
395 if the guest track is within the market area of such operating
396 permitholder. A greyhound racing permitholder licensed under
397 this chapter which accepts intertrack wagers on live greyhound
398 signals is not required to obtain the written consent required
399 by this subsection from any operating greyhound racing
400 permitholder within its market area.

401 ~~(6) Notwithstanding the provisions of subsection (3), in~~
402 ~~any area of the state where there are three or more horserace~~
403 ~~permitholders within 25 miles of each other, intertrack wagering~~
404 ~~between permitholders in said area of the state shall only be~~
405 ~~authorized under the following conditions: Any permitholder,~~
406 ~~other than a thoroughbred permitholder, may accept intertrack~~
407 ~~wagers on races or games conducted live by a permitholder of the~~
408 ~~same class or any harness permitholder located within such area~~
409 ~~and any harness permitholder may accept wagers on games~~
410 ~~conducted live by any jai alai permitholder located within its~~
411 ~~market area and from a jai alai permitholder located within the~~
412 ~~area specified in this subsection when no jai alai permitholder~~
413 ~~located within its market area is conducting live jai alai~~
414 ~~performances; any greyhound or jai alai permitholder may receive~~
415 ~~broadcasts of and accept wagers on any permitholder of the other~~
416 ~~class provided that a permitholder, other than the host track,~~



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417 ~~of such other class is not operating a contemporaneous live~~
418 ~~performance within the market area.~~

419 ~~(7) In any county of the state where there are only two~~
420 ~~permits, one for dogracing and one for jai alai, no intertrack~~
421 ~~wager may be taken during the period of time when a permitholder~~
422 ~~is not licensed to conduct live races or games without the~~
423 ~~written consent of the other permitholder that is conducting~~
424 ~~live races or games. However, if neither permitholder is~~
425 ~~conducting live races or games, either permitholder may accept~~
426 ~~intertrack wagers on horseraces or on the same class of races or~~
427 ~~games, or on both horseraces and the same class of races or~~
428 ~~games as is authorized by its permit.~~

429 ~~(7)~~ (9) In any two contiguous counties of the state in which
430 there are located only four active permits, one for thoroughbred
431 horse racing, two for greyhound racing ~~dogracing~~, and one for
432 jai alai games, an ~~no~~ intertrack wager may not be accepted on
433 the same class of live races or games of any permitholder
434 without the written consent of such operating permitholders
435 conducting the same class of live races or games if the guest
436 track is within the market area of such operating permitholder.

437 (9) A greyhound racing permitholder that is eligible to
438 receive broadcasts pursuant to subsection (2) and is operating
439 pursuant to a current year operating license that specifies that
440 no live performances will be conducted may accept wagers on live
441 races conducted at out-of-state greyhound tracks only on the
442 days when the permitholder receives all live races that any
443 greyhound host track in this state makes available.

444 Section 25. Subsections (1), (4), and (5) of section
445 550.6308, Florida Statutes, are amended to read:



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446 550.6308 Limited intertrack wagering license.—In
447 recognition of the economic importance of the thoroughbred
448 breeding industry to this state, its positive impact on tourism,
449 and of the importance of a permanent thoroughbred sales facility
450 as a key focal point for the activities of the industry, a
451 limited license to conduct intertrack wagering is established to
452 ensure the continued viability and public interest in
453 thoroughbred breeding in Florida.

454 (1) Upon application to the division on or before January
455 31 of each year, any person that is licensed to conduct public
456 sales of thoroughbred horses pursuant to s. 535.01 and, that has
457 conducted at least 8 ~~15~~ days of thoroughbred horse sales at a
458 permanent sales facility in this state for at least 3
459 consecutive years, ~~and that has conducted at least 1 day of~~
460 ~~nonwagering thoroughbred racing in this state, with a purse~~
461 ~~structure of at least \$250,000 per year for 2 consecutive years~~
462 before such application, shall be issued a license, subject to
463 the conditions set forth in this section, to conduct intertrack
464 wagering at such a permanent sales facility ~~during the following~~
465 ~~periods:~~

- 466 ~~(a) Up to 21 days in connection with thoroughbred sales;~~
- 467 ~~(b) Between November 1 and May 8;~~
- 468 ~~(c) Between May 9 and October 31 at such times and on such~~
469 ~~days as any thoroughbred, jai alai, or a greyhound permitholder~~
470 ~~in the same county is not conducting live performances; provided~~
471 ~~that any such permitholder may waive this requirement, in whole~~
472 ~~or in part, and allow the licensee under this section to conduct~~
473 ~~intertrack wagering during one or more of the permitholder's~~
474 ~~live performances; and~~



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475 ~~(d) During the weekend of the Kentucky Derby, the~~
476 ~~Preakness, the Belmont, and a Breeders' Cup Meet that is~~
477 ~~conducted before November 1 and after May 8.~~

478
479 Only ~~No more than~~ one such license may be issued, and no such
480 license may be issued for a facility located within 50 miles of
481 any for-profit thoroughbred permitholder's track.

482 ~~(4) Intertrack wagering under this section may be conducted~~
483 ~~only on thoroughbred horse racing, except that intertrack~~
484 ~~wagering may be conducted on any class of pari-mutuel race or~~
485 ~~game conducted by any class of permitholders licensed under this~~
486 ~~chapter if all thoroughbred, jai alai, and greyhound~~
487 ~~permitholders in the same county as the licensee under this~~
488 ~~section give their consent.~~

489 (4) ~~(5)~~ The licensee shall be considered a guest track under
490 this chapter. ~~The licensee shall pay 2.5 percent of the total~~
491 ~~contributions to the daily pari-mutuel pool on wagers accepted~~
492 ~~at the licensee's facility on greyhound races or jai alai games~~
493 ~~to the thoroughbred permitholder that is conducting live races~~
494 ~~for purses to be paid during its current racing meet. If more~~
495 ~~than one thoroughbred permitholder is conducting live races on a~~
496 ~~day during which the licensee is conducting intertrack wagering~~
497 ~~on greyhound races or jai alai games, the licensee shall~~
498 ~~allocate these funds between the operating thoroughbred~~
499 ~~permitholders on a pro rata basis based on the total live handle~~
500 ~~at the operating permitholders' facilities.~~

501 Section 26. Section 551.101, Florida Statutes, is amended
502 to read:

503 551.101 Slot machine gaming authorized.—A ~~Any~~ licensed



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504 ~~eligible pari-mutuel facility located in Miami-Dade County or~~
505 ~~Broward County existing at the time of adoption of s. 23, Art. X~~
506 ~~of the State Constitution that has conducted live racing or~~
507 ~~games during calendar years 2002 and 2003~~ may possess slot
508 machines and conduct slot machine gaming at the location where
509 the pari-mutuel permitholder is authorized to conduct pari-
510 mutuel wagering activities pursuant to such permitholder's valid
511 pari-mutuel permit or as otherwise authorized by law ~~provided~~
512 ~~that a majority of voters in a countywide referendum have~~
513 ~~approved slot machines at such facility in the respective~~
514 ~~county.~~ Notwithstanding any other ~~provision of~~ law, it is not a
515 crime for a person to participate in slot machine gaming at a
516 pari-mutuel facility licensed to possess slot machines and
517 conduct slot machine gaming or to participate in slot machine
518 gaming described in this chapter.

519 Section 27. Subsections (4), (10), and (11) of section
520 551.102, Florida Statutes, are amended to read:

521 551.102 Definitions.—As used in this chapter, the term:

522 (4) "Eligible facility" means a ~~any~~ licensed pari-mutuel
523 facility located in Miami-Dade County or Broward County existing
524 at the time of adoption of s. 23, Art. X of the State
525 Constitution which ~~that has~~ conducted live racing or games
526 during calendar years 2002 and 2003 and has been approved by a
527 majority of voters in a countywide referendum to have slot
528 machines at such facility in the respective county; ~~any licensed~~
529 ~~pari-mutuel facility located within a county as defined in s.~~
530 ~~125.011, provided such facility has conducted live racing for 2~~
531 ~~consecutive calendar years immediately preceding its application~~
532 ~~for a slot machine license, pays the required license fee, and~~



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533 ~~meets the other requirements of this chapter,~~ or any licensed
534 pari-mutuel facility in any ~~other~~ county in which a majority of
535 voters have approved slot machines ~~at such facilities~~ in a
536 countywide referendum, if such facility ~~held pursuant to a~~
537 ~~statutory or constitutional authorization after the effective~~
538 ~~date of this section in the respective county,~~ provided such
539 facility has conducted a full schedule of live racing for 2
540 consecutive calendar years immediately preceding its application
541 for a slot machine license, pays the required license ~~licensed~~
542 fee, and meets the other requirements of this chapter.

543 (10) "Slot machine license" means a license issued by the
544 division authorizing a pari-mutuel permitholder to place and
545 operate slot machines as provided in ~~by s. 23, Art. X of the~~
546 ~~State Constitution, the provisions of this chapter,~~ and by
547 division rule ~~rules~~.

548 (11) "Slot machine licensee" means a pari-mutuel
549 permitholder that ~~who~~ holds a license issued by the division
550 pursuant to this chapter which ~~that~~ authorizes such person to
551 possess a slot machine ~~within facilities specified in s. 23,~~
552 ~~Art. X of the State Constitution~~ and allows slot machine gaming.

553 Section 28. Subsections (1) and (2), paragraph (c) of
554 subsection (4), and paragraphs (a) and (c) of subsection (10) of
555 section 551.104, Florida Statutes, are amended to read:

556 551.104 License to conduct slot machine gaming.-

557 (1) Upon application, and a finding by the division, after
558 investigation, that the application is complete and that the
559 applicant is qualified, and payment of the initial license fee,
560 the division may issue a license to conduct slot machine gaming
561 in the designated slot machine gaming area of the eligible



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562 facility. Once licensed, slot machine gaming may be conducted
563 subject to ~~the requirements of~~ this chapter and rules adopted
564 pursuant thereto. The division may not issue a slot machine
565 license to any pari-mutuel permitholder that includes, or
566 previously included within its ownership group, an ultimate
567 equitable owner that was also an ultimate equitable owner of a
568 pari-mutuel permitholder whose permit was voluntarily or
569 involuntarily surrendered, suspended, or revoked by the division
570 within 10 years before the date of permitholder's filing of an
571 application for a slot machine license.

572 (2) An application may be approved by the division only
573 after the voters of the county where the applicant's eligible
574 facility is located have authorized by referendum slot machines
575 within pari-mutuel facilities in that county ~~as specified in s.~~
576 ~~23, Art. X of the State Constitution.~~

577 (4) As a condition of licensure and to maintain continued
578 authority for the conduct of slot machine gaming, the slot
579 machine licensee shall:

580 (c)1. If conducting live racing or games, conduct no fewer
581 than a full schedule of live racing or games as defined in s.
582 550.002(11). A permitholder's responsibility to conduct a full
583 schedule such number of live races or games shall be reduced by
584 the number of races or games that could not be conducted due to
585 the direct result of fire, war, hurricane, or other disaster or
586 event beyond the control of the permitholder. The races or games
587 may be conducted at the facility of the slot machine licensee or
588 at another pari-mutuel facility leased pursuant to s. 550.3345;
589 or

590 2. If not licensed to conduct a full schedule of live



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591 racing or games, remit for the payment of purses on live races
592 an amount equal to the lesser of \$2 million or 3 percent of its
593 slot machine revenues from the previous state fiscal year to a
594 slot machine licensee licensed to conduct not fewer than 160
595 days of thoroughbred racing. If no slot machine licensee is
596 licensed for at least 160 days of live thoroughbred racing, no
597 payments for purses are required. A slot machine licensee that
598 meets the requirements of subsection (10) shall receive a
599 dollar-for-dollar credit to be applied toward the payments
600 required under this subparagraph which are made pursuant to the
601 binding agreement after the effective date of this act.

602 (10) (a) ~~1-~~ A ~~No~~ slot machine license or renewal thereof may
603 not shall be issued to an applicant holding a permit under
604 chapter 550 to conduct pari-mutuel wagering meets of
605 thoroughbred racing unless the applicant has on file with the
606 division a binding written agreement between the applicant and
607 the Florida Horsemen's Benevolent and Protective Association,
608 Inc., governing the payment of purses on live thoroughbred races
609 conducted at the licensee's pari-mutuel facility. In addition, a
610 ~~no~~ slot machine license or renewal thereof may not shall be
611 issued to such an applicant unless the applicant has on file
612 with the division a binding written agreement between the
613 applicant and the Florida Thoroughbred Breeders' Association,
614 Inc., governing the payment of breeders', stallion, and special
615 racing awards on live thoroughbred races conducted at the
616 licensee's pari-mutuel facility. The agreement governing purses
617 and the agreement governing awards may direct the payment of
618 such purses and awards from revenues generated by any wagering
619 or gaming the applicant is authorized to conduct under Florida



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620 law. All purses and awards are shall be subject to the terms of
621 chapter 550. All sums for breeders', stallion, and special
622 racing awards shall be remitted monthly to the Florida
623 Thoroughbred Breeders' Association, Inc., for the payment of
624 awards subject to the administrative fee authorized in s.
625 550.2625(3). This paragraph does not apply to a summer
626 thoroughbred racing permitholder.

627 ~~2. No slot machine license or renewal thereof shall be~~
628 ~~issued to an applicant holding a permit under chapter 550 to~~
629 ~~conduct pari-mutuel wagering meets of quarter horse racing~~
630 ~~unless the applicant has on file with the division a binding~~
631 ~~written agreement between the applicant and the Florida Quarter~~
632 ~~Horse Racing Association or the association representing a~~
633 ~~majority of the horse owners and trainers at the applicant's~~
634 ~~eligible facility, governing the payment of purses on live~~
635 ~~quarter horse races conducted at the licensee's pari-mutuel~~
636 ~~facility. The agreement governing purses may direct the payment~~
637 ~~of such purses from revenues generated by any wagering or gaming~~
638 ~~the applicant is authorized to conduct under Florida law. All~~
639 ~~purses shall be subject to the terms of chapter 550.~~

640 (c)1. If an agreement required under paragraph (a) cannot
641 be reached prior to the initial issuance of the slot machine
642 license, either party may request arbitration or, in the case of
643 a renewal, if an agreement required under paragraph (a) is not
644 in place 120 days prior to the scheduled expiration date of the
645 slot machine license, the applicant shall immediately ask the
646 American Arbitration Association to furnish a list of 11
647 arbitrators, each of whom shall have at least 5 years of
648 commercial arbitration experience and no financial interest in



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649 or prior relationship with any of the parties or their
650 affiliated or related entities or principals. Each required
651 party to the agreement shall select a single arbitrator from the
652 list provided by the American Arbitration Association within 10
653 days of receipt, and the individuals so selected shall choose
654 one additional arbitrator from the list within the next 10 days.

655 2. If an agreement required under paragraph (a) is not in
656 place 60 days after the request under subparagraph 1. in the
657 case of an initial slot machine license or, in the case of a
658 renewal, 60 days prior to the scheduled expiration date of the
659 slot machine license, the matter shall be immediately submitted
660 to mandatory binding arbitration to resolve the disagreement
661 between the parties. The three arbitrators selected pursuant to
662 subparagraph 1. shall constitute the panel that shall arbitrate
663 the dispute between the parties pursuant to the American
664 Arbitration Association Commercial Arbitration Rules and chapter
665 682.

666 3. At the conclusion of the proceedings, which shall be no
667 later than 90 days after the request under subparagraph 1. in
668 the case of an initial slot machine license or, in the case of a
669 renewal, 30 days prior to the scheduled expiration date of the
670 slot machine license, the arbitration panel shall present to the
671 parties a proposed agreement that the majority of the panel
672 believes equitably balances the rights, interests, obligations,
673 and reasonable expectations of the parties. The parties shall
674 immediately enter into such agreement, which shall satisfy the
675 requirements of paragraph (a) and permit issuance of the pending
676 annual slot machine license or renewal. The agreement produced
677 by the arbitration panel under this subparagraph shall be



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678 effective until the last day of the license or renewal period or
679 until the parties enter into a different agreement. Each party
680 shall pay its respective costs of arbitration and shall pay one-
681 half of the costs of the arbitration panel, unless the parties
682 otherwise agree. If the agreement produced by the arbitration
683 panel under this subparagraph remains in place 120 days prior to
684 the scheduled issuance of the next annual license renewal, then
685 the arbitration process established in this paragraph will begin
686 again.

687 4. In the event that ~~neither of~~ the agreements required
688 under subparagraph (a)1. ~~or the agreement required under~~
689 ~~subparagraph (a)2.~~ are in place by the deadlines established in
690 this paragraph, arbitration regarding each agreement will
691 proceed independently, with separate lists of arbitrators,
692 arbitration panels, arbitration proceedings, and resulting
693 agreements.

694 5. With respect to the agreements required under paragraph
695 (a) governing the payment of purses, the arbitration and
696 resulting agreement called for under this paragraph shall be
697 limited to the payment of purses from slot machine revenues
698 only.

699 Section 29. Effective July 1, 2036, paragraph (c) of
700 subsection (4) of section 551.104, Florida Statutes, as amended
701 by this act, is amended to read:

702 551.104 License to conduct slot machine gaming.-

703 (4) As a condition of licensure and to maintain continued
704 authority for the conduct of slot machine gaming, the slot
705 machine licensee shall:

706 (c)~~1~~. If conducting live racing or games, conduct no fewer



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707 than a full schedule of live racing or games as defined in s.
708 550.002(11). A permitholder's responsibility to conduct a full
709 schedule of live races or games shall be reduced by the number
710 of races or games that could not be conducted due to the direct
711 result of fire, war, hurricane, or other disaster or event
712 beyond the control of the permitholder. The races or games may
713 be conducted at the facility of the slot machine licensee or at
714 another pari-mutuel facility leased pursuant to s. 550.3345.; ~~or~~

715 ~~2. If not licensed to conduct a full schedule of live~~
716 ~~racing or games, remit for the payment of purses on live races~~
717 ~~an amount equal to the lesser of \$2 million or 3 percent of its~~
718 ~~slot machine revenues from the previous state fiscal year to a~~
719 ~~slot machine licensee licensed to conduct not fewer than 160~~
720 ~~days of thoroughbred racing. If no slot machine licensee is~~
721 ~~licensed for at least 160 days of live thoroughbred racing, no~~
722 ~~payments for purses are required. A slot machine licensee that~~
723 ~~meets the requirements of subsection (10) shall receive a~~
724 ~~dollar-for-dollar credit to be applied toward the payments~~
725 ~~required under this subparagraph which are made pursuant to the~~
726 ~~binding agreement after the effective date of this act.~~

727 Section 30. Section 551.1042, Florida Statutes, is created
728 to read:

729 551.1042 Transfer or relocation of slot machine license
730 prohibited.—A slot machine license issued under this chapter may
731 not be transferred or reissued when such reissuance is in the
732 nature of a transfer so as to permit or authorize a licensee to
733 change the location of a slot machine facility.

734 Section 31. Section 551.1043, Florida Statutes, is created
735 to read:



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736 551.1043 Slot machine license to enhance live pari-mutuel
737 activity.—In recognition of the important and long-standing
738 economic contribution of the pari-mutuel industry to this state
739 and the state’s vested interest in the revenue generated
740 therefrom and in the interest of promoting the continued
741 viability of the important statewide agricultural activities
742 that the industry supports, the Legislature finds that it is in
743 the state’s interest to provide a limited opportunity for the
744 establishment of an additional slot machine license to be
745 awarded and renewed annually to a pari-mutuel permitholder
746 located within a county as defined in s. 125.011.

747 (1) (a) Within 120 days after the effective date of this
748 act, any pari-mutuel permitholder that is located in a county as
749 defined in s. 125.011 and that is not a slot machine licensee
750 may apply to the division pursuant to s. 551.104 for the slot
751 machine license created by this section.

752 (b) The application shall be accompanied by a license
753 application fee of \$2 million, which is nonrefundable. The
754 license application fee shall be deposited into the Pari-mutuel
755 Wagering Trust Fund of the Department of Business and
756 Professional Regulation to be used by the division and the
757 Department of Law Enforcement for investigations, the regulation
758 of slot machine gaming, and the enforcement of slot machine
759 gaming under this chapter. In the event of a successful award,
760 the application fee shall be credited toward the license fee
761 required by s. 551.106.

762 (2) If there is more than one applicant for the new slot
763 machine license, the division shall award the license to the
764 applicant that receives the highest score based on the following



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765 criteria:

766 (a) The amount of slot machine revenues to be dedicated to
767 the enhancement of pari-mutuel purses; breeder's, stallion, and
768 special racing or player awards to be awarded to pari-mutuel
769 activities conducted pursuant to chapter 550;

770 (b) The amount of slot machine revenues to be dedicated to
771 the general promotion of the state's pari-mutuel industry;

772 (c) The amount of slot machine revenues to be dedicated to
773 care provided in this state to injured or retired animals,
774 jockeys, or jai alai players;

775 (d) The amount by which the proposed slot machine facility
776 will increase tourism, generate jobs, provide revenue to the
777 local economy, and provide revenue to the state. The applicant
778 and its partners shall document their previous experience in
779 constructing premier facilities with high-quality amenities
780 which complement a local tourism industry;

781 (e) The financial history of the applicant and its partners
782 in making capital investments in slot machine gaming and pari-
783 mutuel facilities and its bona fide plan for future community
784 involvement and financial investment;

785 (f) The history of investment by the applicant and its
786 partners in the communities in which its previous developments
787 have been located;

788 (g) The ability to purchase and maintain a surety bond in
789 an amount established by the division to represent the projected
790 annual revenues generated by the proposed slot machine facility;

791 (h) The ability to demonstrate the financial wherewithal to
792 adequately capitalize, develop, construct, maintain, and operate
793 a proposed slot machine facility. The applicant must demonstrate



794 the ability to commit not less than \$100 million for hard costs
795 related to construction and development of the facility,
796 exclusive of the purchase price and costs associated with the
797 acquisition of real property and any impact fees. The applicant
798 must also demonstrate the ability to meet any projected secured
799 and unsecured debt obligations and to complete construction
800 within 2 years after receiving the award of the slot machine
801 license;

802 (i) The ability to implement a program to train and employ
803 residents of South Florida to work at the facility and contract
804 with local business owners for goods and services; and

805 (j) The ability to generate, with its partners, substantial
806 gross gaming revenue following the award of gaming licenses
807 through a competitive bidding process.

808
809 The division shall award additional points in the evaluation of
810 the applications for proposed projects located within 0.5 miles
811 of two forms of public transportation and located in a
812 designated community redevelopment area or district.

813 (3) (a) Notwithstanding the timeframes established in s.
814 120.60, the division shall complete its evaluations at least 120
815 days after the submission of applications and shall notice its
816 intent to award the license within that timeframe. Within 30
817 days after the submission of an application, the division shall
818 issue, if necessary, requests for additional information or any
819 notices of deficiency to the applicant, who must respond within
820 15 days. Failure to timely and sufficiently respond to such
821 requests or to correct identified deficiencies is grounds for
822 denial of the application.



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823 (b) Any protest of the intent to award the license shall be
824 forwarded to the Division of Administrative Hearings, which
825 shall conduct an administrative hearing on the matter before an
826 administrative law judge at least 30 days after the notice of
827 intent to award. The administrative law judge shall issue a
828 proposed recommended order at least 30 days after the completion
829 of the final hearing. The division shall issue a final order at
830 least 15 days after receipt of the proposed recommended order.

831 (c) Any appeal of a license denial shall be made to the
832 First District Court of Appeal and must be accompanied by the
833 posting of a supersedeas bond in an amount determined by the
834 division to be equal to the amount of projected annual slot
835 machine revenue to be generated by the successful licensee.

836 (4) The division is authorized to adopt emergency rules
837 pursuant to s. 120.54 to implement this section. The Legislature
838 finds that such emergency rulemaking power is necessary for the
839 preservation of the rights and welfare of the people in order to
840 provide additional funds to benefit the public. The Legislature
841 further finds that the unique nature of the competitive award of
842 the slot machine license under this section requires that the
843 department respond as quickly as is practicable to implement
844 this section. Therefore, in adopting such emergency rules, the
845 division is exempt from s. 120.54(4)(a). Emergency rules adopted
846 under this section are exempt from s. 120.54(4)(c) and shall
847 remain in effect until replaced by other emergency rules or by
848 rules adopted pursuant to chapter 120.

849 Section 32. Section 551.1044, Florida Statutes, is created
850 to read:

851 551.1044 House banked blackjack table games authorized.—



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852 (1) The pari-mutuel permitholder of each of the following
853 pari-mutuel wagering facilities may operate up to 25 house
854 banked blackjack table games at the permitholder's facility:

855 (a) A licensed pari-mutuel facility where live racing or
856 games were conducted during calendar years 2002 and 2003,
857 located in Miami-Dade County or Broward County, and authorized
858 for slot machine licensure pursuant to s. 23, Art. X of the
859 State Constitution; and

860 (b) A licensed pari-mutuel facility where a full schedule
861 of live horseracing has been conducted for 2 consecutive
862 calendar years immediately preceding its application for a slot
863 machine license and located within a county as defined in s.
864 125.011.

865 (2) Wagers on authorized house banked blackjack table games
866 may not exceed \$100 for each initial two card wager. Subsequent
867 wagers on splits or double downs are allowed but may not exceed
868 the initial two card wager. Single side bets of not more than \$5
869 are also allowed.

870 Section 33. Subsection (1) and paragraph (a) of subsection
871 (2) of section 551.106, Florida Statutes, are amended to read:

872 551.106 License fee; tax rate; penalties.—

873 (1) LICENSE FEE.—

874 ~~(a) Upon submission of the initial application for a slot~~
875 ~~machine license and annually thereafter, on the anniversary date~~
876 ~~of the issuance of the initial license, the licensee must pay to~~
877 ~~the division a nonrefundable license fee of \$3 million for the~~
878 ~~succeeding 12 months of licensure. In the 2010-2011 fiscal year,~~
879 ~~the licensee must pay the division a nonrefundable license fee~~
880 ~~of \$2.5 million for the succeeding 12 months of licensure. In~~



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881 ~~the 2011-2012 fiscal year and for every fiscal year thereafter,~~
882 ~~the licensee must pay the division a nonrefundable license fee~~
883 ~~of \$2 million for the succeeding 12 months of licensure. The~~
884 license fee shall be deposited into the Pari-mutuel Wagering
885 Trust Fund of the Department of Business and Professional
886 Regulation to be used by the division and the Department of Law
887 Enforcement for investigations, regulation of slot machine
888 gaming, and enforcement of slot machine gaming provisions under
889 this chapter. These payments shall be accounted for separately
890 from taxes or fees paid pursuant to the provisions of chapter
891 550.

892 ~~(b) Prior to January 1, 2007, the division shall evaluate~~
893 ~~the license fee and shall make recommendations to the President~~
894 ~~of the Senate and the Speaker of the House of Representatives~~
895 ~~regarding the optimum level of slot machine license fees in~~
896 ~~order to adequately support the slot machine regulatory program.~~

897 (2) TAX ON SLOT MACHINE REVENUES.—

898 (a) The tax rate on slot machine revenues at each facility
899 shall be 25 ~~35~~ percent. If, during any state fiscal year, the
900 aggregate amount of tax paid to the state by all slot machine
901 licensees in Broward and Miami-Dade Counties is less than the
902 aggregate amount of tax paid to the state by all slot machine
903 licensees in the 2008-2009 fiscal year, each slot machine
904 licensee shall pay to the state within 45 days after the end of
905 the state fiscal year a surcharge equal to its pro rata share of
906 an amount equal to the difference between the aggregate amount
907 of tax paid to the state by all slot machine licensees in the
908 2008-2009 fiscal year and the amount of tax paid during the
909 fiscal year. Each licensee's pro rata share shall be an amount



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910 determined by dividing the number 1 by the number of facilities
911 licensed to operate slot machines during the applicable fiscal
912 year, regardless of whether the facility is operating such
913 machines.

