

1 A bill to be entitled
2 An act relating to pari-mutuel wagering;
3 amending s. 550.26165, F.S.; revising criteria
4 for making breeders' awards for racehorses;
5 amending s. 550.2625, F.S.; providing for
6 payment of special racing awards; amending s.
7 550.334, F.S.; revising provisions relating to
8 quarter horse races; specifying certain
9 conditions of operation for permitholders shall
10 not be applicable; providing an effective date.

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

13
14 Section 1. Subsections (1) and (2) of section
15 550.26165, Florida Statutes, are amended to read:

16 550.26165 Breeders' awards.--

17 (1) The purpose of this section is to encourage the
18 agricultural activity of breeding and training racehorses in
19 this state. Moneys dedicated in this chapter for use as
20 breeders' awards and stallion awards are to be used for awards
21 to breeders of registered Florida-bred horses winning
22 horseraces and for similar awards to the owners of stallions
23 who sired Florida-bred horses winning stakes races, if the
24 stallions are registered as Florida stallions standing in this
25 state. Such awards shall be given at a uniform rate to all
26 winners of the awards, shall not be greater than 20 percent of
27 the announced gross purse, and shall not be less than 15
28 percent of the announced gross purse if funds are available.
29 In addition, no less than 17 percent nor more than 40 percent,
30 as determined by the Florida Thoroughbred Breeders'
31 Association, of the moneys dedicated in this chapter for use

1 as breeders' awards and stallion awards for thoroughbreds
 2 shall be returned pro rata to the permitholders that generated
 3 the moneys for special racing awards to be distributed by the
 4 permitholders to owners of ~~registered Florida-bred~~
 5 thoroughbred horses participating winning in prescribed
 6 thoroughbred stakes races, non-stakes races, or both ~~and~~
 7 ~~winning or placing in thoroughbred stakes races~~, all in
 8 accordance with a written agreement establishing the rate,
 9 procedure, and eligibility requirements for such awards
 10 ~~entered into plan established annually no later than 120 days~~
 11 ~~before the first day of the permitholders' racing meet and~~
 12 ~~agreed upon~~ by the permitholder, the Florida Thoroughbred
 13 Breeders' Association, and the Florida Horsemen's Benevolent
 14 and Protective Association, Inc., except that the plan for the
 15 distribution by any permitholder located in the area described
 16 in s. 550.615(9) shall be agreed upon by that permitholder,
 17 the Florida Thoroughbred Breeders' Association, and the
 18 association representing a majority of the thoroughbred
 19 racehorse owners and trainers at that location. Awards for
 20 thoroughbred races are to be paid through the Florida
 21 Thoroughbred Breeders' Association, and awards for
 22 standardbred races are to be paid through the Florida
 23 Standardbred Breeders and Owners Association. Among other
 24 sources specified in this chapter, moneys for thoroughbred
 25 breeders' awards will come from the 0.955 percent of handle
 26 for thoroughbred races conducted, received, broadcast, or
 27 simulcast under this chapter as provided in s. 550.2625(3).
 28 The moneys for quarter horse and harness breeders' awards will
 29 come from the breaks and uncashed tickets on live quarter
 30 horse and harness racing performances and 1 percent of handle
 31 on intertrack wagering. The funds for these breeders' awards

1 shall be paid to the respective breeders' associations by the
2 permitholders conducting the races.

3 (2) Each breeders' association shall develop a plan
4 each year that will provide for a uniform rate of payment and
5 procedure for breeders' and stallion awards ~~payment~~. The plan
6 for payment of breeders' and stallion awards may set a cap on
7 winnings and may limit, exclude, or defer payments on to
8 certain classes of races, such as the Florida stallion stakes
9 races, in order to assure that there are adequate revenues to
10 meet the proposed uniform rate. Priority shall be placed on
11 imposing such restrictions in lieu of allowing the uniform
12 rate for breeders' and stallion awards to be less than 15
13 percent of the total purse payment. The plan must provide for
14 the maximum possible payments within revenues.

15 Section 2. Subsection (3) of section 550.2625, Florida
16 Statutes, is amended to read:

17 550.2625 Horseracing; minimum purse requirement,
18 Florida breeders' and owners' awards.--

19 (3) Each horseracing permitholder conducting any
20 thoroughbred race under this chapter, including any intertrack
21 race taken pursuant to ss. 550.615-550.6305 or any interstate
22 simulcast taken pursuant to s. 550.3551(3) shall pay a sum
23 equal to 0.955 percent on all pari-mutuel pools conducted
24 during any such race for the payment of breeders', and
25 stallion, or special racing awards as authorized in this
26 chapter ~~section~~. This subsection also applies to all
27 Breeder's Cup races conducted outside this state taken
28 pursuant to s. 550.3551(3). On any race originating live in
29 this state which is broadcast out-of-state to any location at
30 which wagers are accepted pursuant to s. 550.3551(2), the host
31 track is required to pay 3.475 percent of the gross revenue