914 Section 34. Subsection (2) of section 551.108, Florida
915 Statutes, is amended to read:

916 551.108 Prohibited relationships.—

917 (2) A manufacturer or distributor of slot machines may not
918 enter into any contract with a slot machine licensee that
919 provides for any revenue sharing of any kind or nature that is
920 directly or indirectly calculated on the basis of a percentage
921 of slot machine revenues. Any maneuver, shift, or device whereby
922 this subsection is violated is a violation of this chapter and
923 renders any such agreement void. This subsection does not apply
924 to contracts related to a progressive system used in conjunction
925 with slot machines.

926 Section 35. Subsections (2) and (4) of section 551.114,
927 Florida Statutes, are amended to read:

928 551.114 Slot machine gaming areas.—

929 (2) If such races or games are available to the slot
930 machine licensee, the slot machine licensee shall display pari-
931 mutuel races or games within the designated slot machine gaming
932 areas and offer patrons within the designated slot machine
933 gaming areas the ability to engage in pari-mutuel wagering on
934 any live, intertrack, and simulcast races conducted or offered
935 to patrons of the licensed facility.

936 (4) Designated slot machine gaming areas shall ~~may~~ be
937 located anywhere within the property described in a slot machine
938 licensee's pari-mutuel permit ~~within the current live gaming~~



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939 ~~facility or in an existing building that must be contiguous and~~
940 ~~connected to the live gaming facility. If a designated slot~~
941 ~~machine gaming area is to be located in a building that is to be~~
942 ~~constructed, that new building must be contiguous and connected~~
943 ~~to the live gaming facility.~~

944 Section 36. Section 551.116, Florida Statutes, is amended
945 to read:

946 551.116 Days and hours of operation.—Slot machine gaming
947 areas may be open 24 hours per day, 7 days a week ~~daily~~
948 throughout the year. ~~The slot machine gaming areas may be open a~~
949 ~~cumulative amount of 18 hours per day on Monday through Friday~~
950 ~~and 24 hours per day on Saturday and Sunday and on those~~
951 ~~holidays specified in s. 110.117(1).~~

952 Section 37. Subsections (1) and (3) of section 551.121,
953 Florida Statutes, are amended to read:

954 551.121 Prohibited activities and devices; exceptions.—

955 (1) Complimentary or reduced-cost alcoholic beverages may
956 ~~not~~ be served to a person ~~persons~~ playing a slot machine.

957 ~~Alcoholic beverages served to persons playing a slot machine~~
958 ~~shall cost at least the same amount as alcoholic beverages~~
959 ~~served to the general public at a bar within the facility.~~

960 (3) A slot machine licensee may ~~not~~ allow any automated
961 teller machine or similar device designed to provide credit or
962 dispense cash to be located within the designated slot machine
963 gaming areas of a facility of a slot machine licensee.

964 Section 38. Present subsections (9) through (17) of section
965 849.086, Florida Statutes, are redesignated as subsections (10)
966 through (18), respectively, a new subsection (9) is added to
967 that section, and subsections (1) and (2), paragraph (b) of



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968 subsection (5), paragraphs (a), (b), and (c) of subsection (7),
969 paragraphs (a) and (b) of subsection (8), present subsection
970 (12), paragraphs (d) and (h) of present subsection (13), and
971 present subsection (17) of section 849.086, Florida Statutes,
972 are amended, to read:

973 849.086 Cardrooms authorized.—

974 (1) LEGISLATIVE INTENT.—It is the intent of the Legislature
975 to provide additional entertainment choices for the residents of
976 and visitors to the state, promote tourism in the state, provide
977 revenues to support the continuation of live pari-mutuel
978 activity, and provide additional state revenues through the
979 authorization of the playing of certain games in the state at
980 facilities known as cardrooms which are to be located at
981 licensed pari-mutuel facilities. To ensure the public confidence
982 in the integrity of authorized cardroom operations, this act is
983 designed to strictly regulate the facilities, persons, and
984 procedures related to cardroom operations. Furthermore, the
985 Legislature finds that authorized games of cards and dominoes ~~as~~
986 ~~herein defined~~ are considered to be pari-mutuel style games and
987 not casino gaming because the participants play against each
988 other instead of against the house.

989 (2) DEFINITIONS.—As used in this section:

990 (a) "Authorized game" means a game or series of card and
991 domino games that ~~of poker or dominoes which~~ are played in
992 conformance with this section ~~a nonbanking manner~~.

993 (b) "Banking game" means a game in which the house is a
994 participant in the game, taking on players, paying winners, and
995 collecting from losers ~~or in which the cardroom establishes a~~
996 ~~bank against which participants play~~. A designated player game



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997 is not a banking game.

998 (c) "Cardroom" means a facility where authorized games are
999 played for money or anything of value and to which the public is
1000 invited to participate in such games and charged a fee for
1001 participation by the operator of such facility. Authorized games
1002 and cardrooms do not constitute casino gaming operations if
1003 conducted at an eligible facility.

1004 (d) "Cardroom management company" means any individual not
1005 an employee of the cardroom operator, any proprietorship,
1006 partnership, corporation, or other entity that enters into an
1007 agreement with a cardroom operator to manage, operate, or
1008 otherwise control the daily operation of a cardroom.

1009 (e) "Cardroom distributor" means any business that
1010 distributes cardroom paraphernalia such as card tables, betting
1011 chips, chip holders, dominoes, dominoes tables, drop boxes,
1012 banking supplies, playing cards, card shufflers, and other
1013 associated equipment to authorized cardrooms.

1014 (f) "Cardroom operator" means a licensed pari-mutuel
1015 permitholder that ~~which~~ holds a valid permit and license issued
1016 by the division pursuant to chapter 550 and which also holds a
1017 valid cardroom license issued by the division pursuant to this
1018 section which authorizes such person to operate a cardroom and
1019 to conduct authorized games in such cardroom.

1020 (g) "Designated player" means the player identified as the
1021 player in the dealer position and seated at a traditional player
1022 position in a designated player game and who pays winning
1023 players and collects from losing players.

1024 (h) "Designated player game" means a game in which the
1025 players compare their cards only to the cards of the designated



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1026 player or to a combination of cards held by the designated
1027 player and cards common and available for play by all players.

1028 (i)~~(g)~~ "Division" means the Division of Pari-mutuel
1029 Wagering of the Department of Business and Professional
1030 Regulation.

1031 (j)~~(h)~~ "Dominoes" means a game of dominoes typically played
1032 with a set of 28 flat rectangular blocks, called "bones," which
1033 are marked on one side and divided into two equal parts, with
1034 zero to six dots, called "pips," in each part. The term also
1035 includes larger sets of blocks that contain a correspondingly
1036 higher number of pips. The term also means the set of blocks
1037 used to play the game.

1038 (k)~~(i)~~ "Gross receipts" means the total amount of money
1039 received by a cardroom from any person for participation in
1040 authorized games.

1041 (l)~~(j)~~ "House" means the cardroom operator and all
1042 employees of the cardroom operator.

1043 (m)~~(k)~~ "Net proceeds" means the total amount of gross
1044 receipts received by a cardroom operator from cardroom
1045 operations less direct operating expenses related to cardroom
1046 operations, including labor costs, admission taxes only if a
1047 separate admission fee is charged for entry to the cardroom
1048 facility, gross receipts taxes imposed on cardroom operators by
1049 this section, the annual cardroom license fees imposed by this
1050 section on each table operated at a cardroom, and reasonable
1051 promotional costs excluding officer and director compensation,
1052 interest on capital debt, legal fees, real estate taxes, bad
1053 debts, contributions or donations, or overhead and depreciation
1054 expenses not directly related to the operation of the cardrooms.



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1055 (n)~~(l)~~ "Rake" means a set fee or percentage of the pot
1056 assessed by a cardroom operator for providing the services of a
1057 dealer, table, or location for playing the authorized game.

1058 (o)~~(m)~~ "Tournament" means a series of games that have more
1059 than one betting round involving one or more tables and where
1060 the winners or others receive a prize or cash award.

1061 (5) LICENSE REQUIRED; APPLICATION; FEES.—No person may
1062 operate a cardroom in this state unless such person holds a
1063 valid cardroom license issued pursuant to this section.

1064 (b) After the initial cardroom license is granted, the
1065 application for the annual license renewal shall be made in
1066 conjunction with the applicant's annual application for its
1067 pari-mutuel license. ~~If a permitholder has operated a cardroom
1068 during any of the 3 previous fiscal years and fails to include a
1069 renewal request for the operation of the cardroom in its annual
1070 application for license renewal, the permitholder may amend its
1071 annual application to include operation of the cardroom. In
1072 order for a cardroom license to be renewed the applicant must
1073 have requested, as part of its pari-mutuel annual license
1074 application, to conduct at least 90 percent of the total number
1075 of live performances conducted by such permitholder during
1076 either the state fiscal year in which its initial cardroom
1077 license was issued or the state fiscal year immediately prior
1078 thereto if the permitholder ran at least a full schedule of live
1079 racing or games in the prior year. If the application is for a
1080 harness permitholder cardroom, the applicant must have requested
1081 authorization to conduct a minimum of 140 live performances
1082 during the state fiscal year immediately prior thereto. If more
1083 than one permitholder is operating at a facility, each~~



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1084 ~~permitholder must have applied for a license to conduct a full~~
1085 ~~schedule of live racing.~~

1086 (7) CONDITIONS FOR OPERATING A CARDROOM.—

1087 (a) A cardroom may be operated only at the location
1088 specified on the cardroom license issued by the division, and
1089 such location may only be the location at which the pari-mutuel
1090 permitholder is authorized to conduct pari-mutuel wagering
1091 activities pursuant to such permitholder's valid pari-mutuel
1092 permit or as otherwise authorized by law. ~~Cardroom operations~~
1093 ~~may not be allowed beyond the hours provided in paragraph (b)~~
1094 ~~regardless of the number of cardroom licenses issued for~~
1095 ~~permitholders operating at the pari-mutuel facility.~~

1096 (b) Any cardroom operator may operate a cardroom at the
1097 pari-mutuel facility daily throughout the year, if the
1098 permitholder meets the requirements under paragraph (5) (b). The
1099 cardroom may be open ~~a cumulative amount of 18 hours per day on~~
1100 ~~Monday through Friday and 24 hours per day on Saturday and~~
1101 ~~Sunday and on the holidays specified in s. 110.117(1).~~

1102 (c) For authorized games of poker or dominoes at a
1103 cardroom, a cardroom operator must at all times employ and
1104 provide a nonplaying live dealer at ~~for~~ each table on which the
1105 authorized ~~card~~ games ~~which traditionally use a dealer~~ are
1106 conducted ~~at the cardroom~~. Such dealers may not have a
1107 participatory interest in any game other than the dealing of
1108 cards and may not have an interest in the outcome of the game.
1109 The providing of such dealers by a licensee does not constitute
1110 the conducting of a banking game by the cardroom operator.

1111 (8) METHOD OF WAGERS; LIMITATION.—

1112 (a) ~~Ne~~ Wagering may not be conducted using money or other



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1113 negotiable currency. Games may only be played utilizing a
1114 wagering system whereby all players' money is first converted by
1115 the house to tokens or chips that may ~~which shall~~ be used for
1116 wagering only at that specific cardroom.

1117 (b) For authorized games of poker or dominoes, the cardroom
1118 operator may limit the amount wagered in any game or series of
1119 games.

1120 (9) DESIGNATED PLAYER GAMES AUTHORIZED.—

1121 (a) A cardroom operator may offer designated player games
1122 consisting of players making wagers against the designated
1123 player. The designated player must be licensed pursuant to
1124 paragraph (6) (b).

1125 (b) A cardroom operator may not serve as a designated
1126 player in any game. The cardroom operator may not have a
1127 financial interest in a designated player in any game. A
1128 cardroom operator may collect a rake in accordance with the rake
1129 structure posted at the table.

1130 (c) If there are multiple designated players at a table,
1131 the dealer button shall be rotated in a clockwise rotation after
1132 each hand.

1133 (d) A cardroom operator may not allow a designated player
1134 to pay an opposing player who holds a lower ranked hand.

1135 (13)-(12) PROHIBITED ACTIVITIES.—

1136 (a) A ~~Ne~~ person licensed to operate a cardroom may not
1137 conduct any banking game or any game not specifically authorized
1138 by this section. For purposes of this section, a designated
1139 player game shall be deemed a banking game if any of the
1140 following elements apply:

1141 1. Any designated player is required by the rules of a game



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1142 or by the rules of a cardroom to cover all wagers posted by
1143 opposing players;

1144 2. The dealer button remains in a fixed position without
1145 being offered for rotation;

1146 3. The cardroom, or any cardroom licensee, contracts with
1147 or receives compensation other than a posted table rake from any
1148 player to participate in any game to serve as a designated
1149 player; or

1150 4. In any designated player game in which the designated
1151 player possesses a higher ranked hand, the designated player is
1152 required to pay on an opposing player's wager who holds a lower
1153 ranked hand.

1154 (b) A ~~No~~ person who is younger than ~~under~~ 18 years of age
1155 may ~~not~~ be permitted to hold a cardroom or employee license, or
1156 to engage in any game conducted therein.

1157 (c) With the exception of mechanical card shufflers, ~~No~~
1158 electronic or mechanical devices, ~~except mechanical card~~
1159 shufflers, may ~~not~~ be used to conduct any authorized game in a
1160 cardroom.

1161 (d) ~~No~~ Cards, game components, or game implements may ~~not~~
1162 be used in playing an authorized game unless ~~they have~~ ~~such has~~
1163 been furnished or provided to the players by the cardroom
1164 operator.

1165 (14) ~~(13)~~ TAXES AND OTHER PAYMENTS.—

1166 (d)1. Each ~~greyhound and jai alai~~ permitholder that
1167 operates a cardroom facility shall use at least 4 percent of
1168 such permitholder's cardroom monthly gross receipts to
1169 supplement ~~greyhound~~ purses or jai alai prize money,
1170 respectively, during the permitholder's next ensuing pari-mutuel



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1171 meet.

1172 2. A cardroom license or renewal thereof may not be issued
1173 to a permitholder conducting less than a full schedule of live
1174 racing or games unless the applicant has on file with the
1175 division a binding written contract with a thoroughbred
1176 permitholder that is licensed to conduct live racing and that
1177 does not possess a slot machine license. This contract must
1178 provide that the permitholder will pay an amount equal to 4
1179 percent of its monthly cardroom gross receipts to the
1180 thoroughbred permitholder conducting the live racing for use as
1181 purses during the current or ensuing live racing meet of the
1182 thoroughbred permitholder. If there is not a thoroughbred
1183 permitholder that does not possess a slot machine license, no
1184 payments for purses are required, and the cardroom licensee
1185 shall retain such funds for its use. ~~Each thoroughbred and~~
1186 ~~harness horse racing permitholder that operates a cardroom~~
1187 ~~facility shall use at least 50 percent of such permitholder's~~
1188 ~~cardroom monthly net proceeds as follows: 47 percent to~~
1189 ~~supplement purses and 3 percent to supplement breeders' awards~~
1190 ~~during the permitholder's next ensuing racing meet.~~

1191 3. ~~No cardroom license or renewal thereof shall be issued~~
1192 ~~to an applicant holding a permit under chapter 550 to conduct~~
1193 ~~pari-mutuel wagering meets of quarter horse racing unless the~~
1194 ~~applicant has on file with the division a binding written~~
1195 ~~agreement between the applicant and the Florida Quarter Horse~~
1196 ~~Racing Association or the association representing a majority of~~
1197 ~~the horse owners and trainers at the applicant's eligible~~
1198 ~~facility, governing the payment of purses on live quarter horse~~
1199 ~~races conducted at the licensee's pari-mutuel facility. The~~



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1200 ~~agreement governing purses may direct the payment of such purses~~
1201 ~~from revenues generated by any wagering or gaming the applicant~~
1202 ~~is authorized to conduct under Florida law. All purses shall be~~
1203 ~~subject to the terms of chapter 550.~~

1204 (h) One-quarter of the moneys deposited into the Pari-
1205 mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by
1206 October 1 of each year, be distributed to the local government
1207 that approved the cardroom under subsection (17) ~~subsection~~
1208 ~~(16)~~; however, if two or more pari-mutuel racetracks are located
1209 within the same incorporated municipality, the cardroom funds
1210 shall be distributed to the municipality. If a pari-mutuel
1211 facility is situated in such a manner that it is located in more
1212 than one county, the site of the cardroom facility shall
1213 determine the location for purposes of disbursement of tax
1214 revenues under this paragraph. The division shall, by September
1215 1 of each year, determine: the amount of taxes deposited into
1216 the Pari-mutuel Wagering Trust Fund pursuant to this section
1217 from each cardroom licensee; the location by county of each
1218 cardroom; whether the cardroom is located in the unincorporated
1219 area of the county or within an incorporated municipality; and,
1220 the total amount to be distributed to each eligible county and
1221 municipality.

1222 (18) ~~(17)~~ CHANGE OF LOCATION; REFERENDUM.—

1223 ~~(a)~~ Notwithstanding ~~any provisions of~~ this section, a ~~no~~
1224 cardroom gaming license issued under this section may not ~~shall~~
1225 be transferred, or reissued when such reissuance is in the
1226 nature of a transfer, so as to permit or authorize a licensee to
1227 change the location of the cardroom ~~except upon proof in such~~
1228 ~~form as the division may prescribe that a referendum election~~



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1229 ~~has been held:~~

1230 ~~1. If the proposed new location is within the same county~~
1231 ~~as the already licensed location, in the county where the~~
1232 ~~licensee desires to conduct cardroom gaming and that a majority~~
1233 ~~of the electors voting on the question in such election voted in~~
1234 ~~favor of the transfer of such license. However, the division~~
1235 ~~shall transfer, without requirement of a referendum election,~~
1236 ~~the cardroom license of any permit holder that relocated its~~
1237 ~~permit pursuant to s. 550.0555.~~

1238 ~~2. If the proposed new location is not within the same~~
1239 ~~county as the already licensed location, in the county where the~~
1240 ~~licensee desires to conduct cardroom gaming and that a majority~~
1241 ~~of the electors voting on that question in each such election~~
1242 ~~voted in favor of the transfer of such license.~~

1243 ~~(b) The expense of each referendum held under the~~
1244 ~~provisions of this subsection shall be borne by the licensee~~
1245 ~~requesting the transfer.~~

1246
1247 ===== T I T L E A M E N D M E N T =====

1248 And the title is amended as follows:

1249 Delete lines 72 - 200

1250 and insert:

1251 the adoption of greyhounds"; creating s. 550.1752,
1252 F.S.; creating the permit reduction program within the
1253 division; providing a purpose for the program;
1254 providing for funding for the program up to a
1255 specified maximum amount; requiring the division to
1256 purchase pari-mutuel permits from permit holders under
1257 certain circumstances; requiring that permit holders



1258 who wish to make an offer to sell meet certain
1259 requirements; requiring the division to adopt a
1260 certain form by rule; requiring that the division
1261 establish the value of a pari-mutuel permit based on
1262 the valuation of one or more independent appraisers;
1263 authorizing the division to establish a value that is
1264 lower than the valuation of the independent appraiser;
1265 requiring the division to accept the offers that best
1266 utilize available funding; requiring the division to
1267 cancel permits that it purchases through the program;
1268 providing for expiration of the program; renaming the
1269 permit reduction program as the thoroughbred purse
1270 supplement program; revising the purpose of the
1271 program; deleting provisions requiring the division to
1272 purchase pari-mutuel permits; revising the form the
1273 division shall adopt by rule; requiring the division
1274 to apportion purse supplement funds in a certain
1275 manner; requiring a thoroughbred permitholder to
1276 return any unused portion of a purse supplement fund
1277 under certain circumstances; and authorizing
1278 rulemaking, as of a specified date; creating s.
1279 550.2416, F.S.; requiring injuries to racing
1280 greyhounds to be reported within a certain timeframe
1281 on a form adopted by the division; requiring such form
1282 to be completed and signed under oath or affirmation
1283 by certain individuals; providing penalties;
1284 specifying information that must be included on the
1285 form; requiring the division to maintain the forms as
1286 public records for a specified time; specifying



1287 disciplinary action that may be taken against a
1288 licensee of the Department of Business and
1289 Professional Regulation who makes false statements on
1290 an injury form or who fails to report an injury;
1291 exempting injuries to certain animals from reporting
1292 requirements; requiring the division to adopt rules;
1293 amending s. 550.26165, F.S.; conforming a cross-
1294 reference; amending s. 550.3345, F.S.; deleting
1295 obsolete provisions; revising requirements for a
1296 permit previously converted from a quarter horse
1297 racing permit to a limited thoroughbred racing permit;
1298 amending s. 550.3551, F.S.; deleting a provision that
1299 limits the number of out-of-state races on which
1300 wagers are accepted by a greyhound racing
1301 permitholder; deleting a provision prohibiting a
1302 permitholder from conducting fewer than eight live
1303 races or games under certain circumstances; deleting a
1304 provision requiring certain permitholders to conduct a
1305 full schedule of live racing to receive certain full-
1306 card broadcasts and accept certain wagers; amending s.
1307 550.375, F.S.; conforming a cross-reference; amending
1308 s. 550.475, F.S.; prohibiting a permitholder from
1309 leasing from certain pari-mutuel permitholders;
1310 amending s. 550.5251, F.S., deleting a provision
1311 relating to requirements for thoroughbred
1312 permitholders; amending s. 550.615, F.S.; revising
1313 eligibility requirements for certain pari-mutuel
1314 facilities to qualify to receive certain broadcasts;
1315 providing that certain greyhound racing permitholders



1316 are not required to obtain certain written consent;
1317 deleting requirements to conduct intertrack wagering
1318 between certain permitholders; deleting a provision
1319 prohibiting certain intertrack wagering in certain
1320 counties; specifying conditions under which greyhound
1321 racing permitholders may accept wagers; amending s.
1322 550.6308, F.S.; revising the number of days of
1323 thoroughbred horse sales required for an applicant to
1324 obtain a limited intertrack wagering license; revising
1325 eligibility requirements for such licenses; revising
1326 requirements for such wagering; deleting provisions
1327 requiring a licensee to make certain payments to the
1328 daily pari-mutuel pool; amending s. 551.101, F.S.;
1329 revising the facilities that may possess slot machines
1330 and conduct slot machine gaming; deleting certain
1331 provisions requiring a countywide referendum to
1332 approve slot machines at certain facilities; amending
1333 s. 551.102, F.S.; revising definitions; amending s.
1334 551.104, F.S.; prohibiting the division from issuing a
1335 slot machine license to certain pari-mutuel
1336 permitholders; revising conditions of licensure and to
1337 maintain authority to conduct slot machine gaming;
1338 exempting a summer thoroughbred racing permitholder
1339 from certain purse requirements; providing
1340 applicability; deleting a provision prohibiting the
1341 division from issuing or renewing a license for an
1342 applicant holding a permit under ch. 550, F.S., under
1343 certain circumstances; deleting a provision requiring
1344 certain slot machine licensees to remit a certain



1345 amount for the payment of purses on live races, as of
1346 a certain date; conforming provisions to changes made
1347 by the act; creating s. 551.1042, F.S.; prohibiting
1348 the transfer of a slot machine license or relocation
1349 of a slot machine facility; creating s. 551.1043,
1350 F.S.; providing legislative findings; authorizing an
1351 additional slot machine license to be awarded and
1352 renewed annually to a pari-mutuel permitholder located
1353 in a certain county; authorizing certain pari-mutuel
1354 permitholders to apply for such a license; providing
1355 an application fee; requiring the deposit of the fee
1356 in the Pari-mutuel Wagering Trust Fund; requiring the
1357 division to award the license to the applicant that
1358 bests meets the selection criteria; providing
1359 selection criteria; requiring the division to complete
1360 a certain evaluation by a specified date; specifying
1361 grounds for denial of an application; providing that
1362 certain protests be forwarded to the Division of
1363 Administrative Hearings; providing requirements for
1364 appeals; authorizing the division to adopt certain
1365 emergency rules; creating s. 551.1044, F.S.;
1366 authorizing blackjack table games at certain pari-
1367 mutuel facilities; specifying limits on wagers;
1368 amending s. 551.106, F.S.; deleting obsolete
1369 provisions; revising the tax rate on slot machine
1370 revenues under certain conditions; amending s.
1371 551.108, F.S.; providing applicability; amending s.
1372 551.114, F.S.; revising the areas where a designated
1373 slot machine gaming area may be located; amending s.



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1374 551.116, F.S.; deleting a restriction on the number of
1375 hours per day that slot machine gaming areas may be
1376 open; amending s. 551.121, F.S.; authorizing the
1377 serving of complimentary or reduced-cost alcoholic
1378 beverages to a person playing a slot machine;
1379 authorizing the location of an automated teller
1380 machine or similar device within designated slot
1381 machine gaming areas; amending s. 849.086, F.S.;

1382 amending legislative intent; revising definitions;
1383 deleting certain license renewal requirements;
1384 deleting provisions relating to restrictions of hours
1385 of operation; authorizing certain cardroom operators
1386 to offer certain designated player games; requiring
1387 the designated player to be licensed; prohibiting
1388 cardroom operators from serving as the designated
1389 player in a game and from having a financial interest
1390 in a designated player; authorizing a cardroom
1391 operator to collect a rake, subject to certain
1392 requirements; requiring the dealer button to be
1393 rotated under certain circumstances; prohibiting a
1394 cardroom operator from allowing a designated player to
1395 pay an opposing player under certain circumstances;
1396 providing elements of a designated player game;
1397 revising requirements for a cardroom license to be
1398 issued or renewed; requiring a certain written
1399 agreement with a thoroughbred permitholder; providing
1400 contract requirements for the agreement; conforming
1401 provisions to changes made



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LEGISLATIVE ACTION

Senate

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House

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

Senate Amendment (with title amendment)

Delete lines 2324 - 2333

and insert:

Section 37. Section 551.1015, Florida Statutes, is created to read:

551.1015 Class III gaming or games authorized.-

(1) LEGISLATIVE INTENT.-It is the intent of the Legislature to provide additional entertainment choices for the residents of and visitors to the state, to promote tourism, and to provide



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11 additional state revenues through the authorization of certain
12 slot machine gaming and other class III gaming or games at
13 licensed pari-mutuel facilities. To ensure the public confidence
14 in the integrity of authorized slot machine gaming and other
15 class III gaming operations, this section is designed to
16 strictly regulate the facilities, persons, and procedures
17 related to cardroom operations. Furthermore, the Legislature
18 finds that games authorized under this section are considered to
19 be pari-mutuel style games and not casino gaming because the
20 participants play against each other instead of against the
21 house.

22 (2) DEFINITIONS.—For purposes of this section, the term
23 “class III gaming or games” means the operation of slot
24 machines, video race terminals, banked card games, raffles and
25 drawings, and live table games at a licensed pari-mutuel
26 facility pursuant to chapters 550 and 551, in conformity with
27 rules promulgated by the Division of Pari-Mutuel Wagering.

28 (3) AUTHORIZATION.—

29 (a) A licensed pari-mutuel facility located in the state
30 may possess slot machines and conduct slot machine gaming or
31 other class III gaming or games at the location where the pari-
32 mutuel permitholder is authorized to conduct pari-mutuel
33 wagering activities pursuant to such permitholder’s valid pari-
34 mutuel permit, if:

35 1. A majority of voters in a countywide referendum in the
36 county in which the facility is located have approved slot
37 machines at the facility;

38 2. A majority of voters in a countywide referendum in the
39 county in which the facility is located have approved the



40 operation of class III gaming or games within the county at the
41 facility; and

42 3. The governing body of the municipality, or the governing
43 body of the county if the facility is not located in a
44 municipality, has provided its approval under s. 551.1041.