1 derived from such out-of-state broadcasts as breeders' and
 2 stallion, or special racing awards. The Florida Thoroughbred
 3 Breeders' Association is authorized to receive these payments
 4 from the permitholders and make payments of awards earned.
 5 The Florida Thoroughbred Breeders' Association has the right
 6 to withhold up to 10 percent of the permitholder's payments
 7 under this section as a fee for administering the payments of
 8 awards and for general promotion of the industry. The
 9 permitholder shall remit these payments to the Florida
 10 Thoroughbred Breeders' Association by the 5th day of each
 11 calendar month for such sums accruing during the preceding
 12 calendar month and shall report such payments to the division
 13 as prescribed by the division. With the exception of the
 14 10-percent fee, the moneys paid by the permitholders shall be
 15 maintained in a separate, interest-bearing account, and such
 16 payments together with any interest earned shall be used
 17 exclusively for the payment of breeders' awards and stallion,
 18 or special racing awards in accordance with the following
 19 provisions:

20 (a) The breeder of each Florida-bred thoroughbred
 21 horse winning a thoroughbred horse race is entitled to an
 22 award of up to, but not exceeding, 20 percent of the announced
 23 gross purse, including nomination fees, eligibility fees,
 24 starting fees, supplementary fees, and moneys added by the
 25 sponsor of the race.

26 (b) The owner or owners of the sire of a Florida-bred
 27 thoroughbred horse that wins a stakes race is entitled to a
 28 stallion award of up to, but not exceeding, 20 percent of the
 29 announced gross purse, including nomination fees, eligibility
 30 fees, starting fees, supplementary fees, and moneys added by
 31 the sponsor of the race.

1 (c) The owners of ~~registered Florida-bred~~ thoroughbred
2 horses participating winning or placing in thoroughbred stakes
3 races, non-stakes races, or both may receive a special racing
4 ~~an~~ award in accordance with the agreement ~~a plan~~ established
5 pursuant to ~~in~~ s. 550.26165(1).

6 (d) In order for a breeder of a Florida-bred
7 thoroughbred horse to be eligible to receive a breeder's
8 award, ~~or for the owners of a registered Florida-bred~~
9 ~~thoroughbred horse to be eligible to receive an award under~~
10 ~~paragraph (c),~~ the horse must have been registered as a
11 Florida-bred horse with the Florida Thoroughbred Breeders'
12 Association, and the Jockey Club certificate for the horse
13 must show that it has been duly registered as a Florida-bred
14 horse as evidenced by the seal and proper serial number of the
15 Florida Thoroughbred Breeders' Association registry. The
16 Florida Thoroughbred Breeders' Association shall be permitted
17 to charge the registrant a reasonable fee for this
18 verification and registration.

19 (e) In order for an owner of the sire of a
20 thoroughbred horse winning a stakes race to be eligible to
21 receive a stallion award, the stallion must have been
22 registered with the Florida Thoroughbred Breeders'
23 Association, and the breeding of the registered Florida-bred
24 horse must have occurred in this state. The stallion must be
25 standing permanently in this state during the period of time
26 between February 1 and June 15 of each year or, if the
27 stallion is dead, must have stood permanently in this state
28 for a period of not less than 1 year immediately prior to its
29 death. The removal of a stallion from this state during the
30 period of time between February 1 and June 15 of any year for
31 any reason, other than exclusively for prescribed medical

1 treatment, as approved by the Florida Thoroughbred Breeders'
 2 Association, renders the owner or owners of the stallion
 3 ineligible to receive a stallion award under any circumstances
 4 for offspring sired prior to removal; however, if a removed
 5 stallion is returned to this state, all offspring sired
 6 subsequent to the return make the owner or owners of the
 7 stallion eligible for the stallion award but only for those
 8 offspring sired subsequent to such return to this state. The
 9 Florida Thoroughbred Breeders' Association shall maintain
 10 complete records showing the date the stallion arrived in this
 11 state for the first time, whether or not the stallion remained
 12 in the state permanently, the location of the stallion, and
 13 whether the stallion is still standing in this state and
 14 complete records showing awards earned, received, and
 15 distributed. The association may charge the owner, owners, or
 16 breeder a reasonable fee for this service.

17 (f) A permitholder conducting a thoroughbred horse
 18 race under the provisions of this chapter shall, within 30
 19 days after the end of the race meet during which the race is
 20 conducted, certify to the Florida Thoroughbred Breeders'
 21 Association such information relating to the thoroughbred
 22 horses winning a stakes or other horserace at the meet as may
 23 be required to determine the eligibility for payment of
 24 breeders', ~~awards and~~ stallion, and special racing awards.

25 (g) The Florida Thoroughbred Breeders' Association
 26 shall maintain complete records showing the starters and
 27 winners in all races conducted at thoroughbred tracks in this
 28 state; shall maintain complete records showing awards earned,
 29 received, and distributed; and may charge the owner, owners,
 30 or breeder a reasonable fee for this service.

31

1 (h) The Florida Thoroughbred Breeders' Association
 2 shall annually establish a uniform rate and procedure for the
 3 payment of breeders' and stallion awards and shall make
 4 breeders' and stallion award payments in strict compliance
 5 with the established uniform rate and procedure plan. The
 6 plan may set a cap on winnings and may limit, exclude, or
 7 defer payments to certain classes of races, such as the
 8 Florida stallion stakes races, in order to assure that there
 9 are adequate revenues to meet the proposed uniform rate. Such
 10 plan must include proposals for the general promotion of the
 11 industry. Priority shall be placed upon imposing such
 12 restrictions in lieu of allowing the uniform rate to be less
 13 than 15 percent of the total purse payment. The uniform rate
 14 and procedure plan must be approved by the division before
 15 implementation. In the absence of an approved plan and
 16 procedure, the authorized rate for breeders' and stallion
 17 awards is 15 percent of the announced gross purse for each
 18 race. Such purse must include nomination fees, eligibility
 19 fees, starting fees, supplementary fees, and moneys added by
 20 the sponsor of the race. If the funds in the account for
 21 payment of breeders' and stallion awards are not sufficient to
 22 meet all earned breeders' and stallion awards, those breeders
 23 and stallion owners not receiving payments have first call on
 24 any subsequent receipts in that or any subsequent year.

25 (i) The Florida Thoroughbred Breeders' Association
 26 shall keep accurate records showing receipts and disbursements
 27 of such payments and shall annually file a full and complete
 28 report to the division showing such receipts and disbursements
 29 and the sums withheld for administration. The division may
 30 audit the records and accounts of the Florida Thoroughbred
 31 Breeders' Association to determine that payments have been

1 made to eligible breeders and stallion owners in accordance
2 with this section.

3 (j) If the division finds that the Florida
4 Thoroughbred Breeders' Association has not complied with any
5 provision of this section, the division may order the
6 association to cease and desist from receiving funds and
7 administering funds received under this section. If the
8 division enters such an order, the permitholder shall make the
9 payments authorized in this section to the division for
10 deposit into the Pari-mutuel Wagering Trust Fund; and any
11 funds in the Florida Thoroughbred Breeders' Association
12 account shall be immediately paid to the Division of
13 Pari-mutuel Wagering for deposit to the Pari-mutuel Wagering
14 Trust Fund. The division shall authorize payment from these
15 funds to any breeder or stallion owner entitled to an award
16 that has not been previously paid by the Florida Thoroughbred
17 Breeders' Association in accordance with the applicable rate.

18 Section 3. Paragraph (a) of subsection (7) of section
19 550.334, Florida Statutes, is amended to read:

20 550.334 Quarter horse racing; substitutions.--

21 (7)(a) Any quarter horse racing permitholder operating
22 under a valid permit issued prior to January 1, 2002, by the
23 division that has not been relocated after December 31, 2001,
24 to a county other than the county that appears on the original
25 permit application is authorized to substitute other races of
26 other breeds of horses which are, respectively, registered
27 with the American Paint Horse Association, Appaloosa Horse
28 Club, Arabian Horse Registry of America, Jockey Club, Palomino
29 Horse Breeders of America, or United States Trotting
30 Association, for no more than 50 percent of the quarter horse
31 races daily.

1 Section 4. (1) Notwithstanding the provisions of s.
2 550.01215(4), the license of thoroughbred horserace
3 permitholder who fails to operate all performances specified
4 on its license that are scheduled prior to July 1, 2004 will
5 not be subject to fine or suspension by the division.

6 (2) Notwithstanding the provisions of s.
7 550.09515(3)(a), a thoroughbred horse permitholder who does
8 not pay tax on handle for live thoroughbred performances
9 through the period ending July 1, 2004, does not abandon its
10 interest in its permit.

11 (3) Notwithstanding the provision of s. 550.5251(2),
12 though the period ending July 1, 2004, the ability to operate
13 horseracing meets the full number of days authorized on each
14 of the dates set forth in its license shall not be a condition
15 precedent to the validity of a thoroughbred racing
16 permitholder's license or permit.

17 Section 5. This act shall take effect upon becoming a
18 law.