45 (b) A licensed pari-mutuel permitholder authorized to
46 conduct slot machine gaming on or before July 1, 2016, may
47 conduct class III gaming or games at the location where the
48 pari-mutuel permitholder is authorized to conduct pari-mutuel
49 wagering activities pursuant to such permitholder's valid pari-
50 mutuel permit.

51 (c) A licensed pari-mutuel facility located in Orange
52 County may not be authorized to possess slot machines and
53 conduct slot machine gaming or other class III gaming or games.

54 (d) The expense of a referendum held under this subsection
55 shall be borne by the pari-mutuel permitholder or permitholders
56 who wish to conduct slot machine gaming or class III gaming or
57 games within a county. If a special election is not held, the
58 referendum shall be conducted at the next general election in
59 that county.

60 (e)1. Thirty-five percent of the net revenues from
61 authorized class III gaming operations at a licensed pari-mutuel
62 facility shall be designated as the local government share and
63 shall be distributed to the governing body of the municipality,
64 or the governing body of the county if the facility is not
65 located in a municipality, for reduction of property taxes in
66 the respective county or municipality.

67 2. The calculations necessary to determine the local
68 government share of distributions shall be made by the Division



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69 of Pari-mutuel Wagering. The method of payment of the local
70 government share attributable to each pari-mutuel facility shall
71 be as required by the governing body as a condition of local
72 government approval under subsection (4).

73 (4) LOCAL GOVERNMENT APPROVAL.—

74 (a) The Division of Pari-mutuel Wagering may not issue an
75 initial license under this section except upon proof, in such
76 form as the division may prescribe, that the local government
77 where the applicant desires to conduct slot machine gaming or
78 class III gaming or games has voted to approve such activity by
79 a majority vote of the governing body of the municipality, or
80 the governing body of the county if the facility is not located
81 in a municipality. If the local government considers approval of
82 such activity and a majority vote of the governing body of the
83 municipality, or the governing body of the county if the
84 facility is not located in a municipality, does not approve slot
85 machine gaming, other class III gaming or games, or both, the
86 matter may not be reconsidered for a period of 5 years after the
87 date of the vote of the governing body. The governing body of
88 the municipality, or the governing body of the county if the
89 facility is not located in a municipality, and the pari-mutuel
90 permitholder shall agree on the documentation required for
91 confirmation and transmittal of the local government share
92 payable by the permitholder.

93 (b) The division may not issue a license for slot machine
94 gaming or other class III gaming or games for any location in
95 Orange County.

96 (c) Notwithstanding any other law, it is not a crime for a
97 person to participate in:



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98 1. Slot machine gaming at a pari-mutuel facility licensed
99 to possess slot machines and conduct slot machine gaming or to
100 participate in slot machine gaming described in this section.

101 2. Class III gaming or games at a pari-mutuel facility
102 licensed to possess class III gaming or games and to conduct
103 class III gaming or games or to participate in class III gaming
104 or games described in this section.

105 (5) RULEMAKING.—The division may adopt rules necessary to
106 implement this section.

107 Section 38. This act shall take effect on July 1, 2016.

108
109 ===== T I T L E A M E N D M E N T =====

110 And the title is amended as follows:

111 Delete line 204

112 and insert:

113 nonseverability; creating s. 551.1015, F.S.; providing
114 legislative intent; defining the term "class III
115 gaming or games"; authorizing certain licensed pari-
116 mutuel facilities to possess slot machines and conduct
117 slot machine gaming or other class III gaming or games
118 at a specified location under certain circumstances;
119 providing that the expense of a referendum shall be
120 borne by the pari-mutuel permitholder or permitholders
121 who wish to conduct slot machine gaming or other class
122 III gaming or games; providing requirements for the
123 referendum to vote on the issue of slot machine
124 gaming; requiring that a specified percentage of
125 revenues from authorized class III gaming be
126 designated as the local government share; providing



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127 distribution requirements for the local government
128 share; providing requirements for the division to
129 approve an initial license; providing that it is not a
130 crime for a person to participate in slot machine
131 gaming or other class III gaming or games under
132 certain circumstances; authorizing rulemaking;
133 providing an effective date.

FOR CONSIDERATION By the Committee on Regulated Industries

580-03037-16

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1 A bill to be entitled
2 An act relating to gaming; amending s. 550.002, F.S.;
3 redefining the term "full schedule of live racing or
4 games"; defining the term "video race system";
5 amending s. 550.01215, F.S.; revising provisions for
6 applications for pari-mutuel operating licenses;
7 authorizing a greyhound racing permitholder to specify
8 certain intentions on its application; authorizing a
9 greyhound racing permitholder to receive an operating
10 license to conduct pari-mutuel wagering activities at
11 another permitholder's greyhound racing facility;
12 limiting the number of pari-mutuel wagering operating
13 licenses that may be issued each year; authorizing the
14 Division of Pari-mutuel Wagering of the Department of
15 Business and Professional Regulation to approve
16 changes in racing dates for greyhound racing
17 permitholders under certain circumstances; providing
18 requirements for licensure of certain jai alai
19 permitholders; deleting a provision for conversion of
20 certain converted permits to jai alai permits;
21 amending s. 550.0251, F.S.; requiring the division to
22 annually report to the Governor and the Legislature;
23 specifying requirements for the content of the report;
24 amending s. 550.054, F.S.; requiring the division to
25 revoke a pari-mutuel wagering operating permit under
26 certain circumstances; prohibiting issuance or
27 approval of new pari-mutuel permits after a specified
28 date; authorizing a permitholder to apply to the
29 division to place a permit in inactive status;
30 revising provisions that prohibit transfer or
31 assignment of a pari-mutuel permit; prohibiting
32 transfer or assignment of a pari-mutuel permit or

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33 license under certain conditions; prohibiting
34 relocation of a pari-mutuel facility, cardroom, or
35 slot machine facility or conversion of pari-mutuel
36 permits to a different class; providing for approval
37 of the relocation of such permits; deleting provisions
38 for certain converted permits; repealing s. 550.0555,
39 F.S., relating to the relocation of greyhound racing
40 permits; repealing s. 550.0745, F.S., relating to the
41 conversion of pari-mutuel permits to summer jai alai
42 permits; amending s. 550.0951, F.S.; deleting
43 provisions for certain credits for a greyhound racing
44 permitholder; revising the tax on handle for live
45 greyhound racing and intertrack wagering if the host
46 track is a greyhound racing track; requiring a tax on
47 handle and fees for video race licensees; specifying
48 how fees may be used by the department and the
49 Department of Law Enforcement; amending s. 550.09511,
50 F.S.; conforming a cross-reference; amending s.
51 550.09512, F.S.; providing for the revocation of
52 certain harness horse racing permits; specifying that
53 a revoked permit may not be reissued; amending s.
54 550.09514, F.S.; deleting certain provisions that
55 prohibit tax on handle until a specified amount of tax
56 savings have resulted; revising purse requirements of
57 a greyhound racing permitholder that conducts live
58 racing; amending s. 550.09515, F.S.; providing for the
59 revocation of certain thoroughbred racing permits;
60 specifying that a revoked permit may not be reissued;
61 amending s. 550.1625, F.S.; deleting the requirement

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62 that a greyhound racing permitholder pay the breaks
63 tax; repealing s. 550.1647, F.S., relating to
64 unclaimed tickets and breaks held by greyhound racing
65 permitholders; amending s. 550.1648, F.S.; revising
66 requirements for a greyhound racing permitholder to
67 provide a greyhound adoption booth at its facility;
68 requiring sterilization of greyhounds before adoption;
69 authorizing the fee for such sterilization to be
70 included in the cost of adoption; defining the term
71 "bona fide organization that promotes or encourages
72 the adoption of greyhounds"; creating s. 550.1751,
73 F.S.; defining terms; authorizing certain pari-mutuel
74 permitholders to enter into agreements to sell and
75 transfer permits to certain bidders; requiring that
76 such permits be surrendered to the division and
77 voided; creating s. 550.1752, F.S.; creating the
78 permit reduction program within the division;
79 providing a purpose for the program; providing for
80 funding for the program up to a specified maximum
81 amount; requiring the division to purchase pari-mutuel
82 permits from permitholders under certain
83 circumstances; requiring that permitholders who wish
84 to make an offer to sell meet certain requirements;
85 requiring the division to adopt a certain form by
86 rule; requiring that the division establish the value
87 of a pari-mutuel permit based on the valuation of one
88 or more independent appraisers; authorizing the
89 division to establish a value that is lower than the
90 valuation of the independent appraiser; requiring the

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91 division to accept the offers that best utilize
92 available funding; requiring the division to cancel
93 permits that it purchases through the program;
94 providing for expiration of the program; creating s.
95 550.2416, F.S.; requiring injuries to racing
96 greyhounds to be reported within a certain timeframe
97 on a form adopted by the division; requiring such form
98 to be completed and signed under oath or affirmation
99 by certain individuals; providing penalties;
100 specifying information that must be included in the
101 form; requiring the division to maintain the forms as
102 public records for a specified time; specifying
103 disciplinary action that may be taken against a
104 licensee of the Department of Business and
105 Professional Regulation who fails to report an injury
106 or who makes false statements on an injury form;
107 exempting injuries to certain animals from reporting
108 requirements; requiring the division to adopt rules;
109 amending s. 550.26165, F.S.; conforming a cross-
110 reference; amending s. 550.3345, F.S.; revising
111 provisions for a permit previously converted from a
112 quarter horse racing permit to a limited thoroughbred
113 racing permit; amending s. 550.3551, F.S.; deleting a
114 provision that limits the number of out-of-state races
115 on which wagers are accepted by a greyhound racing
116 permitholder; deleting a provision prohibiting a
117 permitholder from conducting fewer than eight live
118 races or games under certain circumstances; deleting a
119 provision requiring certain permitholders to conduct a

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120 full schedule of live racing to receive certain full-
121 card broadcasts and accept certain wagers; amending s.
122 550.375, F.S.; conforming a cross-reference; amending
123 s. 550.615, F.S.; revising provisions relating to
124 intertrack wagering; amending s. 550.6305, F.S.;
125 revising provisions requiring that certain simulcast
126 signals be made available to certain permitholders;
127 authorizing certain permitholders of a converted
128 permit to accept wagers on certain rebroadcasts;
129 amending s. 550.6308, F.S.; revising the number of
130 days of thoroughbred horse sales required to obtain a
131 limited intertrack wagering license; revising
132 provisions for such wagering; amending s. 551.101,
133 F.S.; revising provisions that authorize slot machine
134 gaming at certain facilities; amending s. 551.102,
135 F.S.; revising definitions of the terms "eligible
136 facility" and "slot machine licensee" for purposes of
137 provisions relating to slot machines; amending s.
138 551.104, F.S.; providing that an application to
139 conduct slot machine gaming may be authorized only if
140 it would not trigger a reduction in revenue-sharing
141 under the Gaming Compact between the Seminole Tribe of
142 Florida and the State of Florida; specifying the
143 facilities that may be authorized by the division to
144 conduct slot machine gaming; exempting certain
145 greyhound racing and thoroughbred racing permitholders
146 from a requirement that they conduct a full schedule
147 of live racing as a condition of maintaining authority
148 to conduct slot machine gaming; requiring licensees to

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149 withhold a specified percentage of net revenue from
150 specified sources; creating s. 551.1041, F.S.;

151 authorizing an additional slot machine license to be
152 issued to a pari-mutuel permitholder for a facility in
153 Miami-Dade County and in Palm Beach County, subject to
154 approval by a majority of voters in a referendum in
155 each county; providing for the conduct of the
156 referendum; establishing the process for the issuance
157 of new licenses; requiring that applications be made
158 by sealed bids to the division, subject to specified
159 prequalification procedures and requirements;

160 specifying a minimum bid amount; authorizing a
161 specified number of slot machines and video race
162 terminals for play; providing requirements for slot
163 machines and video race terminals; defining the term
164 "video race terminal"; providing requirements for the
165 use of net revenue withheld from certain slot machine
166 licensees; creating s. 551.1042, F.S.; prohibiting the
167 transfer of a slot machine license or relocation of a
168 slot machine facility; amending s. 551.106, F.S.;

169 deleting obsolete provisions; revising the tax rate on
170 slot machine revenues under certain conditions;

171 amending s. 551.114, F.S.; decreasing the number of
172 slot machines available for play at certain
173 facilities; requiring that specified permitholders'
174 designated slot machine gaming areas be located within
175 the eligible facility for which the initial license
176 was issued; amending s. 551.116, F.S.; deleting a
177 restriction on the number of hours that slot machine

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178 gaming areas may be open; amending s. 551.121, F.S.;

179 authorizing the serving of complimentary or reduced-

180 cost alcoholic beverages to a person playing a slot

181 machine; authorizing the location of an automated

182 teller machine or similar device within designated

183 slot machine gaming areas; amending s. 849.086, F.S.;

184 amending legislative intent; revising definitions;

185 authorizing certain thoroughbred racing permitholders

186 to operate a cardroom at a specified slot facility

187 under certain circumstances; deleting certain license

188 renewal requirements; authorizing certain cardroom

189 operators to offer certain designated player games;

190 providing limits on wagers for such games; providing

191 playing requirements for designated players; requiring

192 each seated player to be afforded the temporary

193 opportunity to be the designated player; prohibiting

194 certain persons from being designated players;

195 providing requirements for designated player games;

196 providing that the division may only approve cardroom

197 operators to conduct certain designated player games;

198 requiring certain harness horse racing permitholders

199 to use at least 50 percent of monthly net proceeds in

200 specified ways; conforming provisions to changes made

201 by the act; directing the division to revoke certain

202 pari-mutuel permits; specifying that the revoked

203 permits may not be reissued; providing for

204 nonseverability; providing an effective date.

205

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

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207

208 Section 1. Subsection (11) of section 550.002, Florida
209 Statutes, is amended, present subsections (15) through (39) of
210 that section are redesignated as subsections (16) through (40),
211 respectively, and a new subsection (15) is added to that
212 section, to read:

213 550.002 Definitions.—As used in this chapter, the term:

214 (11) (a) "Full schedule of live racing or games" means:†

215 1. For a greyhound racing permitholder or jai alai
216 permitholder, the conduct of a combination of at least 100 live
217 evening or matinee performances during the preceding year.† ~~for~~
218 ~~a permitholder who has a converted permit or filed an~~
219 ~~application on or before June 1, 1990, for a converted permit,~~
220 ~~the conduct of a combination of at least 100 live evening and~~
221 ~~matinee wagering performances during either of the 2 preceding~~
222 ~~years;†~~

223 2. For a jai alai permitholder that ~~who~~ does not operate
224 slot machines in its pari-mutuel facility, ~~who~~ has conducted at
225 least 100 live performances per year for at least 10 years after
226 December 31, 1992, and has had ~~whose~~ handle on live jai alai
227 games conducted at its pari-mutuel facility which was ~~has been~~
228 less than \$4 million per state fiscal year for at least 2
229 consecutive years after June 30, 1992, the conduct of ~~a~~
230 ~~combination of~~ at least 40 live ~~evening or matinee~~ performances
231 during the preceding year.†

232 3. For a jai alai permitholder that ~~who~~ operates slot
233 machines in its pari-mutuel facility, the conduct of ~~a~~
234 ~~combination of~~ at least 150 performances during the preceding
235 year.†

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236 4. For a summer jai alai permitholder, the conduct of at
237 least 58 live performances during the preceding year, unless the
238 permitholder meets the requirements of subparagraph 2.

239 5. For a harness horse racing permitholder, the conduct of
240 at least 100 live regular wagering performances during the
241 preceding year.

242 6. For a quarter horse racing permitholder at its facility,
243 unless an alternative schedule of at least 20 live regular
244 wagering performances each year is agreed upon by the
245 permitholder and either the Florida Quarter Horse Racing
246 Association or the horsemen ~~horsemen's~~ association representing
247 the majority of the quarter horse owners and trainers at the
248 facility and filed ~~with the division along~~ with its annual
249 operating license ~~date~~ application.

250 a. In the 2010-2011 fiscal year, the conduct of at least 20
251 regular wagering performances.

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

254 c. For every fiscal year after the 2012-2013 fiscal year,
255 the conduct of at least 40 live regular wagering performances.

256 7. For a quarter horse racing permitholder leasing another
257 licensed racetrack, the conduct of 160 events at the leased
258 facility during the preceding year. ~~and~~

259 8. For a thoroughbred racing permitholder, the conduct of
260 at least 40 live regular wagering performances during the
261 preceding year.

262 ~~(b) For a permitholder which is restricted by statute to~~
263 ~~certain operating periods within the year when other members of~~
264 ~~its same class of permit are authorized to operate throughout~~

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265 ~~the year, the specified number of live performances which~~
266 ~~constitute a full schedule of live racing or games shall be~~
267 ~~adjusted pro rata in accordance with the relationship between~~
268 ~~its authorized operating period and the full calendar year and~~
269 ~~the resulting specified number of live performances shall~~
270 ~~constitute the full schedule of live games for such permit holder~~
271 ~~and all other permit holders of the same class within 100 air~~
272 ~~miles of such permit holder. A live performance must consist of~~
273 ~~no fewer than eight races or games conducted live for each of a~~
274 ~~minimum of three performances each week at the permit holder's~~
275 ~~licensed facility under a single admission charge.~~

276 (15) "Video race system" or "video race" means a form of
277 pari-mutuel wagering based on video signals of previously
278 conducted in-state or out-of-state thoroughbred races which are
279 sent from an in-state server that is operated by a licensed
280 totalizator company and displayed at individual wagering
281 terminals.

282 Section 2. Subsections (1), (3), and (6) of section
283 550.01215, Florida Statutes, are amended to read:

284 550.01215 License application; periods of operation; bond,
285 conversion of permit.-

286 (1) Each permit holder shall annually, during the period
287 between December 15 and January 4, file in writing with the
288 division its application for an operating a license to conduct
289 pari-mutuel wagering during the next fiscal year, including
290 intertrack and simulcast race wagering for greyhound
291 permit holders, jai alai permit holders, harness horse racing
292 permit holders, and quarter horse racing permit holders that do
293 not to conduct live performances during the next state fiscal

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294 ~~year~~. Each application for live performances must ~~shall~~ specify
295 the number, dates, and starting times of all live performances
296 that ~~which~~ the permitholder intends to conduct. It must ~~shall~~
297 also specify which performances will be conducted as charity or
298 scholarship performances.

299 (a) In addition, Each application for an operating a
300 license also must ~~shall~~ include:
301

301 1. For each permitholder that ~~which~~ elects to accept wagers
302 on broadcast events, the dates for all such events.

303 2. For each permitholder that elects to operate a cardroom,
304 the dates and periods of operation the permitholder intends to
305 operate the cardroom. ~~or,~~

306 3. For each thoroughbred racing permitholder that ~~which~~
307 elects to receive or rebroadcast out-of-state races after 7
308 p.m., the dates for all performances which the permitholder
309 intends to conduct.

310 (b) A greyhound racing permitholder that conducted a full
311 schedule of live racing for a period of at least 10 consecutive
312 state fiscal years after the 1996-1997 state fiscal year, or
313 that converted its permit to a permit to conduct greyhound
314 racing after that fiscal year, may specify in its application
315 for an operating license that it does not intend to conduct live
316 racing, or that it intends to conduct less than a full schedule
317 of live racing, in the next state fiscal year. A greyhound
318 racing permitholder may receive an operating license to conduct
319 pari-mutuel wagering activities at another permitholder's
320 greyhound racing facility pursuant to s. 550.475.

321 (c) Permitholders may ~~shall be entitled to~~ amend their
322 applications through February 28.

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323 (3) The division shall issue each license no later than
324 March 15. Each permitholder shall operate all performances at
325 the date and time specified on its license. The division shall
326 have the authority to approve minor changes in racing dates
327 after a license has been issued. The division may approve
328 changes in racing dates after a license has been issued when
329 there is no objection from any operating permitholder located
330 within 50 miles of the permitholder requesting the changes in
331 operating dates. In the event of an objection, the division
332 shall approve or disapprove the change in operating dates based
333 upon the impact on operating permitholders located within 50
334 miles of the permitholder requesting the change in operating
335 dates. In making the determination to change racing dates, the
336 division shall take into consideration the impact of such
337 changes on state revenues. Notwithstanding any other provision
338 of law, and for the 2016-2017 fiscal year only, the division may
339 approve changes in racing dates for greyhound racing
340 permitholders if the request for such changes is received before
341 August 31, 2016.

342 (6) A summer jai alai permitholder may apply for an
343 operating license to operate a jai alai fronton only during the
344 summer season beginning May 1 and ending November 30 of each
345 year on such dates as may be selected by the permitholder. Such
346 permitholder is subject to the same taxes, rules, and provisions
347 of this chapter which apply to the operation of winter jai alai
348 frontons. A summer jai alai permitholder is not eligible for
349 licensure to conduct a cardroom or a slot machine facility. A
350 summer jai alai permitholder and a winter jai alai permitholder
351 may not operate on the same days or in competition with each

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352 other. This subsection does not prevent a summer jai alai
353 licensee from leasing the facilities of a winter jai alai
354 licensee for the operation of a summer meet ~~Any permit which was~~
355 ~~converted from a jai alai permit to a greyhound permit may be~~
356 ~~converted to a jai alai permit at any time if the permitholder~~
357 ~~never conducted greyhound racing or if the permitholder has not~~
358 ~~conducted greyhound racing for a period of 12 consecutive~~
359 ~~months.~~

360 Section 3. Subsection (1) of section 550.0251, Florida
361 Statutes, is amended to read:

362 550.0251 The powers and duties of the Division of Pari-
363 mutuel Wagering of the Department of Business and Professional
364 Regulation.—The division shall administer this chapter and
365 regulate the pari-mutuel industry under this chapter and the
366 rules adopted pursuant thereto, and:

367 (1) The division shall make an annual report to the
368 Governor, the President of the Senate, and the Speaker of the
369 House of Representatives. The report shall include, at a
370 minimum:

371 (a) Recent events in the gaming industry, including pending
372 litigation; pending permitholder, facility, cardroom, slot, or
373 operating license applications; and new and pending rules.

374 (b) Actions of the department relating to the
375 implementation and administration of this chapter.

376 (c) The state revenues and expenses associated with each
377 form of authorized gaming. Revenues and expenses associated with
378 pari-mutuel wagering must be further delineated by the class of
379 license.

380 (d) The performance of each pari-mutuel wagering licensee,

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381 cardroom licensee, and slot machine licensee.

382 (e) A summary of disciplinary actions taken by the
383 department.

384 (f) Any suggestions to more effectively achieve ~~showing its~~
385 ~~own actions, receipts derived under the provisions of this~~
386 ~~chapter, the practical effects of the application of this~~
387 ~~chapter, and any suggestions it may approve for the more~~
388 ~~effectual accomplishments of the purposes of this chapter.~~

389 Section 4. Paragraph (b) of subsection (9) of section
390 550.054, Florida Statutes, is amended, paragraphs (c) through
391 (g) are added to that subsection, and paragraph (a) of
392 subsection (11) and subsections (13) and (14) of that section
393 are amended, to read:

394 550.054 Application for permit to conduct pari-mutuel
395 wagering.—

396 (9)

397 (b) The division may revoke or suspend any permit or
398 license issued under this chapter upon a ~~the~~ willful violation
399 by the permitholder or licensee ~~of any provision~~ of this chapter
400 or rules ~~of any rule~~ adopted pursuant thereto ~~under this~~
401 ~~chapter. With the exception of the revocation of permits~~
402 required in paragraphs (c), (d), (f), and (g), ~~In lieu of~~
403 ~~suspending or revoking a permit or license,~~ the division may, in
404 lieu of suspending or revoking a permit or license, impose a
405 civil penalty against the permitholder or licensee for a
406 violation of this chapter or rules adopted pursuant thereto ~~any~~
407 ~~rule adopted by the division.~~ The penalty so imposed may not
408 exceed \$1,000 for each count or separate offense. All penalties
409 imposed and collected must be deposited with the Chief Financial

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410 Officer to the credit of the General Revenue Fund.

411 (c) Unless a failure to obtain an operating license and to
412 operate was the direct result of fire, strike, war, or other
413 disaster or event beyond the permitholder's control, the
414 division shall revoke the permit of any permitholder that has
415 not obtained an operating license in accordance with s.
416 550.01215 for a period of more than 24 consecutive months after
417 June 30, 2012. The division shall revoke the permit upon
418 adequate notice to the permitholder. Financial hardship to the
419 permitholder does not, in and of itself, constitute just cause
420 for failure to operate.

421 (d) The division shall revoke the permit of any
422 permitholder that fails to make payments pursuant to s.
423 550.0951(5) for more than 24 consecutive months unless such
424 failure to pay tax on handle was the direct result of fire,
425 strike, war, or other disaster or event beyond the
426 permitholder's control. Financial hardship to the permitholder
427 does not, in and of itself, constitute just cause for failure to
428 pay tax on handle.

429 (e) Notwithstanding any other provision of law, a new
430 permit to conduct pari-mutuel wagering may not be approved or
431 issued after July 1, 2016.

432 (f) A permit revoked under this subsection is void and may
433 not be reissued.

434 (g) A permitholder may apply to the division to place the
435 permit into inactive status for a period of 12 months pursuant
436 to the rules adopted under this chapter. The division, upon good
437 cause shown by the permitholder, may renew inactive status for a
438 period of up to 12 months, but a permit may not be in inactive

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439 status for a period of more than 24 consecutive months. Holders
440 of permits in inactive status are not eligible for licensure for
441 pari-mutuel wagering, slot machines, or cardrooms.

442 (11) (a) A permit granted under this chapter may not be
443 transferred or assigned except upon written approval by the
444 division pursuant to s. 550.1815, ~~except that the holder of any~~
445 ~~permit that has been converted to a jai alai permit may lease or~~
446 ~~build anywhere within the county in which its permit is located.~~

447 (13) ~~(a)~~ Notwithstanding any provision ~~provisions~~ of this
448 chapter or chapter 551, a pari-mutuel ~~no thoroughbred horse~~
449 ~~racine~~ permit or license issued under this chapter or chapter
450 551 may not shall be transferred, or reissued when such
451 reissuance is in the nature of a transfer so as to permit or
452 authorize a licensee to change the location of a pari-mutuel
453 facility, cardroom, or slot machine facility. ~~thoroughbred horse~~
454 ~~racetrack except upon proof in such form as the division may~~
455 ~~prescribe that a referendum election has been held:~~

456 1. ~~If the proposed new location is within the same county~~
457 ~~as the already licensed location, in the county where the~~
458 ~~licensee desires to conduct the race meeting and that a majority~~
459 ~~of the electors voting on that question in such election voted~~
460 ~~in favor of the transfer of such license.~~

461 2. ~~If the proposed new location is not within the same~~
462 ~~county as the already licensed location, in the county where the~~
463 ~~licensee desires to conduct the race meeting and in the county~~
464 ~~where the licensee is already licensed to conduct the race~~
465 ~~meeting and that a majority of the electors voting on that~~
466 ~~question in each such election voted in favor of the transfer of~~
467 ~~such license.~~

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468 ~~(b) Each referendum held under the provisions of this~~
469 ~~subsection shall be held in accordance with the electoral~~
470 ~~procedures for ratification of permits, as provided in s.~~
471 ~~550.0651. The expense of each such referendum shall be borne by~~
472 ~~the licensee requesting the transfer.~~

473 (14) (a) Notwithstanding any other provision of law, a pari-
474 mutuel facility, cardroom, or slot machine facility may not be
475 relocated except as provided in paragraph (b), and a pari-mutuel
476 permit may not be converted to another class of permit. Any
477 ~~holder of a permit to conduct jai alai may apply to the division~~
478 ~~to convert such permit to a permit to conduct greyhound racing~~
479 ~~in lieu of jai alai if:~~

480 ~~1. Such permit is located in a county in which the division~~
481 ~~has issued only two pari-mutuel permits pursuant to this~~
482 ~~section;~~

483 ~~2. Such permit was not previously converted from any other~~
484 ~~class of permit; and~~

485 ~~3. The holder of the permit has not conducted jai alai~~
486 ~~games during a period of 10 years immediately preceding his or~~
487 ~~her application for conversion under this subsection.~~

488 (b) Upon application from the holder of a permit to conduct
489 greyhound racing which was converted from a permit to conduct
490 jai alai pursuant to former s. 550.054(14), Florida Statutes
491 2014, as created by s. 6, chapter 2009-170, Laws of Florida, the
492 division may approve the relocation of such permit to another
493 location within a 30-mile radius of the location fixed in the
494 permit if the application is received by July 31, 2018, the new
495 location is within the same county, and the new location is
496 approved under the zoning regulations of the county or

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497 municipality in which the permit is located ~~The division, upon~~
498 ~~application from the holder of a jai alai permit meeting all~~
499 ~~conditions of this section, shall convert the permit and shall~~
500 ~~issue to the permitholder a permit to conduct greyhound racing.~~
501 ~~A permitholder of a permit converted under this section shall be~~
502 ~~required to apply for and conduct a full schedule of live racing~~
503 ~~each fiscal year to be eligible for any tax credit provided by~~
504 ~~this chapter. The holder of a permit converted pursuant to this~~
505 ~~subsection or any holder of a permit to conduct greyhound racing~~
506 ~~located in a county in which it is the only permit issued~~
507 ~~pursuant to this section who operates at a leased facility~~
508 ~~pursuant to s. 550.475 may move the location for which the~~
509 ~~permit has been issued to another location within a 30-mile~~
510 ~~radius of the location fixed in the permit issued in that~~
511 ~~county, provided the move does not cross the county boundary and~~
512 ~~such location is approved under the zoning regulations of the~~
513 ~~county or municipality in which the permit is located, and upon~~
514 ~~such relocation may use the permit for the conduct of pari-~~
515 ~~mutuel wagering and the operation of a cardroom. The provisions~~
516 ~~of s. 550.6305(9)(d) and (f) shall apply to any permit converted~~
517 ~~under this subsection and shall continue to apply to any permit~~
518 ~~which was previously included under and subject to such~~
519 ~~provisions before a conversion pursuant to this section~~
520 ~~occurred.~~

521 Section 5. Section 550.0555, Florida Statutes, is repealed.

522 Section 6. Section 550.0745, Florida Statutes, is repealed.

523 Section 7. Section 550.0951, Florida Statutes, is amended
524 to read:

525 550.0951 Payment of daily license fee and taxes;

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526 penalties.—

527 (1)~~(a)~~ DAILY LICENSE FEE.—Each person engaged in the
528 business of conducting horserace meets ~~race meetings~~ or jai alai
529 games under this chapter, hereinafter referred to as the
530 “permitholder,” “licensee,” or “permittee,” shall pay ~~to the~~
531 ~~division, for the use of the division,~~ a daily license fee on
532 each live or simulcast pari-mutuel event of \$100 for each
533 horserace, and \$80 for each greyhound race, ~~dograce~~ and \$40 for
534 each jai alai game, any of which is conducted at a racetrack or
535 fronton licensed under this chapter. A ~~In addition to the tax~~
536 ~~exemption specified in s. 550.09514(1) of \$360,000 or \$500,000~~
537 ~~per greyhound permitholder per state fiscal year, each greyhound~~
538 ~~permitholder shall receive in the current state fiscal year a~~
539 ~~tax credit equal to the number of live greyhound races conducted~~
540 ~~in the previous state fiscal year times the daily license fee~~
541 ~~specified for each dograce in this subsection applicable for the~~
542 ~~previous state fiscal year. This tax credit and the exemption in~~
543 ~~s. 550.09514(1) shall be applicable to any tax imposed by this~~
544 ~~chapter or the daily license fees imposed by this chapter except~~
545 ~~during any charity or scholarship performances conducted~~
546 ~~pursuant to s. 550.0351. Each horserace permitholder may not be~~
547 required to shall pay daily license fees in excess of not to
548 ~~exceed~~ \$500 per day on any simulcast races or games on which
549 such permitholder accepts wagers, regardless of the number of
550 out-of-state events taken or the number of out-of-state
551 locations from which such events are taken. This license fee
552 shall be deposited with the Chief Financial Officer to the
553 credit of the Pari-mutuel Wagering Trust Fund.

554 ~~(b) Each permitholder that cannot utilize the full amount~~

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555 ~~of the exemption of \$360,000 or \$500,000 provided in s.~~
556 ~~550.09514(1) or the daily license fee credit provided in this~~
557 ~~section may, after notifying the division in writing, elect once~~
558 ~~per state fiscal year on a form provided by the division to~~
559 ~~transfer such exemption or credit or any portion thereof to any~~
560 ~~greyhound permitholder which acts as a host track to such~~
561 ~~permitholder for the purpose of intertrack wagering. Once an~~
562 ~~election to transfer such exemption or credit is filed with the~~
563 ~~division, it shall not be rescinded. The division shall~~
564 ~~disapprove the transfer when the amount of the exemption or~~
565 ~~credit or portion thereof is unavailable to the transferring~~
566 ~~permitholder or when the permitholder who is entitled to~~
567 ~~transfer the exemption or credit or who is entitled to receive~~
568 ~~the exemption or credit owes taxes to the state pursuant to a~~
569 ~~deficiency letter or administrative complaint issued by the~~
570 ~~division. Upon approval of the transfer by the division, the~~
571 ~~transferred tax exemption or credit shall be effective for the~~
572 ~~first performance of the next payment period as specified in~~
573 ~~subsection (5). The exemption or credit transferred to such host~~
574 ~~track may be applied by such host track against any taxes~~
575 ~~imposed by this chapter or daily license fees imposed by this~~
576 ~~chapter. The greyhound permitholder host track to which such~~
577 ~~exemption or credit is transferred shall reimburse such~~
578 ~~permitholder the exact monetary value of such transferred~~
579 ~~exemption or credit as actually applied against the taxes and~~
580 ~~daily license fees of the host track. The division shall ensure~~
581 ~~that all transfers of exemption or credit are made in accordance~~
582 ~~with this subsection and shall have the authority to adopt rules~~
583 ~~to ensure the implementation of this section.~~

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584 (2) ADMISSION TAX.—

585 (a) An admission tax equal to 15 percent of the admission
586 charge for entrance to the permitholder's facility and
587 grandstand area, or 10 cents, whichever is greater, is imposed
588 on each person attending a horserace, greyhound race ~~dog race~~, or
589 jai alai game. The permitholder is ~~shall be~~ responsible for
590 collecting the admission tax.

591 (b) The ~~No~~ admission tax imposed under this chapter and ~~or~~
592 chapter 212 may not ~~shall~~ be imposed on any free passes or
593 complimentary cards issued to persons for which there is no cost
594 to the person for admission to pari-mutuel events.

595 (c) A permitholder may issue tax-free passes to its
596 officers, officials, and employees and to ~~or~~ other persons
597 actually engaged in working at the racetrack, including
598 accredited media ~~press~~ representatives such as reporters and
599 editors, and may also issue tax-free passes to other
600 permitholders for the use of their officers and officials. The
601 permitholder shall file with the division a list of all persons
602 to whom tax-free passes are issued under this paragraph.

603 (3) TAX ON HANDLE.—Each permitholder shall pay a tax on
604 contributions to pari-mutuel pools, the aggregate of which is
605 hereinafter referred to as "handle," on races or games conducted
606 by the permitholder. The tax is imposed daily and is based on
607 the total contributions to all pari-mutuel pools conducted
608 during the daily performance. If a permitholder conducts more
609 than one performance daily, the tax is imposed on each
610 performance separately.

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

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613 (b)1. The tax on handle for greyhound racing ~~dogracing~~ is
614 1.28 ~~5.5~~ percent of the handle, ~~except that for live charity~~
615 ~~performances held pursuant to s. 550.0351, and for intertrack~~
616 ~~wagering on such charity performances at a guest greyhound track~~
617 ~~within the market area of the host, the tax is 7.6 percent of~~
618 ~~the handle.~~

619 2. The tax on handle for jai alai is 7.1 percent of the
620 handle.

621 (c)1. The tax on handle for intertrack wagering is:

622 a. If the host track is a horse track, 2.0 percent of the
623 handle.

624 b. If the host track is a harness horse racetrack track,
625 3.3 percent of the handle.

626 c. If the host track is a greyhound racing harness track,
627 1.28 ~~5.5~~ percent of the handle, to be remitted by the guest
628 track. ~~if the host track is a dog track, and~~

629 d. If the host track is a jai alai fronton, 7.1 percent of
630 the handle ~~if the host track is a jai alai fronton.~~

631 e. ~~The tax on handle for intertrack wagering is 0.5~~
632 ~~percent~~ If the host track and the guest track are thoroughbred
633 racing permitholders or if the guest track is located outside
634 the market area of a the host track that is not a greyhound
635 racing track and within the market area of a thoroughbred racing
636 permitholder currently conducting a live race meet, 0.5 percent
637 of the handle.

638 f. ~~The tax on handle~~ For intertrack wagering on
639 rebroadcasts of simulcast thoroughbred horseraces, is 2.4
640 percent of the handle and ~~1.5 percent of the handle~~ for
641 intertrack wagering on rebroadcasts of simulcast harness

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642 horseraces, 1.5 percent of the handle.

643 2. The tax collected under subparagraph 1. shall be
644 deposited into the Pari-mutuel Wagering Trust Fund.

645 ~~3.2.~~ The tax on handle for intertrack wagers accepted by
646 any greyhound racing ~~dog~~ track located in an area of the state
647 in which there are only three permitholders, all of which are
648 greyhound racing permitholders, located in three contiguous
649 counties, from any greyhound racing permitholder also located
650 within such area or any greyhound racing ~~dog~~ track or jai alai
651 fronton located as specified in s. 550.615(7) ~~s. 550.615(6) or~~
652 ~~(9)~~, on races or games received from any jai alai the same class
653 of permitholder located within the same market area is 3.9
654 percent of the handle if the host facility is a greyhound racing
655 permitholder. ~~and,~~ If the host facility is a jai alai
656 permitholder, the tax is rate shall be 6.1 percent of the handle
657 until ~~except that it shall be 2.3 percent on handle at~~ such time
658 as the total tax on intertrack handle paid to the division by
659 the permitholder during the current state fiscal year exceeds
660 the total ~~tax on intertrack handle~~ paid to the division by the
661 permitholder during the 1992-1993 state fiscal year, in which
662 case the tax is 2.3 percent of the handle.

663 (d) Notwithstanding any other provision of this chapter, in
664 order to protect the Florida jai alai industry, effective July
665 1, 2000, a jai alai permitholder may not be taxed on live handle
666 at a rate higher than 2 percent.

667 (4) BREAKS TAX.—Effective October 1, 1996, each
668 permitholder conducting jai alai performances shall pay a tax
669 equal to the breaks. As used in this subsection, the term
670 "breaks" means the money that remains in each pari-mutuel pool

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671 after funds are ~~The "breaks"~~ represents that portion of each
672 ~~pari-mutuel pool which is not~~ redistributed to the contributors
673 and commissions are ~~or~~ withheld by the permitholder as
674 ~~commission.~~

675 (5) VIDEO RACE TERMINALS; TAX AND FEE.—

676 (a) Each permitholder under this chapter which conducts
677 play on video race terminals pursuant to s. 551.1041 shall pay a
678 tax equal to 2 percent of the handle from the video race
679 terminals located at its facility.

680 (b) Upon authorization to conduct play on video race
681 terminals pursuant to s. 551.1041, and annually thereafter on
682 the anniversary date of the authorization, the licensee shall
683 pay a \$50,000 fee to the department. The fee shall be deposited
684 into the Pari-mutuel Wagering Trust Fund to be used by the
685 division and the Department of Law Enforcement for regulation of
686 video race, enforcement of video race provisions, and related
687 investigations.

688 (6)~~(5)~~ PAYMENT AND DISPOSITION OF FEES AND TAXES.—Payments
689 imposed by this section shall be paid to the division. The
690 division shall deposit such payments ~~these sums~~ with the Chief
691 Financial Officer, to the credit of the Pari-mutuel Wagering
692 Trust Fund, hereby established. The permitholder shall remit to
693 the division payment for the daily license fee, the admission
694 tax, the tax on handle, and the breaks tax. Such payments must
695 ~~shall~~ be remitted by 3 p.m. on Wednesday of each week for taxes
696 imposed and collected for the preceding week ending on Sunday.
697 Beginning on July 1, 2012, such payments must ~~shall~~ be remitted
698 by 3 p.m. on the 5th day of each calendar month for taxes
699 imposed and collected for the preceding calendar month. If the

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700 5th day of the calendar month falls on a weekend, payments must
701 ~~shall~~ be remitted by 3 p.m. the first Monday following the
702 weekend. Permitholders shall file a report under oath by the 5th
703 day of each calendar month for all taxes remitted during the
704 preceding calendar month. Such payments must ~~shall~~ be
705 accompanied by a report under oath showing the total of all
706 admissions, the pari-mutuel wagering activities for the
707 preceding calendar month, and any ~~such~~ other information ~~as may~~
708 ~~be~~ prescribed by the division.

709 (7) ~~(6)~~ PENALTIES.—

710 (a) The failure of any permitholder to make payments as
711 prescribed in subsection (6) ~~(5)~~ is a violation of this section,
712 and the ~~permitholder may be subjected by the division~~ may impose
713 ~~to~~ a civil penalty against the permitholder of up to \$1,000 for
714 each day the tax payment is not remitted. All penalties imposed
715 and collected shall be deposited in the General Revenue Fund. If
716 a permitholder fails to pay penalties imposed by order of the
717 division under this subsection, the division may suspend or
718 revoke the license of the permitholder, cancel the permit of the
719 permitholder, or deny issuance of any further license or permit
720 to the permitholder.

721 (b) In addition to the civil penalty prescribed in
722 paragraph (a), any willful or wanton failure by any permitholder
723 to make payments of the daily license fee, admission tax, tax on
724 handle, or breaks tax constitutes sufficient grounds for the
725 division to suspend or revoke the license of the permitholder,
726 to cancel the permit of the permitholder, or to deny issuance of
727 any further license or permit to the permitholder.

728 Section 8. Paragraph (e) of subsection (2) of section

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729 550.09511, Florida Statutes, is amended to read:

730 550.09511 Jai alai taxes; abandoned interest in a permit
731 for nonpayment of taxes.-

732 (2) Notwithstanding the provisions of s. 550.0951(3)(b),
733 wagering on live jai alai performances shall be subject to the
734 following taxes:

735 (e) The payment of taxes pursuant to paragraphs (b), (c),
736 and (d) shall be calculated and commence beginning the day in
737 which the permitholder is first entitled to the reduced rate
738 specified in this section and the report of taxes required by s.
739 550.0951(6) ~~s. 550.0951(5)~~ is submitted to the division.

740 Section 9. Section 550.09512, Florida Statutes, is amended
741 to read:

742 550.09512 Harness horse racing taxes; abandoned interest in
743 a permit for nonpayment of taxes.-

744 (1) Pari-mutuel wagering at harness horse racetracks in
745 this state is an important business enterprise, and taxes
746 derived therefrom constitute a part of the tax structure which
747 funds operation of the state. Harness horse racing permitholders
748 should pay their fair share of these taxes to the state. This
749 business interest should not be taxed to such an extent as to
750 cause any racetrack which is operated under sound business
751 principles to be forced out of business. Due to the need to
752 protect the public health, safety, and welfare, the gaming laws
753 of the state provide for the harness horse racing industry to be
754 highly regulated and taxed. The state recognizes that there
755 exist identifiable differences between harness horse racing
756 permitholders based upon their ability to operate under such
757 regulation and tax system.

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758 (2) (a) The tax on handle for live harness horse racing
759 performances is 0.5 percent of handle per performance.

760 (b) For purposes of this section, the term "handle" shall
761 have the same meaning as in s. 550.0951, and shall not include
762 handle from intertrack wagering.

763 (3) ~~(a)~~ The division shall revoke the permit of a harness
764 horse racing permitholder that ~~who~~ does not pay tax on handle
765 for live harness horse racing performances for a full schedule
766 of live races for more than 24 consecutive months ~~during any 2~~
767 ~~consecutive state fiscal years shall be void and shall escheat~~
768 ~~to and become the property of the state unless such failure to~~
769 operate and pay tax on handle was the direct result of fire,
770 strike, war, or other disaster or event beyond the ability of
771 the permitholder to control. Financial hardship to the
772 permitholder does ~~shall~~ not, in and of itself, constitute just
773 cause for failure to operate and pay tax on handle. A permit
774 revoked under this subsection is void and may not be reissued.

775 ~~(b) In order to maximize the tax revenues to the state, the~~
776 ~~division shall reissue an escheated harness horse permit to a~~
777 ~~qualified applicant pursuant to the provisions of this chapter~~
778 ~~as for the issuance of an initial permit. However, the~~
779 ~~provisions of this chapter relating to referendum requirements~~
780 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~
781 ~~escheated harness horse permit. As specified in the application~~
782 ~~and upon approval by the division of an application for the~~
783 ~~permit, the new permitholder shall be authorized to operate a~~
784 ~~harness horse facility anywhere in the same county in which the~~
785 ~~escheated permit was authorized to be operated, notwithstanding~~
786 ~~the provisions of s. 550.054(2) relating to mileage limitations.~~

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787 (4) In the event that a court of competent jurisdiction
788 determines any of the provisions of this section to be
789 unconstitutional, it is the intent of the Legislature that the
790 provisions contained in this section shall be null and void and
791 that the provisions of s. 550.0951 shall apply to all harness
792 horse racing permitholders beginning on the date of such
793 judicial determination. To this end, the Legislature declares
794 that it would not have enacted any of the provisions of this
795 section individually and, to that end, expressly finds them not
796 to be severable.

797 Section 10. Section 550.09514, Florida Statutes, is amended
798 to read:

799 550.09514 Greyhound racing ~~degracing~~ taxes; purse
800 requirements.-

801 ~~(1) Wagering on greyhound racing is subject to a tax on~~
802 ~~handle for live greyhound racing as specified in s. 550.0951(3).~~
803 ~~However, each permitholder shall pay no tax on handle until such~~
804 ~~time as this subsection has resulted in a tax savings per state~~
805 ~~fiscal year of \$360,000. Thereafter, each permitholder shall pay~~
806 ~~the tax as specified in s. 550.0951(3) on all handle for the~~
807 ~~remainder of the permitholder's current race meet. For the three~~
808 ~~permitholders that conducted a full schedule of live racing in~~
809 ~~1995, and are closest to another state that authorizes greyhound~~
810 ~~pari-mutuel wagering, the maximum tax savings per state fiscal~~
811 ~~year shall be \$500,000. The provisions of this subsection~~
812 ~~relating to tax exemptions shall not apply to any charity or~~
813 ~~scholarship performances conducted pursuant to s. 550.0351.~~

814 (1)(2)(a) The division shall determine for each greyhound
815 racing permitholder the annual purse percentage rate of live

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816 handle for the state fiscal year 1993-1994 by dividing total
817 purses paid on live handle by the permitholder, exclusive of
818 payments made from outside sources, during the 1993-1994 state
819 fiscal year by the permitholder's live handle for the 1993-1994
820 state fiscal year. A greyhound racing ~~Each~~ permitholder
821 conducting live racing during a fiscal year shall pay as purses
822 for such live races conducted during its current race meet a
823 percentage of its live handle not less than the percentage
824 determined under this paragraph, exclusive of payments made by
825 outside sources, for its 1993-1994 state fiscal year.

826 (b) Except as otherwise set forth herein, in addition to
827 the minimum purse percentage required by paragraph (a), each
828 greyhound racing permitholder conducting live racing during a
829 fiscal year shall pay as purses an annual amount of \$60 for each
830 live race conducted ~~equal to 75 percent of the daily license~~
831 ~~fees paid by the greyhound racing each permitholder in for the~~
832 preceding 1994-1995 fiscal year. ~~These~~ This ~~purse supplement~~
833 ~~shall be disbursed weekly during the permitholder's race meet in~~
834 ~~an amount determined by dividing the annual purse supplement by~~
835 ~~the number of performances approved for the permitholder~~
836 ~~pursuant to its annual license and multiplying that amount by~~
837 ~~the number of performances conducted each week. For the~~
838 ~~greyhound permitholders in the county where there are two~~
839 ~~greyhound permitholders located as specified in s. 550.615(6),~~
840 ~~such permitholders shall pay in the aggregate an amount equal to~~
841 ~~75 percent of the daily license fees paid by such permitholders~~
842 ~~for the 1994-1995 fiscal year. These permitholders shall be~~
843 ~~jointly and severally liable for such purse payments. The~~
844 ~~additional purses provided by this paragraph~~ must be used

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845 exclusively for purses other than stakes and must be disbursed
846 weekly during the permitholder's race meet. The division shall
847 conduct audits necessary to ensure compliance with this section.

848 (c)1. Each greyhound racing permitholder, when conducting
849 at least three live performances during any week, shall pay
850 purses in that week on wagers it accepts as a guest track on
851 intertrack and simulcast greyhound races at the same rate as it
852 pays on live races. Each greyhound racing permitholder, when
853 conducting at least three live performances during any week,
854 shall pay purses in that week, at the same rate as it pays on
855 live races, on wagers accepted on greyhound races at a guest
856 track that ~~which~~ is not conducting live racing and is located
857 within the same market area as the greyhound racing permitholder
858 conducting at least three live performances during any week.

859 2. Each host greyhound racing permitholder shall pay purses
860 on its simulcast and intertrack broadcasts of greyhound races to
861 guest facilities that are located outside its market area in an
862 amount equal to one quarter of an amount determined by
863 subtracting the transmission costs of sending the simulcast or
864 intertrack broadcasts from an amount determined by adding the
865 fees received for greyhound simulcast races plus 3 percent of
866 the greyhound intertrack handle at guest facilities that are
867 located outside the market area of the host and that paid
868 contractual fees to the host for such broadcasts of greyhound
869 races.

870 (d) The division shall require sufficient documentation
871 from each greyhound racing permitholder regarding purses paid on
872 live racing to assure that the annual purse percentage rates
873 paid by each greyhound racing permitholder conducting ~~on the~~

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874 live races are not reduced below those paid during the 1993-1994
875 state fiscal year. The division shall require sufficient
876 documentation from each greyhound racing permitholder to assure
877 that the purses paid by each permitholder on the greyhound
878 intertrack and simulcast broadcasts are in compliance with the
879 requirements of paragraph (c).

880 (e) In addition to the purse requirements of paragraphs
881 (a)-(c), each greyhound racing permitholder conducting live
882 races shall pay as purses an amount equal to one-third of the
883 amount of the tax reduction on live and simulcast handle
884 applicable to such permitholder as a result of the reductions in
885 tax rates provided by s. 6, chapter 2000-354, Laws of Florida
886 ~~this act through the amendments to s. 550.0951(3)~~. With respect
887 to intertrack wagering when the host and guest tracks are
888 greyhound racing permitholders not within the same market area,
889 an amount equal to the tax reduction applicable to the guest
890 track handle as a result of the reduction in tax rate provided
891 by s. 6, chapter 2000-354, Laws of Florida, ~~this act through the~~
892 ~~amendment to s. 550.0951(3)~~ shall be distributed to the guest
893 track, one-third of which amount shall be paid as purses at the
894 guest track. However, if the guest track is a greyhound racing
895 permitholder within the market area of the host or if the guest
896 track is not a greyhound racing permitholder, an amount equal to
897 such tax reduction applicable to the guest track handle shall be
898 retained by the host track, one-third of which amount shall be
899 paid as purses at the host track. These purse funds shall be
900 disbursed in the week received if the permitholder conducts at
901 least one live performance during that week. If the permitholder
902 does not conduct at least one live performance during the week

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903 in which the purse funds are received, the purse funds shall be
904 disbursed weekly during the permitholder's next race meet in an
905 amount determined by dividing the purse amount by the number of
906 performances approved for the permitholder pursuant to its
907 annual license, and multiplying that amount by the number of
908 performances conducted each week. The division shall conduct
909 audits necessary to ensure compliance with this paragraph.

910 (f) Each greyhound racing permitholder conducting live
911 racing shall, during the permitholder's race meet, supply kennel
912 operators and the Division of Pari-Mutuel Wagering with a weekly
913 report showing purses paid on live greyhound races and all
914 greyhound intertrack and simulcast broadcasts, including both as
915 a guest and a host together with the handle or commission
916 calculations on which such purses were paid and the transmission
917 costs of sending the simulcast or intertrack broadcasts, so that
918 the kennel operators may determine statutory and contractual
919 compliance.

920 (g) Each greyhound racing permitholder conducting live
921 racing shall make direct payment of purses to the greyhound
922 owners who have filed with such permitholder appropriate federal
923 taxpayer identification information based on the percentage
924 amount agreed upon between the kennel operator and the greyhound
925 owner.

926 (h) At the request of a majority of kennel operators under
927 contract with a greyhound racing permitholder conducting live
928 racing, the permitholder shall make deductions from purses paid
929 to each kennel operator electing such deduction and shall make a
930 direct payment of such deductions to the local association of
931 greyhound kennel operators formed by a majority of kennel

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932 operators under contract with the permitholder. The amount of
933 the deduction shall be at least 1 percent of purses, as
934 determined by the local association of greyhound kennel
935 operators. ~~No~~ Deductions may not be taken pursuant to this
936 paragraph without a kennel operator's specific approval before
937 or after the effective date of this act.

938 ~~(2)~~~~(3)~~ For the purpose of this section, the term "live
939 handle" means the handle from wagers placed at the
940 permitholder's establishment on the live greyhound races
941 conducted at the permitholder's establishment.

942 Section 11. Section 550.09515, Florida Statutes, is amended
943 to read:

944 550.09515 Thoroughbred racing ~~horse~~ taxes; abandoned
945 interest in a permit for nonpayment of taxes.—

946 (1) Pari-mutuel wagering at thoroughbred horse racetracks
947 in this state is an important business enterprise, and taxes
948 derived therefrom constitute a part of the tax structure which
949 funds operation of the state. Thoroughbred horse permitholders
950 should pay their fair share of these taxes to the state. This
951 business interest should not be taxed to such an extent as to
952 cause any racetrack which is operated under sound business
953 principles to be forced out of business. Due to the need to
954 protect the public health, safety, and welfare, the gaming laws
955 of the state provide for the thoroughbred horse industry to be
956 highly regulated and taxed. The state recognizes that there
957 exist identifiable differences between thoroughbred horse
958 permitholders based upon their ability to operate under such
959 regulation and tax system and at different periods during the
960 year.

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961 (2) (a) The tax on handle for live thoroughbred horserace
962 performances shall be 0.5 percent.

963 (b) For purposes of this section, the term "handle" shall
964 have the same meaning as in s. 550.0951, and shall not include
965 handle from intertrack wagering.

966 (3) ~~(a)~~ The division shall revoke the permit of a
967 thoroughbred racing horse permitholder that ~~who~~ does not pay tax
968 on handle for live thoroughbred horse performances for a full
969 schedule of live races for more than 24 consecutive months
970 ~~during any 2 consecutive state fiscal years shall be void and~~
971 ~~shall escheat to and become the property of the state unless~~
972 such failure to operate and pay tax on handle was the direct
973 result of fire, strike, war, or other disaster or event beyond
974 the ability of the permitholder to control. Financial hardship
975 to the permitholder does shall not, in and of itself, constitute
976 just cause for failure to operate and pay tax on handle. A
977 permit revoked under this subsection is void and may not be
978 reissued.

979 ~~(b) In order to maximize the tax revenues to the state, the~~
980 ~~division shall reissue an escheated thoroughbred horse permit to~~
981 ~~a qualified applicant pursuant to the provisions of this chapter~~
982 ~~as for the issuance of an initial permit. However, the~~
983 ~~provisions of this chapter relating to referendum requirements~~
984 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~
985 ~~escheated thoroughbred horse permit. As specified in the~~
986 ~~application and upon approval by the division of an application~~
987 ~~for the permit, the new permitholder shall be authorized to~~
988 ~~operate a thoroughbred horse facility anywhere in the same~~
989 ~~county in which the escheated permit was authorized to be~~

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990 ~~operated, notwithstanding the provisions of s. 550.054(2)~~
991 ~~relating to mileage limitations.~~

992 (4) In the event that a court of competent jurisdiction
993 determines any of the provisions of this section to be
994 unconstitutional, it is the intent of the Legislature that the
995 provisions contained in this section shall be null and void and
996 that the provisions of s. 550.0951 shall apply to all
997 thoroughbred horse permitholders beginning on the date of such
998 judicial determination. To this end, the Legislature declares
999 that it would not have enacted any of the provisions of this
1000 section individually and, to that end, expressly finds them not
1001 to be severable.

1002 (5) Notwithstanding the provisions of s. 550.0951(3)(c),
1003 the tax on handle for intertrack wagering on rebroadcasts of
1004 simulcast horseraces is 2.4 percent of the handle; provided
1005 however, that if the guest track is a thoroughbred track located
1006 more than 35 miles from the host track, the host track shall pay
1007 a tax of .5 percent of the handle, and additionally the host
1008 track shall pay to the guest track 1.9 percent of the handle to
1009 be used by the guest track solely for purses. The tax shall be
1010 deposited into the Pari-mutuel Wagering Trust Fund.

1011 (6) A credit equal to the amount of contributions made by a
1012 thoroughbred racing permitholder during the taxable year
1013 directly to the Jockeys' Guild or its health and welfare fund to
1014 be used to provide health and welfare benefits for active,
1015 disabled, and retired Florida jockeys and their dependents
1016 pursuant to reasonable rules of eligibility established by the
1017 Jockeys' Guild is allowed against taxes on live handle due for a
1018 taxable year under this section. A thoroughbred racing

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1019 permitholder may not receive a credit greater than an amount
1020 equal to 1 percent of its paid taxes for the previous taxable
1021 year.

1022 (7) If a thoroughbred racing permitholder fails to operate
1023 all performances on its 2001-2002 license, failure to pay tax on
1024 handle for a full schedule of live races for those performances
1025 in the 2001-2002 fiscal year does not constitute failure to pay
1026 taxes on handle for a full schedule of live races in a fiscal
1027 year for the purposes of subsection (3). This subsection may not
1028 be construed as forgiving a thoroughbred racing permitholder
1029 from paying taxes on performances conducted at its facility
1030 pursuant to its 2001-2002 license other than for failure to
1031 operate all performances on its 2001-2002 license. This
1032 subsection expires July 1, 2003.

1033 Section 12. Section 550.1625, Florida Statutes, is amended
1034 to read:

1035 550.1625 Greyhound racing ~~dogracing~~; taxes.—

1036 (1) The operation of a greyhound racing ~~dog~~ track and
1037 legalized pari-mutuel betting at greyhound racing ~~dog~~ tracks in
1038 this state is a privilege and is an operation that requires
1039 strict supervision and regulation in the best interests of the
1040 state. Pari-mutuel wagering at greyhound racing ~~dog~~ tracks in
1041 this state is a substantial business, and taxes derived
1042 therefrom constitute part of the tax structures of the state and
1043 the counties. The operators of greyhound racing ~~dog~~ tracks
1044 should pay their fair share of taxes to the state; at the same
1045 time, this substantial business interest should not be taxed to
1046 such an extent as to cause a track that is operated under sound
1047 business principles to be forced out of business.

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1048 (2) A permitholder that conducts a greyhound race ~~degrace~~
 1049 meet under this chapter must pay the daily license fee, the
 1050 admission tax, ~~the breaks tax,~~ and the tax on pari-mutuel handle
 1051 as provided in s. 550.0951 and is subject to all penalties and
 1052 sanctions provided in s. 550.0951(7) ~~s. 550.0951(6)~~.

1053 Section 13. Section 550.1647, Florida Statutes, is
 1054 repealed.

1055 Section 14. Section 550.1648, Florida Statutes, is amended
 1056 to read:

1057 550.1648 Greyhound adoptions.—

1058 ~~(1)~~ A greyhound racing ~~Each degracing~~ permitholder that
 1059 conducts live racing at ~~operating~~ a greyhound racing ~~degracing~~
 1060 facility in this state shall provide for a greyhound adoption
 1061 booth to be located at the facility.

1062 (1) (a) The greyhound adoption booth must be operated on
 1063 weekends by personnel or volunteers from a bona fide
 1064 organization that promotes or encourages the adoption of
 1065 greyhounds ~~pursuant to s. 550.1647.~~ Such bona fide organization,
 1066 as a condition of adoption, must provide sterilization of
 1067 greyhounds by a licensed veterinarian before relinquishing
 1068 custody of the greyhound to the adopter. The fee for
 1069 sterilization may be included in the cost of adoption. As used
 1070 in this section, the term "weekend" includes the hours during
 1071 which live greyhound racing is conducted on Friday, Saturday, or
 1072 Sunday, and the term "bona fide organization that promotes or
 1073 encourages the adoption of greyhounds" means an organization
 1074 that provides evidence of compliance with chapter 496 and
 1075 possesses a valid exemption from federal taxation issued by the
 1076 Internal Revenue Service. Information pamphlets and application

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1077 forms shall be provided to the public upon request.

1078 (b) ~~In addition,~~ The kennel operator or owner shall notify
1079 the permitholder that a greyhound is available for adoption and
1080 the permitholder shall provide information concerning the
1081 adoption of a greyhound in each race program and shall post
1082 adoption information at conspicuous locations throughout the
1083 greyhound racing ~~dog racing~~ facility. Any greyhound that is
1084 participating in a race and that will be available for future
1085 adoption must be noted in the race program. The permitholder
1086 shall allow greyhounds to be walked through the track facility
1087 to publicize the greyhound adoption program.

1088 (2) In addition to the charity days authorized under s.
1089 550.0351, a greyhound racing permitholder may fund the greyhound
1090 adoption program by holding a charity racing day designated as
1091 "Greyhound Adopt-A-Pet Day." All profits derived from the
1092 operation of the charity day must be placed into a fund used to
1093 support activities at the racing facility which promote the
1094 adoption of greyhounds. The division may adopt rules for
1095 administering the fund. ~~Proceeds from the charity day authorized~~
1096 ~~in this subsection may not be used as a source of funds for the~~
1097 ~~purposes set forth in s. 550.1647.~~

1098 (3) (a) Upon a violation of this section by a permitholder
1099 or licensee, the division may impose a penalty as provided in s.
1100 550.0251(10) and require the permitholder to take corrective
1101 action.

1102 (b) A penalty imposed under s. 550.0251(10) does not
1103 exclude a prosecution for cruelty to animals or for any other
1104 criminal act.

1105 Section 15. Section 550.1751, Florida Statutes, is created

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1106 to read:

1107 550.1751 Reduction in the number of pari-mutuel permits.-

1108 (1) As used in this section, the term:

1109 (a) "Active pari-mutuel permit" means a pari-mutuel permit
1110 that is actively used for the conduct of pari-mutuel racing or
1111 jai alai and under which the permitholder is operating all
1112 performances at the dates and times specified on its operating
1113 license.

1114 (b) "Bidder for an additional slot machine license" means a
1115 person who submits a bid or intends to submit a bid for an
1116 additional slot machine license in Miami-Dade County or Palm
1117 Beach County, as provided in s. 551.1041.

1118 (2) A pari-mutuel permitholder may enter into an agreement
1119 for the sale and transfer of an active pari-mutuel permit to a
1120 bidder for an additional slot machine license. An active pari-
1121 mutuel permit sold and transferred to the highest bidder under
1122 the process in s. 551.1041 must be surrendered to the division
1123 and voided.

1124 Section 16. Section 550.1752, Florida Statutes, is created
1125 to read:

1126 550.1752 Permit reduction program.-

1127 (1) The permit reduction program is created in the Division
1128 of Pari-mutuel Wagering for the purpose of purchasing and
1129 cancelling active pari-mutuel permits. The program shall be
1130 funded from revenue share payments made by the Seminole Tribe of
1131 Florida under the compact ratified by s. 285.710(3) and received
1132 by the state after October 31, 2015. Compact payments payable
1133 for the program shall be calculated on a monthly basis until
1134 such time as the division determines that sufficient funds are

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1135 available to fund the program. The total funding allocated to
1136 the program may not exceed \$20 million.

1137 (2) The division shall purchase pari-mutuel permits from
1138 pari-mutuel permitholders when sufficient moneys are available
1139 for such purchases. A pari-mutuel permitholder may not submit an
1140 offer to sell a permit unless it is actively conducting pari-
1141 mutuel racing or jai alai as required by law and satisfies all
1142 applicable requirements for the permit. The division shall adopt
1143 by rule the form to be used by a pari-mutuel permitholder for an
1144 offer to sell a permit and shall establish a schedule for the
1145 consideration of offers.

1146 (3) The division shall establish the value of a pari-mutuel
1147 permit based upon the valuation of one or more independent
1148 appraisers selected by the division. The valuation of a permit
1149 must be based on the permit's fair market value and may not
1150 include the value of the real estate or personal property. The
1151 division may establish a value for the permit that is lower than
1152 the amount determined by an independent appraiser but may not
1153 establish a higher value.

1154 (4) The division must accept the offer or offers that best
1155 utilize available funding; however, the division may also accept
1156 the offers that it determines are most likely to reduce the
1157 incidence of gaming in this state.

1158 (5) The division shall cancel any permit purchased under
1159 this section.

1160 (6) This section shall expire on July 1, 2018, unless
1161 reenacted by the Legislature.

1162 Section 17. Section 550.2416, Florida Statutes, is created
1163 to read:

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1164 550.2416 Reporting of racing greyhound injuries.-

1165 (1) An injury to a racing greyhound which occurs while the
1166 greyhound is located in this state must be reported on a form
1167 adopted by the division within 7 days after the date on which
1168 the injury occurred or is believed to have occurred. The
1169 division may adopt rules defining the term "injury."

1170 (2) The form shall be completed and signed under oath or
1171 affirmation by the:

1172 (a) Racetrack veterinarian or director of racing, if the
1173 injury occurred at the racetrack facility; or

1174 (b) Owner, trainer, or kennel operator who had knowledge of
1175 the injury, if the injury occurred at a location other than the
1176 racetrack facility, including during transportation.

1177 (3) The division may fine, suspend, or revoke the license
1178 of any individual who knowingly violates this section.

1179 (4) The form must include the following:

1180 (a) The greyhound's registered name, right-ear and left-ear
1181 tattoo numbers, and, if any, the microchip manufacturer and
1182 number.

1183 (b) The name, business address, and telephone number of the
1184 greyhound owner, the trainer, and the kennel operator.

1185 (c) The color, weight, and sex of the greyhound.

1186 (d) The specific type and bodily location of the injury,
1187 the cause of the injury, and the estimated recovery time from
1188 the injury.

1189 (e) If the injury occurred when the greyhound was racing:

1190 1. The racetrack where the injury occurred;

1191 2. The distance, grade, race, and post position of the
1192 greyhound when the injury occurred; and

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1193 3. The weather conditions, time, and track conditions when
1194 the injury occurred.

1195 (f) If the injury occurred when the greyhound was not
1196 racing:

1197 1. The location where the injury occurred, including, but
1198 not limited to, a kennel, a training facility, or a
1199 transportation vehicle; and

1200 2. The circumstances surrounding the injury.

1201 (g) Other information that the division determines is
1202 necessary to identify injuries to racing greyhounds in this
1203 state.

1204 (5) An injury form created pursuant to this section must be
1205 maintained as a public record by the division for at least 7
1206 years after the date it was received.

1207 (6) A licensee of the department who knowingly makes a
1208 false statement concerning an injury or fails to report an
1209 injury is subject to disciplinary action under this chapter or
1210 chapters 455 and 474.

1211 (7) This section does not apply to injuries to a service
1212 animal, personal pet, or greyhound that has been adopted as a
1213 pet.

1214 (8) The division shall adopt rules to implement this
1215 section.

1216 Section 18. Subsection (1) of section 550.26165, Florida
1217 Statutes, is amended to read:

1218 550.26165 Breeders' awards.—

1219 (1) The purpose of this section is to encourage the
1220 agricultural activity of breeding and training racehorses in
1221 this state. Moneys dedicated in this chapter for use as

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1222 breeders' awards and stallion awards are to be used for awards
1223 to breeders of registered Florida-bred horses winning horseraces
1224 and for similar awards to the owners of stallions who sired
1225 Florida-bred horses winning stakes races, if the stallions are
1226 registered as Florida stallions standing in this state. Such
1227 awards shall be given at a uniform rate to all winners of the
1228 awards, may ~~shall~~ not be greater than 20 percent of the
1229 announced gross purse, and may ~~shall~~ not be less than 15 percent
1230 of the announced gross purse if funds are available. In
1231 addition, at least ~~no less than~~ 17 percent, but not ~~not~~ more
1232 than 40 percent, as determined by the Florida Thoroughbred
1233 Breeders' Association, of the moneys dedicated in this chapter
1234 for use as breeders' awards and stallion awards for
1235 thoroughbreds shall be returned pro rata to the permitholders
1236 that generated the moneys for special racing awards to be
1237 distributed by the permitholders to owners of thoroughbred
1238 horses participating in prescribed thoroughbred stakes races,
1239 nonstakes races, or both, all in accordance with a written
1240 agreement establishing the rate, procedure, and eligibility
1241 requirements for such awards entered into by the permitholder,
1242 the Florida Thoroughbred Breeders' Association, and the Florida
1243 Horsemen's Benevolent and Protective Association, Inc., except
1244 that the plan for the distribution by any permitholder located
1245 in the area described in s. 550.615(7) ~~s. 550.615(9)~~ shall be
1246 agreed upon by that permitholder, the Florida Thoroughbred
1247 Breeders' Association, and the association representing a
1248 majority of the thoroughbred racehorse owners and trainers at
1249 that location. Awards for thoroughbred races are to be paid
1250 through the Florida Thoroughbred Breeders' Association, and

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1251 awards for standardbred races are to be paid through the Florida
1252 Standardbred Breeders and Owners Association. Among other
1253 sources specified in this chapter, moneys for thoroughbred
1254 breeders' awards will come from the 0.955 percent of handle for
1255 thoroughbred races conducted, received, broadcast, or simulcast
1256 under this chapter as provided in s. 550.2625(3). The moneys for
1257 quarter horse and harness breeders' awards will come from the
1258 breaks and uncashed tickets on live quarter horse and harness
1259 horse racing performances and 1 percent of handle on intertrack
1260 wagering. The funds for these breeders' awards shall be paid to
1261 the respective breeders' associations by the permitholders
1262 conducting the races.

1263 Section 19. Section 550.3345, Florida Statutes, is amended
1264 to read:

1265 550.3345 ~~Conversion of quarter horse permit to a Limited~~
1266 thoroughbred racing permit.-

1267 (1) In recognition of the important and long-standing
1268 economic contribution of the thoroughbred horse breeding
1269 industry to this state and the state's vested interest in
1270 promoting the continued viability of this agricultural activity,
1271 the state intends to provide a limited opportunity for the
1272 conduct of live thoroughbred horse racing with the net revenues
1273 from such racing dedicated to the enhancement of thoroughbred
1274 purses and breeders', stallion, and special racing awards under
1275 this chapter; the general promotion of the thoroughbred horse
1276 breeding industry; and the care in this state of thoroughbred
1277 horses retired from racing.

1278 (2) A limited thoroughbred racing permit previously
1279 converted from ~~Notwithstanding any other provision of law, the~~

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1280 ~~holder of a quarter horse racing permit pursuant to chapter~~
1281 ~~2010-29, Laws of Florida, issued under s. 550.334 may only be~~
1282 ~~held by, within 1 year after the effective date of this section,~~
1283 ~~apply to the division for a transfer of the quarter horse racing~~
1284 ~~permit to a not-for-profit corporation formed under state law to~~
1285 ~~serve the purposes of the state as provided in subsection (1).~~
1286 ~~The board of directors of the not-for-profit corporation must be~~
1287 ~~composed~~ comprised of 11 members, 4 of whom shall be designated
1288 by the applicant, 4 of whom shall be designated by the Florida
1289 Thoroughbred Breeders' Association, and 3 of whom shall be
1290 designated by the other 8 directors, with at least 1 of these 3
1291 members being an authorized representative of another
1292 thoroughbred racing permitholder in this state. A limited
1293 thoroughbred racing ~~The not-for-profit corporation shall submit~~
1294 ~~an application to the division for review and approval of the~~
1295 ~~transfer in accordance with s. 550.054. Upon approval of the~~
1296 ~~transfer by the division, and notwithstanding any other~~
1297 ~~provision of law to the contrary, the not-for-profit corporation~~
1298 ~~may, within 1 year after its receipt of the permit, request that~~
1299 ~~the division convert the quarter horse racing permit to a permit~~
1300 ~~authorizing the holder to conduct pari-mutuel wagering meets of~~
1301 ~~thoroughbred racing. Neither the transfer of the quarter horse~~
1302 ~~racing permit nor its conversion to a limited thoroughbred~~
1303 ~~permit shall be subject to the mileage limitation or the~~
1304 ~~ratification election as set forth under s. 550.054(2) or s.~~
1305 ~~550.0651. Upon receipt of the request for such conversion, the~~
1306 ~~division shall timely issue a converted permit. The converted~~
1307 ~~permit and the not-for-profit corporation~~ are ~~shall be~~ subject
1308 to the following requirements:

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1309 (a) All net revenues derived by the not-for-profit
1310 corporation under the thoroughbred ~~horse~~ racing permit, after
1311 the funding of operating expenses and capital improvements,
1312 shall be dedicated to the enhancement of thoroughbred purses and
1313 breeders', stallion, and special racing awards under this
1314 chapter; the general promotion of the thoroughbred horse
1315 breeding industry; and the care in this state of thoroughbred
1316 horses retired from racing.

1317 (b) From December 1 through April 30, ~~no~~ live thoroughbred
1318 racing may not be conducted under the permit on any day during
1319 which another thoroughbred racing permitholder is conducting
1320 live thoroughbred racing within 125 air miles of the not-for-
1321 profit corporation's pari-mutuel facility unless the other
1322 thoroughbred racing permitholder gives its written consent.

1323 (c) ~~After the conversion of the quarter horse racing permit~~
1324 ~~and~~ the issuance of its initial license to conduct pari-mutuel
1325 wagering meets of thoroughbred racing, the not-for-profit
1326 corporation shall annually apply to the division for a license
1327 pursuant to s. 550.5251.

1328 (d) Racing under the permit may take place only at the
1329 location for which the original quarter horse racing permit was
1330 issued, which may be leased by the not-for-profit corporation
1331 for that purpose; ~~however, the not-for-profit corporation may,~~
1332 ~~without the conduct of any ratification election pursuant to s.~~
1333 ~~550.054(13) or s. 550.0651, move the location of the permit to~~
1334 ~~another location in the same county provided that such~~
1335 ~~relocation is approved under the zoning and land use regulations~~
1336 ~~of the applicable county or municipality.~~

1337 (e) A limited thoroughbred racing ~~no~~ permit may not be

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1338 ~~transferred~~ converted under this section is eligible for
1339 ~~transfer~~ to another person or entity.

1340 (3) Unless otherwise provided in this section, ~~after~~
1341 ~~conversion,~~ the permit and the not-for-profit corporation shall
1342 be treated under the laws of this state as a thoroughbred racing
1343 permit and as a thoroughbred racing permitholder, respectively,
1344 with the exception of ss. 550.054(9)(c) and (d) and s.
1345 550.09515(3).

1346 Section 20. Paragraphs (a) and (b) of subsection (6) of
1347 section 550.3551, Florida Statutes, are amended to read:

1348 550.3551 Transmission of racing and jai alai information;
1349 commingling of pari-mutuel pools.—

1350 (6) (a) ~~A maximum of 20 percent of the total number of races~~
1351 ~~on which wagers are accepted by a greyhound permitholder not~~
1352 ~~located as specified in s. 550.615(6) may be received from~~
1353 ~~locations outside this state. A permitholder may not conduct~~
1354 ~~fewer than eight live races or games on any authorized race day~~
1355 ~~except as provided in this subsection.~~ A thoroughbred racing
1356 permitholder may not conduct fewer than eight live races on any
1357 race day without the written approval of the Florida
1358 Thoroughbred Breeders' Association and the Florida Horsemen's
1359 Benevolent and Protective Association, Inc., unless it is
1360 determined by the department that another entity represents a
1361 majority of the thoroughbred racehorse owners and trainers in
1362 the state. A harness horse racing permitholder may conduct fewer
1363 than eight live races on any authorized race day, except that
1364 such permitholder must conduct a full schedule of live racing
1365 during its race meet consisting of at least eight live races per
1366 authorized race day for at least 100 days. ~~Any harness horse~~

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1367 ~~permitholder that during the preceding racing season conducted a~~
1368 ~~full schedule of live racing may, at any time during its current~~
1369 ~~race meet, receive full-card broadcasts of harness horse races~~
1370 ~~conducted at harness racetracks outside this state at the~~
1371 ~~harness track of the permitholder and accept wagers on such~~
1372 ~~harness races.~~ With specific authorization from the division for
1373 special racing events, a permitholder may conduct fewer than
1374 eight live races or games when the permitholder also broadcasts
1375 out-of-state races or games. The division may not grant more
1376 than two such exceptions a year for a permitholder in any 12-
1377 month period, and those two exceptions may not be consecutive.

1378 (b) Notwithstanding any other provision of this chapter,
1379 any harness horse racing permitholder accepting broadcasts of
1380 out-of-state harness horse races when such permitholder is not
1381 conducting live races must make the out-of-state signal
1382 available to all permitholders eligible to conduct intertrack
1383 wagering and shall pay to guest tracks located as specified in
1384 s. ss. 550.615(6) and 550.6305(9) (d) 50 percent of the net
1385 proceeds after taxes and fees to the out-of-state host track on
1386 harness horse race wagers which they accept. A harness horse
1387 racing permitholder shall be required to pay into its purse
1388 account 50 percent of the net income retained by the
1389 permitholder on account of wagering on the out-of-state
1390 broadcasts received pursuant to this subsection. Nine-tenths of
1391 a percent of all harness horse race wagering proceeds on the
1392 broadcasts received pursuant to this subsection shall be paid to
1393 the Florida Standardbred Breeders and Owners Association under
1394 the provisions of s. 550.2625(4) for the purposes provided
1395 therein.

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1396 Section 21. Subsection (4) of section 550.375, Florida
1397 Statutes, is amended to read:

1398 550.375 Operation of certain harness tracks.—

1399 (4) The permitholder conducting a harness horse race meet
1400 must pay the daily license fee, the admission tax, the tax on
1401 breaks, and the tax on pari-mutuel handle provided in s.
1402 550.0951 and is subject to all penalties and sanctions provided
1403 in s. 550.0951(7) ~~s. 550.0951(6)~~.

1404 Section 22. Subsections (2), (4), (6), and (7) of section
1405 550.615, Florida Statutes, are amended, present subsections (8),
1406 (9), and (10) of that section are redesignated as subsections
1407 (6), (7), and (8), respectively, and amended, and a new
1408 subsection (9) is added to that section, to read:

1409 550.615 Intertrack wagering.—

1410 (2) A ~~Any~~ track or fronton licensed under this chapter
1411 which conducted a full schedule of live racing or games in the
1412 preceding year and any greyhound racing permitholder that
1413 conducted a full schedule of live racing for a period of at
1414 least 10 consecutive state fiscal years after the 1996-1997
1415 state fiscal year or that converted its permit to a permit to
1416 conduct greyhound racing after that fiscal year is qualified to,
1417 at any time, receive broadcasts of any class of pari-mutuel race
1418 or game and accept wagers on such races or games conducted by
1419 any class of permitholders licensed under this chapter.

1420 (4) An ~~In no event shall any~~ intertrack wager may not be
1421 accepted on the same class of live races or games of any
1422 permitholder without the written consent of such operating
1423 permitholders conducting the same class of live races or games
1424 if the guest track is within the market area of such operating

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1425 permitholder. A greyhound racing permitholder licensed under
1426 this chapter which accepts intertrack wagers on live greyhound
1427 signals is not required to obtain the written consent required
1428 by this subsection from any operating greyhound racing
1429 permitholder within its market area.

1430 ~~(6) Notwithstanding the provisions of subsection (3), in~~
1431 ~~any area of the state where there are three or more horserace~~
1432 ~~permitholders within 25 miles of each other, intertrack wagering~~
1433 ~~between permitholders in said area of the state shall only be~~
1434 ~~authorized under the following conditions: Any permitholder,~~
1435 ~~other than a thoroughbred permitholder, may accept intertrack~~
1436 ~~wagers on races or games conducted live by a permitholder of the~~
1437 ~~same class or any harness permitholder located within such area~~
1438 ~~and any harness permitholder may accept wagers on games~~
1439 ~~conducted live by any jai alai permitholder located within its~~
1440 ~~market area and from a jai alai permitholder located within the~~
1441 ~~area specified in this subsection when no jai alai permitholder~~
1442 ~~located within its market area is conducting live jai alai~~
1443 ~~performances; any greyhound or jai alai permitholder may receive~~
1444 ~~broadcasts of and accept wagers on any permitholder of the other~~
1445 ~~class provided that a permitholder, other than the host track,~~
1446 ~~of such other class is not operating a contemporaneous live~~
1447 ~~performance within the market area.~~

1448 ~~(7) In any county of the state where there are only two~~
1449 ~~permits, one for dogracing and one for jai alai, no intertrack~~
1450 ~~wager may be taken during the period of time when a permitholder~~
1451 ~~is not licensed to conduct live races or games without the~~
1452 ~~written consent of the other permitholder that is conducting~~
1453 ~~live races or games. However, if neither permitholder is~~

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1454 ~~conducting live races or games, either permitholder may accept~~
1455 ~~intertrack wagers on horseraces or on the same class of races or~~
1456 ~~games, or on both horseraces and the same class of races or~~
1457 ~~games as is authorized by its permit.~~

1458 (6)~~(8)~~ In any three contiguous counties of the state where
1459 there are only three permitholders, all of which are greyhound
1460 racing permitholders, if a greyhound racing any permitholder
1461 leases the facility of another greyhound racing permitholder for
1462 the purpose of conducting all or any portion of ~~the conduct of~~
1463 its live race meet pursuant to s. 550.475, such lessee may
1464 conduct intertrack wagering at its pre-lease permitted facility
1465 throughout the entire year, including while its live race meet
1466 is being conducted at the leased facility,~~if such permitholder~~
1467 ~~has conducted a full schedule of live racing during the~~
1468 ~~preceding fiscal year at its pre-lease permitted facility or at~~
1469 ~~a leased facility, or combination thereof.~~

1470 (7)~~(9)~~ In any two contiguous counties of the state in which
1471 there are located only four active permits, one for thoroughbred
1472 horse racing, two for greyhound racing ~~dogracing~~, and one for
1473 jai alai games, an ~~no~~ intertrack wager may not be accepted on
1474 the same class of live races or games of any permitholder
1475 without the written consent of such operating permitholders
1476 conducting the same class of live races or games if the guest
1477 track is within the market area of such operating permitholder.

1478 (8)~~(10)~~ All costs of receiving the transmission of the
1479 broadcasts shall be borne by the guest track; and all costs of
1480 sending the broadcasts shall be borne by the host track.

1481 (9) A greyhound racing permitholder, as provided in
1482 subsection (2), operating pursuant to a current year's operating

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1483 license that specifies no live performances or less than a full
1484 schedule of live performances is qualified to:

1485 (a) Receive broadcasts at any time of any class of pari-
1486 mutuel race or game and accept wagers on such races or games
1487 conducted by any class of permitholder licensed under this
1488 chapter; and

1489 (b) Accept wagers on live races conducted at out-of-state
1490 greyhound tracks only on the days when such permitholder
1491 receives all live races that any greyhound host track in this
1492 state makes available.

1493 Section 23. Paragraphs (d), (f), and (g) of subsection (9)
1494 of section 550.6305, Florida Statutes, are amended to read:

1495 550.6305 Intertrack wagering; guest track payments;
1496 accounting rules.-

1497 (9) A host track that has contracted with an out-of-state
1498 horse track to broadcast live races conducted at such out-of-
1499 state horse track pursuant to s. 550.3551(5) may broadcast such
1500 out-of-state races to any guest track and accept wagers thereon
1501 in the same manner as is provided in s. 550.3551.

1502 (d) Any permitholder located in any area of the state where
1503 there are only two permits, one for greyhound racing ~~dogracing~~
1504 and one for jai alai, and any permitholder that converted its
1505 permit to conduct jai alai to a permit to conduct greyhound
1506 racing in lieu of jai alai under s. 550.054(14), Florida
1507 Statutes 2014, as created by s. 6, chapter 2009-170, Laws of
1508 Florida, may accept wagers on rebroadcasts of out-of-state
1509 thoroughbred horse races from an in-state thoroughbred horse
1510 racing permitholder and is ~~shall~~ not be subject to the
1511 provisions of paragraph (b) if such thoroughbred ~~horse~~ racing

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1512 permitholder located within the area specified in this paragraph
1513 is both conducting live races and accepting wagers on out-of-
1514 state horseraces. In such case, the guest permitholder is ~~shall~~
1515 ~~be~~ entitled to 45 percent of the net proceeds on wagers accepted
1516 at the guest facility. The remaining proceeds shall be
1517 distributed as follows: one-half shall be retained by the host
1518 facility and one-half shall be paid by the host facility as
1519 purses at the host facility.

1520 (f) Any permitholder located in any area of the state where
1521 there are only two permits, one for greyhound racing ~~dog racing~~
1522 and one for jai alai, and any permitholder that converted its
1523 permit to conduct jai alai to a permit to conduct greyhound
1524 racing in lieu of jai alai under s. 550.054(14), Florida
1525 Statutes 2014, as created by s. 6, chapter 2009-170, Laws of
1526 Florida, may accept wagers on rebroadcasts of out-of-state
1527 harness horse races from an in-state harness horse racing
1528 permitholder and may ~~shall~~ not be subject to ~~the provisions of~~
1529 paragraph (b) if such harness horse racing permitholder located
1530 within the area specified in this paragraph is conducting live
1531 races. In such case, the guest permitholder is ~~shall be~~ entitled
1532 to 45 percent of the net proceeds on wagers accepted at the
1533 guest facility. The remaining proceeds shall be distributed as
1534 follows: one-half shall be retained by the host facility and
1535 one-half shall be paid by the host facility as purses at the
1536 host facility.

1537 (g)1.a. Any thoroughbred racing permitholder that ~~which~~
1538 accepts wagers on a simulcast signal must make the signal
1539 available to any permitholder that is eligible to conduct
1540 intertrack wagering under the provisions of ss. 550.615-

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1541 550.6345.

1542 ~~b.2.~~ Any thoroughbred racing permitholder that ~~which~~
1543 accepts wagers on a simulcast signal received after 6 p.m. must
1544 make such signal available to any permitholder that is eligible
1545 to conduct intertrack wagering under the provisions of ss.
1546 550.615-550.6345, ~~including any permitholder located as~~
1547 ~~specified in s. 550.615(6)~~. Such guest permitholders are
1548 authorized to accept wagers on such simulcast signal,
1549 notwithstanding any other provision of this chapter to the
1550 contrary.

1551 ~~c.3.~~ Any thoroughbred racing permitholder that ~~which~~
1552 accepts wagers on a simulcast signal received after 6 p.m. must
1553 make such signal available to any permitholder that is eligible
1554 to conduct intertrack wagering under ~~the provisions of~~ ss.
1555 550.615-550.6345, ~~including any permitholder located as~~
1556 ~~specified in s. 550.615(9)~~. Such guest permitholders are
1557 authorized to accept wagers on such simulcast signals for a
1558 number of performances not to exceed that which constitutes a
1559 full schedule of live races for a quarter horse racing
1560 permitholder pursuant to s. 550.002(11), notwithstanding any
1561 other provision of this chapter to the contrary, ~~except that the~~
1562 ~~restrictions provided in s. 550.615(9)(a) apply to wagers on~~
1563 ~~such simulcast signals.~~

1564 2. A ~~No~~ thoroughbred racing permitholder is not ~~shall be~~
1565 required to continue to rebroadcast a simulcast signal to any
1566 in-state permitholder if the average per performance gross
1567 receipts returned to the host permitholder over the preceding
1568 30-day period were less than \$100. Subject to the provisions of
1569 s. 550.615(4), as a condition of receiving rebroadcasts of

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1570 thoroughbred simulcast signals under this paragraph, a guest
1571 permitholder must accept intertrack wagers on all live races
1572 conducted by all then-operating thoroughbred racing
1573 permitholders.

1574 Section 24. Section 550.6308, Florida Statutes, is amended
1575 to read:

1576 550.6308 Limited intertrack wagering license.—In
1577 recognition of the economic importance of the thoroughbred
1578 breeding industry to this state, its positive impact on tourism,
1579 and of the importance of a permanent thoroughbred sales facility
1580 as a key focal point for the activities of the industry, a
1581 limited license to conduct intertrack wagering is established to
1582 ensure the continued viability and public interest in
1583 thoroughbred breeding in Florida.

1584 (1) (a) Upon application to the division on or before
1585 January 31 of each year, any person that is licensed to conduct
1586 public sales of thoroughbred horses pursuant to s. 535.01 and~~7~~
1587 that has conducted at least 8 ~~15~~ days of thoroughbred horse
1588 sales at a permanent sales facility in this state for at least 3
1589 consecutive years, ~~and that has conducted at least 1 day of~~
1590 ~~nonwagering thoroughbred racing in this state, with a purse~~
1591 ~~structure of at least \$250,000 per year for 2 consecutive years~~
1592 ~~before such application,~~ shall be issued a license, subject to
1593 the conditions set forth in this section, to conduct intertrack
1594 wagering at such a permanent sales facility during the following
1595 periods:

1596 1.(a) Up to 21 days in connection with thoroughbred sales;

1597 2.(b) Between November 1 and May 8;

1598 3.(c) Between May 9 and October 31 at such times and on

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1599 such days as any thoroughbred racing, jai alai, or a greyhound
1600 racing permitholder in the same county is not conducting live
1601 performances; provided that any such permitholder may waive this
1602 requirement, in whole or in part, and allow the licensee under
1603 this section to conduct intertrack wagering during one or more
1604 of the permitholder's live performances; and

1605 4.~~(d)~~ During the weekend of the Kentucky Derby, the
1606 Preakness, the Belmont, and a Breeders' Cup Meet that is
1607 conducted before November 1 and after May 8.

1608 (b) Only ~~no more than~~ one such license may be issued, and
1609 the no-such license may not be issued for a facility located
1610 within 50 miles of any for-profit thoroughbred racing
1611 permitholder's licensed track.

1612 (2) If more than one application is submitted for such
1613 license, the division shall determine which applicant shall be
1614 granted the license. In making its determination, the division
1615 shall grant the license to the applicant demonstrating superior
1616 capabilities, as measured by the length of time the applicant
1617 has been conducting thoroughbred sales within this state or
1618 elsewhere, the applicant's total volume of thoroughbred horse
1619 sales, within this state or elsewhere, the length of time the
1620 applicant has maintained a permanent thoroughbred sales facility
1621 in this state, and the quality of the facility.

1622 (3) The applicant must comply with the provisions of ss.
1623 550.125 and 550.1815.

1624 ~~(4) Intertrack wagering under this section may be conducted~~
1625 ~~only on thoroughbred horse racing, except that intertrack~~
1626 ~~wagering may be conducted on any class of pari-mutuel race or~~
1627 ~~game conducted by any class of permitholders licensed under this~~

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1628 ~~chapter if all thoroughbred, jai alai, and greyhound~~
1629 ~~permitholders in the same county as the licensee under this~~
1630 ~~section give their consent.~~

1631 (4)~~(5)~~ The licensee shall be considered a guest track under
1632 this chapter. The licensee shall pay 2.5 percent of the total
1633 contributions to the daily pari-mutuel pool on wagers accepted
1634 at the licensee's facility on greyhound races or jai alai games
1635 to the thoroughbred racing permitholder that is conducting live
1636 races for purses to be paid during its current racing meet. If
1637 more than one thoroughbred racing permitholder is conducting
1638 live races on a day during which the licensee is conducting
1639 intertrack wagering on greyhound races or jai alai games, the
1640 licensee shall allocate these funds between the operating
1641 thoroughbred racing permitholders on a pro rata basis based on
1642 the total live handle at the operating permitholders'
1643 facilities.

1644 Section 25. Section 551.101, Florida Statutes, is amended
1645 to read:

1646 551.101 Slot machine gaming authorized.~~Possession of slot~~
1647 machines and conduct of slot machine gaming is authorized only
1648 at licensed facilities eligible pursuant to this chapter ~~Any~~
1649 ~~licensed pari-mutuel facility located in Miami-Dade County or~~
1650 ~~Broward County existing at the time of adoption of s. 23, Art. X~~
1651 ~~of the State Constitution that has conducted live racing or~~
1652 ~~games during calendar years 2002 and 2003 may possess slot~~
1653 ~~machines and conduct slot machine gaming at the location where~~
1654 ~~the pari-mutuel permitholder is authorized to conduct pari-~~
1655 ~~mutuel wagering activities pursuant to such permitholder's valid~~
1656 ~~pari-mutuel permit provided that a majority of voters in a~~

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1657 ~~countywide referendum have approved slot machines at such~~
1658 ~~facility in the respective county.~~ Notwithstanding any other
1659 ~~provision of law,~~ it is not a crime for a person to participate
1660 in slot machine gaming at a pari-mutuel facility licensed to
1661 possess slot machines and conduct slot machine gaming or to
1662 participate in slot machine gaming described in this chapter.

1663 Section 26. Subsections (4) and (11) of section 551.102,
1664 Florida Statutes, are amended to read:

1665 551.102 Definitions.—As used in this chapter, the term:

1666 (4) "Eligible facility" means a any licensed pari-mutuel
1667 facility that meets the requirements of ss. 551.104 and 551.1041
1668 ~~located in Miami-Dade County or Broward County existing at the~~
1669 ~~time of adoption of s. 23, Art. X of the State Constitution that~~
1670 ~~has conducted live racing or games during calendar years 2002~~
1671 ~~and 2003 and has been approved by a majority of voters in a~~
1672 ~~countywide referendum to have slot machines at such facility in~~
1673 ~~the respective county; any licensed pari-mutuel facility located~~
1674 ~~within a county as defined in s. 125.011, provided such facility~~
1675 ~~has conducted live racing for 2 consecutive calendar years~~
1676 ~~immediately preceding its application for a slot machine~~
1677 ~~license, pays the required license fee, and meets the other~~
1678 ~~requirements of this chapter; or any licensed pari-mutuel~~
1679 ~~facility in any other county in which a majority of voters have~~
1680 ~~approved slot machines at such facilities in a countywide~~
1681 ~~referendum held pursuant to a statutory or constitutional~~
1682 ~~authorization after the effective date of this section in the~~
1683 ~~respective county, provided such facility has conducted a full~~
1684 ~~schedule of live racing for 2 consecutive calendar years~~
1685 ~~immediately preceding its application for a slot machine~~

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1686 ~~license~~, pays the required license ~~licensed~~ fee, and meets the
1687 other requirements of this chapter.

1688 (11) "Slot machine licensee" means a pari-mutuel
1689 permitholder that ~~who~~ holds a license issued by the division
1690 pursuant to this chapter which ~~that~~ authorizes such person to
1691 possess a slot machine within facilities as provided in this
1692 chapter specified in s. 23, Art. X of the State Constitution and
1693 allows slot machine gaming.

1694 Section 27. Subsection (2) and paragraph (c) of subsection
1695 (4) of section 551.104, Florida Statutes, are amended, paragraph
1696 (e) is added to subsection (10) of that section, and subsection
1697 (3) of that section is republished, to read:

1698 551.104 License to conduct slot machine gaming.—

1699 (2) If it is determined that the application would not
1700 trigger a reduction in revenue-sharing payments under the Gaming
1701 Compact between the Seminole Tribe of Florida and the State of
1702 Florida, an application may be approved by the division, but
1703 only for:

1704 (a) A licensed pari-mutuel facility where live racing or
1705 games were conducted during calendar years 2002 and 2003 which
1706 is located in Miami-Dade County or Broward County and is
1707 authorized for slot machine licensure pursuant to s. 23, Art. X
1708 of the State Constitution.

1709 (b) A licensed pari-mutuel facility where a full schedule
1710 of live horseracing has been conducted for 2 consecutive
1711 calendar years immediately preceding its application for a slot
1712 machine license and which is located within a county as defined
1713 in s. 125.011.

1714 (c) A licensed pari-mutuel facility authorized under s.

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1715 ~~551.1041 after the voters of the county where the applicant's~~
1716 ~~facility is located have authorized by referendum slot machines~~
1717 ~~within pari-mutuel facilities in that county as specified in s.~~
1718 ~~23, Art. X of the State Constitution.~~

1719 (3) A slot machine license may be issued only to a licensed
1720 pari-mutuel permitholder, and slot machine gaming may be
1721 conducted only at the eligible facility at which the
1722 permitholder is authorized under its valid pari-mutuel wagering
1723 permit to conduct pari-mutuel wagering activities.

1724 (4) As a condition of licensure and to maintain continued
1725 authority for the conduct of slot machine gaming, the slot
1726 machine licensee shall:

1727 (c) Conduct ~~no fewer than~~ a full schedule of live racing or
1728 games as defined in s. 550.002(11), excluding any. ~~A~~
1729 ~~permitholder's responsibility to conduct such number of live~~
1730 ~~races or games shall be reduced by the number of~~ races or games
1731 that could not be conducted as a due to the direct result of
1732 fire, war, hurricane, or other disaster or event beyond the
1733 control of the permitholder. This paragraph does not apply to a
1734 greyhound racing permitholder that conducted a full schedule of
1735 live racing for a period of at least 10 consecutive state fiscal
1736 years after the 2002-2003 state fiscal year or to a thoroughbred
1737 racing permitholder that holds a slot machine license if it has
1738 entered into an agreement with another thoroughbred racing
1739 permitholder to conduct its race meet at the other thoroughbred
1740 racing permitholder's facility.

1741 (10)

1742 (e) Each slot machine licensee that does not offer live
1743 racing shall withhold 2 percent of its net revenue from slot

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1744 machines to be deposited into a purse pool to be paid as purses
1745 to licensed pari-mutuel facilities offering live racing or
1746 games. This paragraph does not apply to slot machine licenses
1747 issued pursuant to subsection (1).

1748 Section 28. Section 551.1041, Florida Statutes, is created
1749 to read:

1750 551.1041 Additional slot machine licenses.-

1751 (1) An additional slot machine license is authorized and
1752 may be issued to a pari-mutuel permitholder for a slot machine
1753 facility in Miami-Dade County.

1754 (2) An additional slot machine license is authorized and
1755 may be issued to a pari-mutuel permitholder for a slot machine
1756 facility in Palm Beach County.

1757 (3) A slot machine license may not be issued under this
1758 section until a majority of the voters of the county where the
1759 facility is located approve slot machines at the facility in a
1760 referendum held after July 1, 2016. The referendum may be
1761 conducted pursuant to s. 550.0651. If a special election is not
1762 held, the referendum shall be conducted at the next general
1763 election in that county.

1764 (4) Application for a slot machine license must be made by
1765 sealed bid to the division, with the license awarded to the
1766 highest bidder. Before the advertisement or notice of bid
1767 solicitations, the division shall publish prequalification
1768 procedures and requirements that, at minimum, meet the criteria
1769 in subsection (5). The division shall adopt by rule the form for
1770 the bid. The form shall include the applicant's bid amount and
1771 evidence that the applicant meets the prequalification criteria.
1772 The bids may not be opened until the day, time, and place

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1773 designated by the division and provided in the notice, at which
1774 time all bids shall be opened at a public meeting pursuant to s.
1775 286.011. Any challenge or protest of the award is subject to s.
1776 120.57(3). Section 120.60(1) does not apply to the bid process
1777 established by this section.

1778 (5) At minimum, the prequalification criteria must include:

1779 (a) Evidence that the bidder meets the qualifications in
1780 chapters 550 and 551, as applicable; and

1781 (b) Evidence that the bidder has purchased, or entered into
1782 an agreement to purchase and transfer, an active pari-mutuel
1783 permit with the intent to surrender and void such permit, as
1784 provided in s. 550.1751.

1785 (6) To be eligible for a slot machine license under this
1786 section, the applicant must submit a minimum bid of \$3 million.
1787 If no minimum bids are received, the slot machine license will
1788 not be issued and the division may restart the bid process on
1789 its own initiative or upon the receipt of a petition by a
1790 potential bidder to start the bid process.

1791 (7) A slot machine licensee who is awarded a license under
1792 this section may make available for play the following machines:

1793 (a) After the issuance of the initial slot machine license
1794 and before October 1, 2018, up to a total of 500 slot machines
1795 and 250 video race terminals.

1796 (b) On or after October 1, 2018, up to a total of 750 slot
1797 machines and 750 video race terminals.

1798 (8) The following requirements apply to slot machines and
1799 video race terminals authorized under this section:

1800 (a) A wager on a slot machine or a video race terminal may
1801 not exceed \$5 per game or race.

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1802 (b) Only one game or race may be played at any given time
1803 on a slot machine or video race terminal, and a player may not
1804 wager on a new game or race until the previous game or race has
1805 been completed.

1806 (c) Slot machines and video race terminals may not offer
1807 games that use tangible playing cards, but may have games that
1808 use electronic or virtual cards.

1809 (9) As used in subsections (7) and (8), the term "video
1810 race terminal" means an individual racing terminal linked to a
1811 central server as part of a network-based video game in which
1812 the terminals allow pari-mutuel wagering by players on the
1813 results of previously conducted horse races, but only if the
1814 game is certified in advance by an independent testing
1815 laboratory licensed or contracted by the division as complying
1816 with all of the following requirements:

1817 (a) All data on previously conducted horse races must be
1818 stored in a secure format on the central server, which must be
1819 located at the pari-mutuel facility.

1820 (b) Only horse races that were recorded at licensed pari-
1821 mutuel facilities in the United States after January 1, 2005,
1822 may be used.

1823 (c) After each wager is placed, the video race terminal
1824 must display a video of at least the final seconds of the horse
1825 race before any prize is awarded or indicated on the video race
1826 terminal.

1827 (d) The display of the video of the horse race must be
1828 shown on the video race terminal's video screen.

1829 (e) Mechanical reel displays are prohibited.

1830 (f) A video race terminal may not contain more than one

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1831 player position for placing wagers.

1832 (g) Coins, currency, or tokens may not be dispensed from a
1833 video race terminal.

1834 (h) Prizes must be awarded based solely on the results of a
1835 previously conducted horse race, and no additional element of
1836 chance may be used. However, a random number generator must be
1837 used to select from the central server the race to be displayed
1838 to the player(s) and to select numbers or other designations of
1839 race entrants that will be used in the various bet types for any
1840 "Quick Pick" bets. To prevent an astute player from recognizing
1841 the race based on the entrants and thus knowing the results
1842 before placing a wager, the entrants of the race may not be
1843 identified until after all wagers for that race have been
1844 placed.

1845 (10) Each slot machine licensee under this section shall
1846 withhold 1 percent of the net revenue from the slot machines and
1847 video race terminals authorized by this section to be deposited
1848 into a purse pool to be paid as purses for thoroughbred horse
1849 racing at a licensed pari-mutuel facility that is not authorized
1850 to conduct slot machine gaming.

1851 Section 29. Section 551.1042, Florida Statutes, is created
1852 to read:

1853 551.1042 Transfer or relocation of slot machine license
1854 prohibited.—A slot machine license issued under this chapter may
1855 not be transferred or reissued when such reissuance is in the
1856 nature of a transfer so as to permit or authorize a licensee to
1857 change the location of a slot machine facility.

1858 Section 30. Paragraph (a) of subsection (1) and paragraph
1859 (a) of subsection (2) of section 551.106, Florida Statutes, are

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1860 amended to read:

1861 551.106 License fee; tax rate; penalties.—

1862 (1) LICENSE FEE.—

1863 (a) Upon submission of the initial application for a slot
1864 machine license and annually thereafter, on the anniversary date
1865 of the issuance of the initial license, the licensee must pay to
1866 the division a nonrefundable license fee of ~~\$3 million for the~~
1867 ~~succeeding 12 months of licensure. In the 2010-2011 fiscal year,~~
1868 ~~the licensee must pay the division a nonrefundable license fee~~
1869 ~~of \$2.5 million for the succeeding 12 months of licensure. In~~
1870 ~~the 2011-2012 fiscal year and for every fiscal year thereafter,~~
1871 ~~the licensee must pay the division a nonrefundable license fee~~
1872 ~~of \$2 million for the succeeding 12 months of licensure. The~~
1873 license fee shall be deposited into the Pari-mutuel Wagering
1874 Trust Fund of the Department of Business and Professional
1875 Regulation to be used by the division and the Department of Law
1876 Enforcement for investigations, regulation of slot machine
1877 gaming, and enforcement of slot machine gaming provisions under
1878 this chapter. These payments shall be accounted for separately
1879 from taxes or fees paid pursuant to the provisions of chapter
1880 550.

1881 (2) TAX ON SLOT MACHINE REVENUES.—

1882 (a) The tax rate on slot machine revenues at each facility
1883 shall be 30 ~~35~~ percent. If, during any state fiscal year, the
1884 aggregate amount of tax paid to the state by all slot machine
1885 licensees in Broward and Miami-Dade Counties is less than the
1886 aggregate amount of tax paid to the state by all slot machine
1887 licensees in the 2008-2009 fiscal year, each slot machine
1888 licensee shall pay to the state within 45 days after the end of

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1889 the state fiscal year a surcharge equal to its pro rata share of
1890 an amount equal to the difference between the aggregate amount
1891 of tax paid to the state by all slot machine licensees in the
1892 2008-2009 fiscal year and the amount of tax paid during the
1893 fiscal year. Each licensee's pro rata share shall be an amount
1894 determined by dividing the number 1 by the number of facilities
1895 licensed to operate slot machines during the applicable fiscal
1896 year, regardless of whether the facility is operating such
1897 machines.

1898 Section 31. Subsections (1), (2), and (4) of section
1899 551.114, Florida Statutes, are amended to read:

1900 551.114 Slot machine gaming areas.—

1901 (1) A slot machine licensee may make available for play up
1902 to 1,700 ~~2,000~~ slot machines within the property of the
1903 facilities of the slot machine licensee.

1904 (2) The slot machine licensee shall display pari-mutuel
1905 races or games within the designated slot machine gaming areas
1906 and offer patrons within the designated slot machine gaming
1907 areas the ability to engage in pari-mutuel wagering on any live,
1908 intertrack, and simulcast races conducted or offered to patrons
1909 of the licensed facility.

1910 (4) Designated slot machine gaming areas may be located
1911 within the current live gaming facility or in an existing
1912 building that must be contiguous and connected to the live
1913 gaming facility. If a designated slot machine gaming area is to
1914 be located in a building that is to be constructed, that new
1915 building must be contiguous and connected to the live gaming
1916 facility. For a greyhound racing permitholder, jai alai
1917 permitholder, harness horse racing permitholder, or quarter

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1918 horse permitholder licensed to conduct pari-mutuel activities
1919 pursuant to a current year's operating license that does not
1920 require live performances or games, designated slot machine
1921 gaming areas may be located only within the eligible facility
1922 for which the initial annual slot machine license was issued.

1923 Section 32. Section 551.116, Florida Statutes, is amended
1924 to read:

1925 551.116 Days and hours of operation.—Slot machine gaming
1926 areas may be open 24 hours per day, 7 days a week daily
1927 throughout the year. ~~The slot machine gaming areas may be open a~~
1928 ~~cumulative amount of 18 hours per day on Monday through Friday~~
1929 ~~and 24 hours per day on Saturday and Sunday and on those~~
1930 ~~holidays specified in s. 110.117(1).~~

1931 Section 33. Subsections (1) and (3) of section 551.121,
1932 Florida Statutes, are amended to read:

1933 551.121 Prohibited activities and devices; exceptions.—

1934 (1) Complimentary or reduced-cost alcoholic beverages may
1935 ~~not~~ be served to a person ~~persons~~ playing a slot machine.
1936 ~~Alcoholic beverages served to persons playing a slot machine~~
1937 ~~shall cost at least the same amount as alcoholic beverages~~
1938 ~~served to the general public at a bar within the facility.~~

1939 (3) A slot machine licensee may ~~not~~ allow any automated
1940 teller machine or similar device designed to provide credit or
1941 dispense cash to be located within the designated slot machine
1942 gaming areas of a facility of a slot machine licensee.

1943 Section 34. Present subsections (9) through (17) of section
1944 849.086, Florida Statutes, are redesignated as subsections (10)
1945 through (18), respectively, a new subsection (9) is added to
1946 that section, and subsections (1), (2), (4), and (5), paragraphs

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1947 (b) and (c) of subsection (7), subsection (8), present
 1948 subsections (10) and (12), paragraphs (d) and (h) of present
 1949 subsection (13), and present subsections (16) and (17) of that
 1950 section are amended, to read:

1951 849.086 Cardrooms authorized.—

1952 (1) LEGISLATIVE INTENT.—It is the intent of the Legislature
 1953 to provide additional entertainment choices for the residents of
 1954 and visitors to the state, promote tourism in the state, and
 1955 provide additional state revenues through the authorization of
 1956 the playing of certain games in the state at facilities known as
 1957 cardrooms which are to be located at licensed pari-mutuel
 1958 facilities. To ensure the public confidence in the integrity of
 1959 authorized cardroom operations, this act is designed to strictly
 1960 regulate the facilities, persons, and procedures related to
 1961 cardroom operations. Furthermore, the Legislature finds that
 1962 authorized games of card and dominoes ~~as herein defined~~ are
 1963 considered to be pari-mutuel style games and not casino gaming
 1964 because the participants play against each other instead of
 1965 against the house.

1966 (2) DEFINITIONS.—As used in this section:

1967 (a) "Authorized game" means a game or series of card and
 1968 domino games that of poker or dominoes which are played in
 1969 conformance with this section ~~a nonbanking manner.~~

1970 (b) "Banking game" means a game in which the house is a
 1971 participant in the game, taking on players, paying winners, and
 1972 collecting from losers ~~or in which the cardroom establishes a~~
 1973 ~~bank against which participants play.~~

1974 (c) "Cardroom" means a facility where authorized games are
 1975 played for money or anything of value and to which the public is

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1976 invited to participate in such games and charged a fee for
1977 participation by the operator of such facility. Authorized games
1978 and cardrooms do not constitute casino gaming operations if
1979 conducted at an eligible facility.

1980 (d) "Cardroom management company" means any individual not
1981 an employee of the cardroom operator, any proprietorship,
1982 partnership, corporation, or other entity that enters into an
1983 agreement with a cardroom operator to manage, operate, or
1984 otherwise control the daily operation of a cardroom.

1985 (e) "Cardroom distributor" means any business that
1986 distributes cardroom paraphernalia such as card tables, betting
1987 chips, chip holders, dominoes, dominoes tables, drop boxes,
1988 banking supplies, playing cards, card shufflers, and other
1989 associated equipment to authorized cardrooms.

1990 (f) "Cardroom operator" means a licensed pari-mutuel
1991 permitholder that ~~which~~ holds a valid permit and license issued
1992 by the division pursuant to chapter 550 and which also holds a
1993 valid cardroom license issued by the division pursuant to this
1994 section which authorizes such person to operate a cardroom and
1995 to conduct authorized games in such cardroom.

1996 (g) "Designated player" means the player identified as the
1997 player in the dealer position and seated at a traditional player
1998 position in a designated player game and who pays winning
1999 players and collects from losing players.

2000 (h) "Designated player game" means a game consisting of at
2001 least three cards in which the players compare their cards only
2002 to the cards of the designated player.

2003 (i) ~~(g)~~ "Division" means the Division of Pari-mutuel
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2005 Regulation.

2006 (j)~~(h)~~ "Dominoes" means a game of dominoes typically played
2007 with a set of 28 flat rectangular blocks, called "bones," which
2008 are marked on one side and divided into two equal parts, with
2009 zero to six dots, called "pips," in each part. The term also
2010 includes larger sets of blocks that contain a correspondingly
2011 higher number of pips. The term also means the set of blocks
2012 used to play the game.

2013 (k)~~(i)~~ "Gross receipts" means the total amount of money
2014 received by a cardroom from any person for participation in
2015 authorized games.

2016 (l)~~(j)~~ "House" means the cardroom operator and all
2017 employees of the cardroom operator.

2018 (m)~~(k)~~ "Net proceeds" means the total amount of gross
2019 receipts received by a cardroom operator from cardroom
2020 operations less direct operating expenses related to cardroom
2021 operations, including labor costs, admission taxes only if a
2022 separate admission fee is charged for entry to the cardroom
2023 facility, gross receipts taxes imposed on cardroom operators by
2024 this section, the annual cardroom license fees imposed by this
2025 section on each table operated at a cardroom, and reasonable
2026 promotional costs excluding officer and director compensation,
2027 interest on capital debt, legal fees, real estate taxes, bad
2028 debts, contributions or donations, or overhead and depreciation
2029 expenses not directly related to the operation of the cardrooms.

2030 (n)~~(l)~~ "Rake" means a set fee or percentage of the pot
2031 assessed by a cardroom operator for providing the services of a
2032 dealer, table, or location for playing the authorized game.

2033 (o)~~(m)~~ "Tournament" means a series of games that have more

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2034 than one betting round involving one or more tables and where
2035 the winners or others receive a prize or cash award.

2036 (4) AUTHORITY OF DIVISION.—The Division of Pari-mutuel
2037 Wagering of the Department of Business and Professional
2038 Regulation shall administer this section and regulate the
2039 operation of cardrooms under this section and the rules adopted
2040 ~~pursuant thereto~~, and is hereby authorized to:

2041 (a) Adopt rules, including, but not limited to: the
2042 issuance of cardroom and employee licenses for cardroom
2043 operations; the operation of a cardroom and games; recordkeeping
2044 and reporting requirements; and the collection of all fees and
2045 taxes imposed by this section.

2046 (b) Conduct investigations and monitor the operation of
2047 cardrooms and the playing of authorized games at the cardrooms
2048 ~~therein~~.

2049 (c) Review the books, accounts, and records of any current
2050 or former cardroom operator.

2051 (d) Suspend or revoke any license or permit, after hearing,
2052 for any violation of the provisions of this section or the
2053 administrative rules adopted pursuant thereto.

2054 (e) Take testimony, issue summons and subpoenas for any
2055 witness, and issue subpoenas duces tecum in connection with any
2056 matter within its jurisdiction.

2057 (f) Monitor and ensure the proper collection of taxes and
2058 fees imposed by this section. Permitholder internal controls are
2059 mandated to ensure no compromise of state funds. To that end, a
2060 roaming division auditor will monitor and verify the cash flow
2061 and accounting of cardroom revenue for any given operating day.

2062 (5) LICENSE REQUIRED; APPLICATION; FEES.—A ~~No~~ person may

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2063 not operate a cardroom in this state unless such person holds a
2064 valid cardroom license issued pursuant to this section.

2065 (a) Only those persons holding a valid cardroom license
2066 issued by the division may operate a cardroom. A cardroom
2067 license may only be issued to a licensed pari-mutuel
2068 permitholder, and an authorized cardroom may only be operated at
2069 the same facility at which the permitholder is authorized under
2070 its valid pari-mutuel wagering permit to conduct pari-mutuel
2071 wagering activities if the permitholder offers live racing or
2072 games. However, a thoroughbred racing permitholder that holds a
2073 slot machine license and has entered into an agreement with
2074 another thoroughbred racing permitholder to conduct its race
2075 meet at the other thoroughbred racing permitholder's facility
2076 may operate a cardroom at the slot facility stated in the
2077 permitholder's slot machine license. An initial cardroom license
2078 shall be issued to a pari-mutuel permitholder only after its
2079 facilities are in place and after it conducts its first day of
2080 live racing or games if the permitholder offers live racing or
2081 games.

2082 (b) After the initial cardroom license is granted, the
2083 application for the annual license renewal shall be made in
2084 conjunction with the applicant's annual application for its
2085 pari-mutuel license. If a permitholder has operated a cardroom
2086 during any of the 3 previous fiscal years and fails to include a
2087 renewal request for the operation of the cardroom in its annual
2088 application for license renewal, the permitholder may amend its
2089 annual application to include operation of the cardroom. ~~In~~
2090 ~~order for a cardroom license to be renewed the applicant must~~
2091 ~~have requested, as part of its pari-mutuel annual license~~

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2092 application, to conduct at least 90 percent of the total number
2093 of live performances conducted by such permitholder during
2094 either the state fiscal year in which its initial cardroom
2095 license was issued or the state fiscal year immediately prior
2096 thereto if the permitholder ran at least a full schedule of live
2097 racing or games in the prior year. If the application is for a
2098 harness permitholder cardroom, the applicant must have requested
2099 authorization to conduct a minimum of 140 live performances
2100 during the state fiscal year immediately prior thereto. If more
2101 than one permitholder is operating at a facility, each
2102 permitholder must have applied for a license to conduct a full
2103 schedule of live racing.

2104 (c) A greyhound racing permitholder is exempt from the live
2105 racing requirements of this subsection if it conducted a full
2106 schedule of live racing for a period of at least 10 consecutive
2107 state fiscal years after the 1996-1997 state fiscal year or if
2108 it converted its permit to a permit to conduct greyhound racing
2109 after that fiscal year. However, as a condition of cardroom
2110 licensure, greyhound racing permitholders who are not conducting
2111 a full schedule of live racing must conduct intertrack wagering
2112 on thoroughbred signals, to the extent available, on each day of
2113 cardroom operation.

2114 (d)-(e) Persons seeking a license or a renewal thereof to
2115 operate a cardroom shall make application on forms prescribed by
2116 the division. Applications for cardroom licenses shall contain
2117 all of the information the division, by rule, may determine is
2118 required to ensure eligibility.

2119 (e)-(d) The annual cardroom license fee for each facility
2120 shall be \$1,000 for each table to be operated at the cardroom.

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2121 The license fee shall be deposited by the division with the
2122 Chief Financial Officer to the credit of the Pari-mutuel
2123 Wagering Trust Fund.

2124 (7) CONDITIONS FOR OPERATING A CARDROOM.—

2125 (b) Any cardroom operator may operate a cardroom at the
2126 pari-mutuel facility daily throughout the year, if the
2127 permitholder meets the requirements under paragraph (5) (b). The
2128 cardroom may be open ~~a cumulative amount of 18 hours per day on~~
2129 ~~Monday through Friday and 24 hours per day on Saturday and~~
2130 ~~Sunday and on the holidays specified in s. 110.117(1).~~

2131 (c) For authorized games of poker or dominoes at a
2132 cardroom, a cardroom operator must at all times employ and
2133 provide a nonplaying live dealer at ~~for~~ each table on which the
2134 authorized card games ~~which traditionally use a dealer~~ are
2135 conducted ~~at the cardroom~~. Such dealers may not have a
2136 participatory interest in any game other than the dealing of
2137 cards and may not have an interest in the outcome of the game.
2138 The providing of such dealers by a licensee does not constitute
2139 the conducting of a banking game by the cardroom operator.

2140 (8) METHOD OF WAGERS; LIMITATION.—

2141 (a) ~~No~~ Wagering may not be conducted using money or other
2142 negotiable currency. Games may only be played utilizing a
2143 wagering system whereby all players' money is first converted by
2144 the house to tokens or chips that may ~~which shall~~ be used for
2145 wagering only at that specific cardroom.

2146 (b) For authorized games of poker or dominoes, the cardroom
2147 operator may limit the amount wagered in any game or series of
2148 games.

2149 (c) A tournament shall consist of a series of games. The

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2150 entry fee for a tournament may be set by the cardroom operator.
2151 Tournaments may be played only with tournament chips that are
2152 provided to all participants in exchange for an entry fee and
2153 any subsequent re-buys. All players must receive an equal number
2154 of tournament chips for their entry fee. Tournament chips have
2155 no cash value and represent tournament points only. There is no
2156 limitation on the number of tournament chips that may be used
2157 for a bet except as otherwise determined by the cardroom
2158 operator. Tournament chips may never be redeemed for cash or for
2159 any other thing of value. The distribution of prizes and cash
2160 awards must be determined by the cardroom operator before entry
2161 fees are accepted. For purposes of tournament play only, the
2162 term "gross receipts" means the total amount received by the
2163 cardroom operator for all entry fees, player re-buys, and fees
2164 for participating in the tournament less the total amount paid
2165 to the winners or others as prizes.

2166 (9) DESIGNATED PLAYER GAMES AUTHORIZED.—

2167 (a) A cardroom operator that does not possess slot machines
2168 or a slot machine license may offer designated player games
2169 consisting of players making wagers against another player. The
2170 maximum wager in such games may not exceed \$25.

2171 (b) The designated player must occupy a playing position at
2172 the table and may not be required to cover all wagers or cover
2173 more than 10 times the minimum posted wager for players seated
2174 during a single game.

2175 (c) Each seated player shall be afforded the temporary
2176 opportunity to be the designated player to wager against
2177 multiple players at the same table, provided that this position
2178 is rotated among the other seated players in the game. The

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2179 opportunity to be a designated player must be offered to each
2180 player, in a clockwise rotation, after each hand. The
2181 opportunity to be the designated player may be declined by a
2182 player. A player participating as a designated player for 30
2183 consecutive hands must subsequently play as a nondesignated
2184 player for at least 2 hands before he or she may resume as the
2185 designated player.

2186 (d) The cardroom operator may not serve as a designated
2187 player in any game. The cardroom operator may not have any
2188 direct or indirect financial or pecuniary interest in a
2189 designated player in any game.

2190 (e) A designated player may only wager personal funds or
2191 funds from a sole proprietorship. A designated player may not be
2192 directly or indirectly financed or controlled by another party.
2193 A designated player shall operate independently.

2194 (f) Designated player games offered by a cardroom operator
2195 may not make up more than 25 percent of the total authorized
2196 game tables at the cardroom.

2197 (g) Licensed pari-mutuel facilities that offer slot machine
2198 gaming or video race terminals may not offer designated player
2199 games.

2200 (h) The division may only approve cardroom operators to
2201 conduct designated player games only if such games would not
2202 trigger a reduction in revenue-sharing payments under the Gaming
2203 Compact between the Seminole Tribe of Florida and the State of
2204 Florida.

2205 (11)-(10) FEE FOR PARTICIPATION.-The cardroom operator may
2206 charge a fee for the right to participate in poker or dominoes
2207 games conducted at the cardroom. Such fee may be either a flat

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2208 fee or hourly rate for the use of a seat at a table or a rake
2209 subject to the posted maximum amount but may not be based on the
2210 amount won by players. The rake-off, if any, must be made in an
2211 obvious manner and placed in a designated rake area which is
2212 clearly visible to all players. Notice of the amount of the
2213 participation fee charged shall be posted in a conspicuous place
2214 in the cardroom and at each table at all times.

2215 (13)~~(12)~~ PROHIBITED ACTIVITIES.—

2216 (a) A ~~No~~ person licensed to operate a cardroom may not
2217 conduct ~~any banking game or~~ any game not specifically authorized
2218 by this section.

2219 (b) A ~~No~~ person under 18 years of age may not be allowed
2220 ~~permitted~~ to hold a cardroom or employee license, or to engage
2221 in any game conducted in the cardroom therein.

2222 (c) With the exception of mechanical card shufflers, ~~No~~
2223 electronic or mechanical devices, ~~except mechanical card~~
2224 ~~shufflers,~~ may not be used to conduct any authorized game in a
2225 cardroom.

2226 (d) ~~No~~ Cards, game components, or game implements may not
2227 be used in playing an authorized game unless such have ~~has~~ been
2228 furnished or provided to the players by the cardroom operator.

2229 (14)~~(13)~~ TAXES AND OTHER PAYMENTS.—

2230 (d)1. Each greyhound racing permitholder conducting live
2231 racing and jai alai permitholder that operates a cardroom
2232 facility shall use at least 4 percent of such permitholder's
2233 cardroom monthly gross receipts to supplement greyhound purses
2234 or jai alai prize money, respectively, during the permitholder's
2235 current or next ensuing pari-mutuel meet.

2236 2. Each thoroughbred and harness horse racing permitholder

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2237 that operates a cardroom facility shall use at least 50 percent
2238 of such permitholder's cardroom monthly net proceeds as follows:
2239 47 percent to supplement purses and 3 percent to supplement
2240 breeders' awards during the permitholder's next ensuing racing
2241 meet.

2242 3. Each harness horse racing permitholder that operates a
2243 cardroom facility shall use at least 50 percent of such
2244 permitholder's cardroom monthly net proceeds as follows: 47
2245 percent to supplement purses and 3 percent to supplement
2246 breeders' awards during the permitholder's next ensuing racing
2247 meet if the permitholder offers live races or games.

2248 4.3. No cardroom license or renewal thereof shall be issued
2249 to an applicant holding a permit under chapter 550 to conduct
2250 pari-mutuel wagering meets of quarter horse racing unless the
2251 applicant has on file with the division a binding written
2252 agreement between the applicant and the Florida Quarter Horse
2253 Racing Association or the association representing a majority of
2254 the horse owners and trainers at the applicant's eligible
2255 facility, governing the payment of purses on live quarter horse
2256 races conducted at the licensee's pari-mutuel facility. The
2257 agreement governing purses may direct the payment of such purses
2258 from revenues generated by any wagering or gaming the applicant
2259 is authorized to conduct under Florida law. All purses shall be
2260 subject to the terms of chapter 550.

2261 (h) One-quarter of the moneys deposited into the Pari-
2262 mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by
2263 October 1 of each year, be distributed to the local government
2264 that approved the cardroom under subsection (17) ~~(16)~~; however,
2265 if two or more pari-mutuel racetracks are located within the

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2266 same incorporated municipality, the cardroom funds shall be
2267 distributed to the municipality. If a pari-mutuel facility is
2268 situated in such a manner that it is located in more than one
2269 county, the site of the cardroom facility shall determine the
2270 location for purposes of disbursement of tax revenues under this
2271 paragraph. The division shall, by September 1 of each year,
2272 determine: the amount of taxes deposited into the Pari-mutuel
2273 Wagering Trust Fund pursuant to this section from each cardroom
2274 licensee; the location by county of each cardroom; whether the
2275 cardroom is located in the unincorporated area of the county or
2276 within an incorporated municipality; and, the total amount to be
2277 distributed to each eligible county and municipality.

2278 (17)~~(16)~~ LOCAL GOVERNMENT APPROVAL.—The Division of Pari-
2279 mutuel Wagering may ~~shall~~ not issue any initial license under
2280 this section except upon proof in such form as the division may
2281 prescribe that the local government where the applicant for such
2282 license desires to conduct cardroom gaming has voted to approve
2283 such activity by a majority vote of the governing body of the
2284 municipality or the governing body of the county if the facility
2285 is not located in a municipality.

2286 (18)~~(17)~~ CHANGE OF LOCATION; ~~REFERENDUM.~~—

2287 ~~(a)~~ Notwithstanding any provisions of this section, a ~~no~~
2288 cardroom gaming license issued under this section may not ~~shall~~
2289 be transferred, or reissued when such reissuance is in the
2290 nature of a transfer, so as to permit or authorize a licensee to
2291 change the location of the cardroom ~~except upon proof in such~~
2292 ~~form as the division may prescribe that a referendum election~~
2293 ~~has been held:~~

2294 ~~1. If the proposed new location is within the same county~~

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2295 ~~as the already licensed location, in the county where the~~
2296 ~~licensee desires to conduct cardroom gaming and that a majority~~
2297 ~~of the electors voting on the question in such election voted in~~
2298 ~~favor of the transfer of such license. However, the division~~
2299 ~~shall transfer, without requirement of a referendum election,~~
2300 ~~the cardroom license of any permit holder that relocated its~~
2301 ~~permit pursuant to s. 550.0555.~~

2302 ~~2. If the proposed new location is not within the same~~
2303 ~~county as the already licensed location, in the county where the~~
2304 ~~licensee desires to conduct cardroom gaming and that a majority~~
2305 ~~of the electors voting on that question in each such election~~
2306 ~~voted in favor of the transfer of such license.~~

2307 ~~(b) The expense of each referendum held under the~~
2308 ~~provisions of this subsection shall be borne by the licensee~~
2309 ~~requesting the transfer.~~

2310 Section 35. The Division of Pari-mutuel Wagering of the
2311 Department of Business and Professional Regulation shall revoke
2312 any permit to conduct pari-mutuel wagering if a permit holder has
2313 not conducted live events within the 24 months preceding the
2314 effective date of this act, unless the permit was issued under
2315 s. 550.3345, Florida Statutes. A permit revoked under this
2316 section may not be reissued.

2317 Section 36. The provisions of this act are not severable.
2318 If this act or any portion of this act is determined to be
2319 unconstitutional or the applicability thereof to any person or
2320 circumstance is held invalid:

2321 (1) Such determination shall render all other provisions or
2322 applications of this act invalid; and

2323 (2) This act is deemed never to have become law.

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2324 Section 37. This act shall take effect only if Senate
2325 Proposed Bill 7074, 2016 Regular Session, or similar legislation
2326 becomes law ratifying the Gaming Compact between the Seminole
2327 Tribe of Florida and the State of Florida executed by the
2328 Governor and the Seminole Tribe of Florida on December 7, 2015,
2329 under the Indian Gaming Regulatory Act of 1988, and only if such
2330 compact is approved or deemed approved, and not voided by the
2331 United States Department of the Interior, and this act shall
2332 take effect on the date that the approved compact is published
2333 in the Federal Register.

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/9/14

Meeting Date

SB 7077

Bill Number (if applicable)

Topic CANINE

Amendment Barcode (if applicable)

Name STEVE FISCH, DVM

Job Title VETERINARIAN

Address 9085 MAGNOLIA HILL DRIVE

Phone 850-570-9650

Street

City

CAWMASSA, FL

State

32309

Zip

Email STFISCHDVM@AUSQUINEHOSPITAL.COM

Speaking: For Against Information

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

Representing Fiorin Quarter Horse Assoc, 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)

2/9/16

Meeting Date

SB 7072

Bill Number (if applicable)

Topic Gaming - decoupling

Amendment Barcode (if applicable)

Name Julie Braswell

Job Title owner Professional Vet Lab Inc

Address 16481 N US HWY 27

Phone 352 732 3338

Street

Ocala

City

FL

State

34482

Zip

Email provetlab@comcast.com

Speaking: For Against Information

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

Representing FL equine related businesses

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)

2.9.16

Meeting Date

7072

Bill Number (if applicable)

Topic GAMING

Amendment Barcode (if applicable)

Name BILL BUNKLEY

Job Title PRESIDENT

Address PO BOX 391644
Street

Phone 813.264.2977

TAMPA FL 33694
City State Zip

Email _____

Speaking: For Against Information

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

Representing FLORIDA ETHICS AND RELIGIOUS LIBERTY COMMISSION

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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

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: SPB 7074

INTRODUCER: For consideration by the Regulated Industries Committee

SUBJECT: Gaming Compact Between the Seminole Tribe of Florida and the State of Florida

DATE: February 8, 2016 **REVISED:** _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. <u>Oxamendi/Kraemer</u>	<u>Caldwell</u>	_____	<u>Pre-meeting</u>

I. Summary:

The bill ratifies and approves the gaming compact between the Seminole Tribe of Florida and the State of Florida executed by the Tribe and the Governor on December 7, 2015. The compact permits the Tribe to conduct banked or banking card games at all seven of its facilities. It also permits the Tribe to conduct, at all of its facilities, dice games, such as craps and sic-bo, and wheel games, such as roulette and big six.

The compact provides for revenue sharing payments from the Tribe to the state. For the first seven years, the compact provides a \$3 billion guarantee. The compact provides specific amounts for the payments during each month of the first seven years, and then the payments will be based on a varying percentage rate that depends on the amount of net win.

The compact provides that, if banked card games are authorized in Broward and Miami-Dade Counties the revenue share payments cease until gaming activities are no longer authorized. However, the Legislature can add blackjack at the pari-mutuel facilities in Miami-Dade and Broward, subject to some limitations without an impact on the compact. After the first seven years, if the Tribe's net win from all table games in Broward County is less than its net win from banked card games in Broward County during the current fiscal year, the Tribe may waive its exclusivity to allow up to 15 blackjack tables with \$15 bet limits for the existing permitholders in Broward and Miami-Dade Counties.

The compact also provides that, if Class III gaming is authorized at locations in Miami-Dade or Broward Counties at other than existing pari-mutuels, the payments will cease. However, there would be no effect on payments, if the Legislature permits one additional pari-mutuel location in Miami-Dade County and one additional pari-mutuel location in Palm Beach County with each additional facility permitted to phase in during a three year period 750 slot machines and 750 video racing terminals with a \$5 bet limit.

The compact provides that the Legislature may take the following additional actions without violating exclusivity and impacting exclusivity payments:

- Lowering the tax rate for pari-mutuels to 25 percent of slot machine revenue;
- Expanding the hours of operation for pari-mutuel facilities;
- Permitting automated teller machines (ATM's) to be placed on the slot machine gaming floor authorizing pari-mutuel slot machine licensees;
- Allowing permitholders to convert or modify the pari-mutuel permit to allow the operation of a different type of pari-mutuel activity;
- Decoupling pari-mutuels by removing the requirement that permitholders must conduct performances of live races or games in order to conduct other authorized gaming activities, such as cardrooms or slot machines;
- Using payments received under the compact to fund a purse pool to be allocated to pari-mutuel permitholders;
- Authoring one additional slot machine license in Miami-Dade County and one additional slot machine license in Palm Beach County;
- Authorizing the use of video racing terminals at the additional slot machine licensees facilities in Miami-Dade and Broward Counties;
- Authorizing blackjack for the existing pari-mutuels permitholders in Broward and Miami-Dade Counties with up to 15 blackjack tables per facility and \$15 bet limits per table; and
- Permitting pari-mutuel permitholders that are not licensed to operate slot machines to offer “designated player” games with some restrictions.

The bill provides that this act shall take effect upon becoming law. The effective date in the bill is for the Legislature’s approval and ratification of the proposed Compact. The 2015 Compact would become effective after it is approved by the United States Department of the Interior, as required under the Indian Gaming Regulatory Act of 1988, and notice of the approval is published in the Federal Register.

II. Present Situation:

Gambling in Florida

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

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.”⁵

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

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 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.

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.⁶

Chapter 550, F.S., authorizes pari-mutuel wagering at licensed tracks and frontons and provides for state regulation.⁷ Chapter 551, F.S., authorizes slot machine gaming at the location of certain licensed pari-mutuel locations in Miami-Dade County or Broward County and provides for state regulation.⁸ Chapter 849, F.S., authorizes cardrooms at certain pari-mutuel facilities.⁹ A license to offer pari-mutuel wagering, slot machine gambling, or a cardroom at a pari-mutuel facility is a privilege granted by the state.¹⁰

Chapter 849, F.S., also authorizes, with conditions, penny-ante games,¹¹ bingo,¹² charitable drawings, game promotions (sweepstakes),¹³ bowling tournaments, and amusement games and machines.¹⁴

Section 23 of Article X of the State Constitution (adopted by the voters 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 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

⁶ 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.

⁷ See ch. 550, F.S., relating to the regulation of pari-mutuel activities.

⁸ See ch. 551, F.S., relating to the regulation of slot machine gaming at pari-mutuel locations.

⁹ Section 849.086(2)(c), F.S., defines "cardroom" to mean a facility where authorized card games are played for money or anything of value and to which the public is invited to participate in such games and charges a fee for participation by the operator of such facility.

¹⁰ See s. 550.1625(1), F.S., "...legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state." See also *Solimena v. State*, 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), review denied, 412 So.2d 470, which states "Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right", citing *State ex rel. Mason v. Rose*, 122 Fla. 413, 165 So. 347 (1936).

¹¹ Section 849.085, F.S.

¹² Section 849.0931, F.S.

¹³ Section 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.

¹⁴ Section 849.161, F.S.

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.

Both Miami-Dade and Broward Counties held referenda elections on March 8, 2005. The electors approved slot machines at the pari-mutuel facilities in Broward County. Under the provisions of Article X, Section 23 of the State Constitution, four pari-mutuel facilities are eligible to conduct slot machine gaming in Broward County:

- Gulfstream Park Racing Association, a thoroughbred permitholder;
- The Isle Casino and Racing at Pompano Park, a harness racing permitholder;
- Dania Jai Alai, a jai alai permitholder; and
- Mardi Gras Race Track and Gaming Center, a greyhound permitholder.

On January 29, 2008, a referendum approving slot machines in Miami-Dade County was approved. Under the provisions of Article X, Section 23 of the State Constitution, three pari-mutuel facilities are eligible to conduct slot machine gaming in Miami-Dade County:

- Miami Jai-Alai, a jai-alai permitholder;
- Flagler Greyhound Track, a greyhound permitholder; and,
- Calder Race Course, a thoroughbred permitholder.

Chapter 551, F.S., implements Article X, Section 23 of the State Constitution. The division is charged with regulating the operation of slot machines in the affected counties.

Section 551.102(4), F.S., defines the term “eligible facility” to permit slot machine gaming at pari-mutuel facilities that are not included in the authorization in Article X, Section 23 of the State Constitution. The other eligible facilities include:

- Any licensed pari-mutuel facility located within a county as defined in s. 125.011, F.S.,¹⁵ provided such facility:
 - has conducted live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license;
 - pays the required license fee; and
 - meets the other requirements of this chapter; or
- Any licensed pari-mutuel facility in any other county in which a majority of the voters have approved slot machines at such facilities in a countywide referendum held pursuant to a statutory or constitutional authorization after the effective date of this section provided the facility has conducted a full schedule of live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required licensed fee, and complies with the other specified statutory requirements.

Under the definition of “eligible facility” in s. 551.102(4), F.S., Hialeah Park Racing and Casino is also eligible to conduct slot machine gaming.

¹⁵ As defined in s. 125.011(1), F.S., “county” means any county operating under a home rule charter adopted pursuant to ss. 10, 11, and 24, Art. VIII of the Constitution of 1885, as preserved by Art. VIII, s. 6(e) of the Constitution of 1968, which means that Miami-Dade, Hillsborough and Monroe Counties could potentially meet this statutory definition but only Miami-Dade County has adopted a home-rule charter.

The Indian Gaming Regulatory Act (IGRA)

In 1988, Congress enacted the Indian Gaming Regulatory Act or “IGRA.”¹⁶ The Act divides gaming into three classes:

- “Class I gaming” means social games for minimal value or traditional forms of Indian gaming engaged in by individuals for tribal ceremonies or celebrations.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 if permitted by state law or not explicitly prohibited by the laws of the state but the card games must be played in conformity with the laws of the state.¹⁹ A tribe may conduct Class II gaming if:
 - the state in which the tribe is located permits such gaming for any purpose by any person, organization, or entity; and
 - the governing body of the tribe adopts a gaming ordinance which is approved by the Chairman of the National Indian Gaming Commission.²⁰
- “Class III gaming” includes all forms of gaming that are not Class I or Class II, such as house-banked card games, casino games such as craps and roulette, electronic or electromechanical facsimiles of games of chance, and pari-mutuel wagering.²¹

Regulation under IGRA is dependent upon the type of gaming involved. Class I gaming is left to the tribes.²² Class II gaming is regulated by the tribe with oversight by the National Indian Gaming Commission.²³ Class III gaming permits a regulatory role for the state by providing for a tribal-state compact.²⁴

IGRA provides that certain conditions must be met before an Indian tribe may lawfully conduct Class III gaming. First, the particular form of Class III gaming that the tribe wishes to conduct must be permitted in the state in which the tribe is located. Second, the tribe must have adopted a tribal gaming ordinance that has been approved by the Indian Gaming Commission or its chairman. Third, the tribe and the state must have negotiated a compact that has been approved by the Secretary of the United States Department of the Interior and is in effect.²⁵

Compact Authorization

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

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).

²² 25 U.S.C. s. 2710(a)(1).

²³ 25 U.S.C. s. 2710(a)(2).

²⁴ 25 U.S.C. s. 2710(d).

²⁵ 25 U.S.C. s. 2710(d).

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

Section 285.710(7), F.S., designates the Division of Pari-mutuel Wagering (division) within the Department of Business and Professional Regulation as the agency with the authority to monitor the Tribe's compliance with the compact.

Section 285.710(9), F.S., provides that money received by the state from the compact is to be deposited into the General Revenue Fund. It also provides for the distribution of 3 percent of the amount paid by the Tribe must be distributed to the specified local governments. The percentage of the local share distributed to the specified counties and municipalities is based on the net win per facility in each county and municipality.

Gaming Compact with the Seminole Tribe of Florida

The current gaming compact with the Seminole Tribe of Florida (Tribe) dated April 7, 2010 (the 2010 gaming compact)²⁶ authorizes the Tribe to conduct slot machine gaming at seven facilities located in Broward, Collier, Glades, Hendry, and Hillsborough Counties. The compact authorizes banked card games, including blackjack, chemin de fer, and baccarat, but only at the five tribal casinos in Broward County, Collier County, and Hillsborough County.²⁷

The 2010 gaming compact also provides for revenue sharing payments from the Seminole Tribe to the state. For its exclusive authority during a five-year period²⁸ to offer banked card games on tribal lands at five locations, and to offer slot machine gaming during the 20-year term of the

²⁶ The 2010 gaming compact was executed by the Governor and the Seminole Tribe on April 7, 2010, ratified by the Legislature, effective April 28, 2010, and approved by U.S. Secretary of the Interior, pursuant to the Indian Gaming Regulatory Act of 1988, on June 24, 2010. It took effect when published in the Federal Register on July 6, 2010. The 20-year term of the 2010 gaming compact expires July 31, 2030, unless renewed. Section 285.710(1)(f), F.S., designates the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation as the "state compliance agency" having authority to carry out the state's oversight responsibilities under the 2010 gaming compact *See* http://www.flsenate.gov/PublishedContent/Committees/2014-2016/RI/Links/Gaming_Compact_between_The_Seminole_Tribe_of_Florida_and_the_State_of_Florida.pdf (last accessed February 8, 2016).

²⁷ *See* s. 285.710(10), F.S. The seven tribal locations where gaming is authorized by the 2010 gaming 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.

²⁸ While the exclusive authorization to conduct banked card games expired July 31, 2015, and has not been renewed, according to staff at the department and the Legislature's Office of Economic and Demographic Research, the Seminole Tribe has continued to transmit monthly payments to the state that include estimated table games revenue. The Seminole Tribe and the State of Florida are parties to litigation regarding the offering of table games by the Seminole Tribe after July 31, 2015. Those parties have negotiated a proposed gaming compact dated December 7, 2015 (the 2015 gaming compact), that the Governor, as the designated state officer responsible for negotiating and executing tribal-state gaming compacts with federally recognized Indian tribes, has transmitted to the President of the Senate and the Speaker of the House of Representatives for consideration, as required by s. 285.712, F.S. To be effective, the proposed 2015 gaming compact must be ratified by the Senate and by the House, by a majority vote of the members present. *See* s. 285.712(3), F.S.

2010 gaming compact, outside Miami-Dade and Broward Counties, the Seminole Tribe pays the State of Florida a share of “net win” (approximately \$240 million per year).²⁹

On December 7, 2015, the Governor executed a gaming compact (proposed 2015 Compact or proposed Compact) with the Tribe with a new 20-year term. The proposed Compact authorizes the Tribe to conduct slot machine gaming at the same seven facilities. The proposed Compact permits the Tribe to offer live table games, such as craps and roulette, at all seven facilities. It also authorizes banked card games, including blackjack, chemin de fer, and baccarat, at all seven facilities.

The proposed Compact also provides for revenue sharing payments from the Tribe to the state. For the first seven-year period (Guarantee Period), the proposed Compact provides a \$3 billion guarantee. The compact provides specific amounts for the payments (Guaranteed Payments) during each year of the Guarantee Period. After the Guarantee Period, the Tribes payments will be based on a varying percentage rate that depends on the amount of net win (Revenue Share Payments).

The proposed Compact must be approved and ratified by the Legislature. The proposed Compact must then be approved by the United States Department of the Interior, as required under the Indian Gaming Regulatory Act of 1988, and notice of the approval published in the Federal Register.³⁰

Compact Comparison

The following table reflects the similarities and differences between the current 2010 Gaming Compact and the proposed 2015 Gaming Compact:

²⁹ Subject to the outcome of the pending litigation between the state and the Seminole Tribe respecting continuation of the authorization to offer tables games, the 2010 gaming compact provides if (1) authorization for banked card games is not extended beyond July 31, 2015, or (2) the Legislature authorizes Class III (casino-style) games in Broward or Miami-Dade County other than at the eight existing state-licensed pari-mutuel locations, then the “net win” for revenue sharing will exclude amounts from the Seminole Tribe’s facilities in Broward County (i.e., payments will be reduced by approximately \$120 million per year). If the Legislature authorizes new Class III (casino-style) games outside Broward and Miami-Dade Counties, then all revenue sharing under the 2010 gaming compact is discontinued.

³⁰ 25 U.S.C. s. 2710(d)(8)

	Proposed 2015 Compact	2010 Gaming Compact
Guaranteed Payments	<p>Seven-year Guarantee Period of \$3 billion. (Starts 7/1/17)</p> <p>1- \$325 million 2- \$350 million 3- \$375 million 4- \$425 million 5- \$475 million 6- \$500 million 7- \$550 million</p> <p>The compact has a “true-up” at the end of the Guarantee Period in which the Tribe will pay more if the applicable revenue share percentages result in an amount greater than the guarantee.</p>	<p>Five-year guarantee of \$1 billion.</p> <p>1- \$150 million 2- \$150 million 3- \$233 million 4- \$233 million 5- \$234 million</p> <p>\$1 billion guarantee.</p>
Revenue Share Percentages	<p>\$0-2B: 13 percent; \$2-3B: 17.5 percent; \$3.5-4B: 20 percent; \$4-4.5B: 22.5 percent; and \$4.5B+: 25 percent.</p>	<p>\$0-2B: 12 percent; \$2-3B: 15 percent; \$3-3.5B: 17.5 percent; \$3.5-4B: 20 percent; \$4-4.5B: 22.5 percent; and \$4.5B+: 25 percent.</p>
Economic Recession	<p>If there is an economic recession during the seven-year Guarantee Period, the Tribe may for only one revenue share cycle pay based on Revenue Share percentages instead of the guarantee amount. However, at the end of that year’s Revenue Share Cycle, the Tribe must remit 50 percent of the difference between the percentage payment and Guarantee and pay the remaining amount during the following Revenue Sharing Cycle.</p>	<p>Not applicable.</p>

	Proposed 2015 Compact	2010 Gaming Compact
Authorized Games (Covered Games)	At all seven facilities without exception: 1. Slot Machines; 2. Banked card games, including blackjack; 3. Raffles and drawings; 4. Any new game authorized for any person except banked card games authorized for another Indian Tribe; and 5. Live Table Games, including craps and roulette.	At all seven facilities with one exception: 1. Slot Machines; 2. Banked Card Games, including blackjack (at all facilities except Big Cypress & Brighton) for the first five years of the Compact 3. Raffles and Drawings; 4. Any new game authorized for any person except banked card games authorized for another Indian Tribe.
Caps on the Number of Authorized Games	The Tribe may average 3,500 slot machines for each of the seven facilities but may not have more than 6,000 slot machines in a facility. The Tribe may average 150 banked or banking card games and live table games for each of the seven facilities but may not have more than 300 banked or banking card games and live table games at a facility.	Requires the conversion of all Class II bingo video terminals to Class III slot machines, but does not place limits on the number of slot machines or banked or banking card games.
Exclusivity Given to the Tribe in Exchange for Revenue Share Payments	<u>Statewide:</u> 1. Banked card games; and 2. Live Table Games. <u>Outside Miami-Dade/Broward:</u> Slot Machines	<u>Statewide:</u> Banked Card Games. <u>Outside Miami-Dade/Broward:</u> Slot Machines
Change in Facilities	The Tribe may expand or replace existing facilities and expressly places limits on additional gaming positions at the Tribe’s facilities.	The Tribe may expand or replace existing facilities, and does not limit gaming positions at the Tribe’s facilities.
State Oversight	State Compliance Agency is allowed 16 hours for inspections over the course of two days per facility, per month. Total inspection time is capped at 1,600 hours annually. The Tribe is required to pay an annual oversight payment of \$400,000, which may be increased for inflation.	State Compliance Agency is allowed 10 hours for inspection over the course of two days per facility, per month. The total inspection time is capped at 1,200 hours annually. The Tribe is required to pay and annual oversight payment of \$250,000, which may be increased for inflation.

	Proposed 2015 Compact	2010 Gaming Compact
<p>Exclusivity Violation:</p> <p>If Banked Games are Authorized in Broward and Miami-Dade Counties</p>	<p>Revenue Share Payments cease until gaming activities are no longer authorized.</p> <p>However, the Legislature can add blackjack at the Pari-mutuels in Miami-Dade and Broward, subject to some limitations, without an impact on the compact.</p> <p>After the Guarantee Period, if the Tribe’s net win from all table games in Broward County is less than its net win from banked card games in Broward County during the current fiscal year, the Tribe may waive its exclusivity to allow up to 15 blackjack tables with \$15 bet limits for the existing permitholders in Broward and Miami-Dade Counties.</p>	<p>If the Tribe's annual net win from Broward facilities for the 12 months after the authorization is less than net win from preceding 12 months, the guaranteed minimum payments cease, and the revenue share payments are calculated by reducing net win from the Broward facilities by 50 percent.</p> <p>The Revenue Share Payments may resume without any reduction when the net win for the Broward facilities is greater than when the banked card games were offered.</p>
<p>Exclusivity Violation:</p> <p>If Class III Gaming is authorized at locations in Miami-Dade or Broward at other than existing pari-mutuels</p>	<p>The Guaranteed Minimum Payments will cease, and all Revenue Share Payments cease.</p> <p>However, there would be no effect on payments, if the Legislature permits one additional pari-mutuel location in Miami-Dade with 750 Slot machines and 750 Video Racing Terminals that have a \$5 bet limit phased in over a three year period with no effect on the 2015 Compact.</p>	<p>Guaranteed Minimum Payments cease, but the Revenue Share Payments are calculated by excluding the net win from the Broward facilities.</p>
<p>Exclusivity Violation:</p> <p>If Class III Gaming is authorized at locations outside of Miami-Dade or Broward</p>	<p>The Guaranteed Minimum Payments will cease, and all Revenue Share Payments cease.</p> <p>However, there would be no effect on payment if the Legislature permits one additional pari-mutuel location in Palm Beach County with 750 Slot machines and 750 Video Racing Terminals that have a \$5 bet limit phased in over three year period with no effect on the Compact.</p>	<p>All payments under the Compact cease.</p>

	Proposed 2015 Compact	2010 Gaming Compact
Exclusivity Violation: If Internet Gaming is Authorized	The Guaranteed Minimum Payments cease, but the Revenue Share Payments continue. If the Tribe offers internet gaming to players in Florida, then the Guaranteed Payments will continue.	If the Tribe's net win from all its facilities drops by more than 5 percent below the net win from the previous year, the Guaranteed Payments cease, but the Revenue Share Payments continue If Tribe offers internet gaming then Guaranteed Minimum Payments continue.
Compulsive Gambling	The Tribe must make an annual \$1,750,000 donation to the Florida Council on Compulsive Gambling and maintain a voluntary exclusion list.	The Tribe must will make an annual \$250,000 donation per facility (\$1,750,000 total) to the Florida Council on Compulsive Gambling and maintain a voluntary exclusion list.

The proposed compact provides that the Legislature may take the following additional actions without violating exclusivity and impacting exclusivity payments:

- Lowering the tax rate for pari-mutuels to 25 percent of slot machine revenue;
- Expanding the hours of operation for pari-mutuel facilities;³¹
- Permitting automated teller machines (ATM's) to be placed on the slot machine gaming floor of pari-mutuel slot machine licensees;³²
- Permitting permitholders to convert or modify the pari-mutuel permit to allow the operation of a different type of pari-mutuel activity;
- Decoupling pari-mutuels by removing the requirement that permitholders must conduct performances of live races or games in order to conduct other authorized gaming activities, such as cardrooms or slot machines;
- Using payments received under the compact to fund a purse pool to be allocated to pari-mutuel permitholders;
- Authoring one additional slot machine license in Miami-Dade County and one additional slot machine license in Palm Beach County;
- Authorizing the use of video racing terminals³³ at the additional slot machine licensees in Miami-Dade and Broward Counties;

³¹ Section 551.116, F.S., provides that the slot machine gaming areas may be open daily throughout the year, and may be open a cumulative amount of 18 hours per day on Monday through Friday and 24 hours per day on Saturday and Sunday and on holidays.

³² Section 551.121(3), prohibits automated teller machines or similar devices that are designed to provide credit or dispense cash to be located within the designated slot machine gaming areas of a facility of a slot machine licensee.

³³ Part III, section KK. of the proposed 2015 Compact defines the term to mean “an individual race terminal linked to a central server as part of a network-based video game, where the terminals allow pari-mutuel wagering by players on the results of previously conducted horse races, but only if the game is certified in advance by an independent testing laboratory licensed or contracted by the Division of Pari-Mutuel Wagering as complying with all of the” requirement specified in the proposed Compact. The proposed Compact’s requirements include that the race must have been recorded in the United States after January 1, 2005, the video must show at least the final eight seconds of the race, the terminal may contain no more than

- Authorizing blackjack for the existing pari-mutuels in Broward and Miami-Dade Counties with up to 15 blackjack tables per facility and \$15 bet limits per table; and
- Permitting pari-mutuels that are not licensed to operate slot machines to offer “designated player”³⁴ games with some restrictions.³⁵

III. Effect of Proposed Changes:

The bill creates s. 285.710(3)(b), F.S., to ratify and approve the gaming compact between the Tribe and the State of Florida executed by the Tribe and the Governor on December 7, 2015. The bill provides that the ratified and approved 2015 Gaming Compact supersedes the 2010 Gaming Compact.

The bill also amends s. 285.710(13), F.S., to remove the provision that limits the Tribe to conducting banked or banking card games at its Broward, Collier, and Hillsborough County facilities. It also provide that the Tribe may conduct the following games at all of its facilities:

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

The bill provides that this act shall take effect upon becoming law. The effective date in the bill is for the Legislature’s approval and ratification of the proposed Compact. The 2015 Compact would become effective after it is approved by the United States Department of the Interior and notice of the approval is published in the Federal Register.³⁶

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

one player position for placing wagers, the terminal may not dispense coins, currency, or tokens, and no additional element of chance may be present.

³⁴ Part III, section J. of the proposed 2015 Compact defines a “Designated Player Games” to mean “games consisting of at least three cards in which players compare their cards only to those cards of the player in the dealer position, who also pays winners and collects from losers.”

³⁵ The restrictions for designated player games include a \$25 limit on wagers, the designated player must occupy a playing position at the table, each player in the game must be offer a participation in a clockwise rotation to be the designated player, a player may not be the designated player for more than 30 consecutive hands and must play at least two hands as a non-designated player before resuming to play as the designated player. The designated player is not required to cover more than 10 times the minimum posted bet during any one game. Slot machine licensees and licensees who offer video racing terminals may not offer designated player games.

³⁶ 25 U.S.C. s. 2710(d)(8)

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

None.

B. Private Sector Impact:

The Seminole Tribe of Florida will be required to make revenue sharing payments to the state. For the first seven years, the compact provides a \$3 billion guarantee with specific minimum payment amounts each year, and then the payments will be based on a varying percentage rate that depends on the amount of net win.

C. Government Sector Impact:

The compact requires the Seminole Tribe of Florida to make revenue sharing payments to the state. For the first seven years of the compact, it provides a \$3 billion guarantee with specific minimum payment amounts each year, and then the payments will be based on a varying percentage rate that depends on the amount of net win.

The annual minimum guaranteed payments during the first seven years (Guarantee Period) of the compact are:

- 1- \$325 million.
- 2- \$350 million.
- 3- \$375 million.
- 4- \$425 million.
- 5- \$475 million.
- 6- \$500 million.
- 7- \$550 million.

The compact has a “true-up” at the end of the Guarantee Period in which the Tribe will pay more if the applicable revenue share percentages result in an amount greater than the guarantee.

VI. Technical Deficiencies:

None.

VII. Related Issues:

SPB 7074 is linked to SPB 7072, which provides that SPB 7072 only becomes effective when it, or similar legislation ratifying the Gaming Compact between the Seminole Tribe of Florida and the State of Florida executed by the Governor and the Seminole Tribe of Florida on December 7, 2015 (the Compact), is enacted. In addition, SPB 7072 requires approval of the Gaming Compact by the United States Department of the Interior. SPB 7072 will be effective when notice of the approval by the Department of the Interior is published in the Federal Register.

VIII. Statutes Affected:

This bill substantially amends sections 285.710 and 285.712 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.



144750

LEGISLATIVE ACTION

Senate

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. .
. .
. .
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House

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

Senate Amendment (with directory and title amendments)

Between lines 36 and 37

insert:

(8)

(g) The agreement must be modified to include a provision that fantasy contests conducted in accordance with ss. 546.11-546.20 are an authorized activity by the compact and do not impact the agreement's revenue-sharing payments.



144750

11 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

12 And the directory clause is amended as follows:

13 Delete line 17

14 and insert:

15 (3) of section 285.710, Florida Statutes, are amended, paragraph
16 (g) is added to subsection (8) of that section, and subsection
17 (13) of that section is amended,

18

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

20 And the title is amended as follows:

21 Delete line 9

22 and insert:

23 Secretary of the Interior; requiring the agreement to
24 include a provision that fantasy contests are
25 authorized and do not impact revenue-sharing payments;
26 expanding the games



209278

LEGISLATIVE ACTION

Senate

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House

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

Senate Amendment

Delete line 59

and insert:

Section 3. This act shall take effect upon becoming a law, if SB 7072 or similar legislation is adopted in the same legislative session or an extension thereof and becomes a law.

FOR CONSIDERATION By the Committee on Regulated Industries

580-01885A-16

20167074pb

1 A bill to be entitled
2 An act relating to the Gaming Compact between the
3 Seminole Tribe of Florida and the State of Florida;
4 amending s. 285.710, F.S.; superseding the Gaming
5 Compact; ratifying and approving a specified compact
6 executed by the Governor and the Tribe; directing the
7 Governor to cooperate with the Tribe in seeking
8 approval of the compact from the United States
9 Secretary of the Interior; expanding the games
10 authorized to be conducted and the counties in which
11 such games may be offered; amending s. 285.712, F.S.;

12 correcting a citation; providing an effective date.

13
14 Be It Enacted by the Legislature of the State of Florida:

15
16 Section 1. Paragraph (a) of subsection (1) and subsections
17 (3) and (13) of section 285.710, Florida Statutes, are amended
18 to read:

19 285.710 Compact authorization.—

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

21 (a) "Compact" means the Gaming Compact between the Seminole
22 Tribe of Florida and the State of Florida, ~~executed on April 7,~~
23 ~~2010.~~

24 (3) (a) A The Gaming Compact between the Seminole Tribe of
25 Florida and the State of Florida, executed by the Governor and
26 the Tribe on April 7, 2010, was is ratified and approved by
27 chapter 2010-29, Laws of Florida. ~~The Governor shall cooperate~~
28 ~~with the Tribe in seeking approval of the compact from the~~
29 ~~United States Secretary of the Interior.~~

30 (b) The Gaming Compact between the Seminole Tribe of
31 Florida and the State of Florida, which was executed by the
32 Governor and the Tribe on December 7, 2015, is ratified and

580-01885A-16

20167074pb

33 approved and supersedes the Gaming Compact ratified and approved
34 under paragraph (a). The Governor shall cooperate with the Tribe
35 in seeking approval of the compact ratified and approved by this
36 paragraph from the United States Secretary of the Interior.

37 (13) For the purpose of satisfying the requirement in 25
38 U.S.C. s. 2710(d)(1)(B) that the gaming activities authorized
39 under an Indian gaming compact must be permitted in the state
40 for any purpose by any person, organization, or entity, the
41 following class III games or other games specified in this
42 section are hereby authorized to be conducted by the Tribe
43 pursuant to the compact:

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

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

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

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

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

51 Section 2. Subsection (4) of section 285.712, Florida
52 Statutes, is amended to read:

53 285.712 Tribal-state gaming compacts.—

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

59 Section 3. 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)

2.9.16

Meeting Date

7074

Bill Number (if applicable)

Topic GAMING COMPACT SEMINOLE INDIANS

Amendment Barcode (if applicable)

Name BILL BUNKLEY

Job Title PRESIDENT

Address PO BOX 341644
Street

Phone 813.264.2977

TAMPA FL 33694
City State Zip

Email _____

Speaking: For Against Information

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

Representing FLORIDA ETHICS AND RELIGIOUS LIBERTY COMMISSION

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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)

2 / 9 / 2016

Meeting Date

Topic _____

Bill Number 7074
(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)

CourtSmart Tag Report

Room: EL 110 Case No.:
Caption: Senate Regulated Industries Committee

Type:
Judge:

Started: 2/9/2016 1:37:59 PM
Ends: 2/9/2016 3:15:48 PM Length: 01:37:50

1:37:57 PM Roll call
1:38:28 PM Tab 1 SB 336 by Senator Richter
1:39:28 PM Representative Artilles
1:39:54 PM Amendment 1 Barcode 416356 withdrawn
1:40:17 PM Amendment 2 Barcode 968182
1:41:30 PM Amendment to Amendment 2 Barcode 512052
1:42:34 PM Appearance forms
1:43:06 PM Jason Mulholland, Attorney, Policy Holders
1:48:18 PM Questions
1:48:20 PM Senator Sachs
1:49:11 PM Senator Latvala
1:50:15 PM Senator Flores
1:53:42 PM Questions
1:53:44 PM Senator Abruzzo
1:55:02 PM Senator Flores
1:57:26 PM Senator Sachs
2:00:04 PM Senator Flores
2:01:20 PM Senator Negron
2:03:00 PM Chairman Bradley
2:03:10 PM Senator Latvala
2:03:25 PM Appearance cards
2:03:48 PM Gary Farmer
2:09:02 PM Senator Latvala
2:12:34 PM Senator Margolis
2:13:23 PM Senator Negron
2:18:30 PM Amendment to Amendment 2 closing
2:19:08 PM Amendment to Amendment adopted
2:19:25 PM Late filed amendment
2:20:01 PM Senator Abruzzo
2:20:37 PM Representative Artilles
2:21:25 PM Debate
2:21:28 PM Senator Latvala
2:21:59 PM Senator Abruzzo
2:23:08 PM Late amendment fails
2:23:16 PM Back to amendment 2 as amended
2:23:36 PM Appearance cards
2:23:42 PM Reggie Garcia, Fl. Justice Assoc.
2:29:55 PM Representative Artilles
2:30:31 PM Greg Thomas, Director of Agent & Agency Services, DFS
2:33:04 PM Senator Latvala
2:35:17 PM Senator Negron
2:37:25 PM Senator Sachs
2:38:56 PM Senator Negron
2:39:26 PM Postpone Amendment 2 as amended for SB 336
2:39:43 PM Tab 2 SB 706 by Senator Altman
2:40:08 PM Lindy Smith
2:40:19 PM Amendment 1 Barcode 479482
2:40:50 PM Appearance forms
2:41:15 PM Amendment 1 adopted
2:41:44 PM SB 706 as amended
2:43:00 PM Dennis Haas, President & CEO of ARC Broward
2:44:34 PM Lindy Smith

2:44:43 PM Senator Latvala
2:45:23 PM Senator Sachs
2:47:07 PM Brian Pitts, Justice-2-Jesus
2:49:29 PM SB 706 as amended reported favorably
2:49:56 PM Back to tab 1 SB 336 for late filed amendment
2:50:27 PM break
2:52:27 PM Recording Paused
2:56:57 PM Recording Resumed
2:57:08 PM Back on SB 336 for late filed amendment by Senator Negrón
2:57:59 PM Miguel Oxamendi
2:59:03 PM Senator Negrón
2:59:48 PM Late filed amendment to amendment adopted
3:00:02 PM Another Late filed amendment by Senator Abruzzo
3:00:16 PM Miguel Oxamendi
3:00:43 PM Questions
3:00:45 PM Senator Sachs
3:02:30 PM Greg Thomas
3:03:39 PM Late filed amendment to amendment adopted
3:03:52 PM Back to amendment 2 barcode 512052
3:04:30 PM Back to amendment 2 barcode 968182
3:04:48 PM Mark Delegal, State Farm Insurance
3:05:00 PM Senator Abruzzo
3:05:35 PM Steve Gellar, FAPIA
3:06:49 PM Close for Amendment as amended Representative Artiles
3:07:16 PM Amendment 2 adopted
3:07:20 PM SB 336 as amended
3:07:27 PM Appearance forms
3:07:51 PM Brian Pitts
3:10:00 PM Mark Delegal, State Farm Insurance
3:11:36 PM Debate on bill as amended
3:11:41 PM Senator Negrón
3:12:11 PM Representative Artiles closing for SB 336 as amended
3:14:31 PM SB 336 as amended reported favorably
3:15:38 PM all rise