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1 A bill to be entitled

2 An act relating to pari-mutuel wagering; amending s.
3 550.26165, F.S.; revising criteria for making breeders'
4 awards for racehorses; amending s. 550.2625, F.S.;
5 providing for payment of special racing awards; amending
6 s. 550.5251, F.S.; authorizing a thoroughbred racing
7 permitholder to operate a cardroom; amending s. 849.086,
8 F.S.; redefining the term "authorized game"; providing for
9 certain permitholders to amend the annual application to
10 include operation of a cardroom; providing requirements
11 for a harness permitholder to operate a cardroom;
12 clarifying requirements for the license fee; revising
13 certain restrictions on the hours that a cardroom may be
14 operated; authorizing the cardroom operator to limit the
15 amount wagered; providing certain restrictions with
16 respect to the amount of bets and the number of raises in
17 a round of betting; providing an effective date.

18
19 Be It Enacted by the Legislature of the State of Florida:

20
21 Section 1. Subsections (1) and (2) of section 550.26165,
22 Florida Statutes, are amended to read:

23 550.26165 Breeders' awards.--

24 (1) The purpose of this section is to encourage the
25 agricultural activity of breeding and training racehorses in
26 this state. Moneys dedicated in this chapter for use as
27 breeders' awards and stallion awards are to be used for awards
28 to breeders of registered Florida-bred horses winning horseraces
29 and for similar awards to the owners of stallions who sired
30 Florida-bred horses winning stakes races, if the stallions are



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31 registered as Florida stallions standing in this state. Such
32 awards shall be given at a uniform rate to all winners of the
33 awards, shall not be greater than 20 percent of the announced
34 gross purse, and shall not be less than 15 percent of the
35 announced gross purse if funds are available. In addition, no
36 less than 17 percent nor more than 40 percent, as determined by
37 the Florida Thoroughbred Breeders' Association, of the moneys
38 dedicated in this chapter for use as breeders' awards and
39 stallion awards for thoroughbreds shall be returned pro rata to
40 the permitholders that generated the moneys for special racing
41 awards to be distributed by the permitholders to owners of
42 ~~registered Florida-bred~~ thoroughbred horses participating
43 winning in prescribed thoroughbred stakes races, nonstakes
44 races, or both ~~and winning or placing in thoroughbred stakes~~
45 ~~races~~, all in accordance with a written agreement establishing
46 the rate, procedure, and eligibility requirements for such
47 awards entered into ~~plan established annually no later than 120~~
48 ~~days before the first day of the permitholders' racing meet and~~
49 ~~agreed upon~~ by the permitholder, the Florida Thoroughbred
50 Breeders' Association, and the Florida Horsemen's Benevolent and
51 Protective Association, Inc., except that the plan for the
52 distribution by any permitholder located in the area described
53 in s. 550.615(9) shall be agreed upon by that permitholder, the
54 Florida Thoroughbred Breeders' Association, and the association
55 representing a majority of the thoroughbred racehorse owners and
56 trainers at that location. Awards for thoroughbred races are to
57 be paid through the Florida Thoroughbred Breeders' Association,
58 and awards for standardbred races are to be paid through the
59 Florida Standardbred Breeders and Owners Association. Among
60 other sources specified in this chapter, moneys for thoroughbred



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61 breeders' awards will come from the 0.955 percent of handle for
62 thoroughbred races conducted, received, broadcast, or simulcast
63 under this chapter as provided in s. 550.2625(3). The moneys
64 for quarter horse and harness breeders' awards will come from
65 the breaks and uncashed tickets on live quarter horse and
66 harness racing performances and 1 percent of handle on
67 intertrack wagering. The funds for these breeders' awards shall
68 be paid to the respective breeders' associations by the
69 permitholders conducting the races.

70 (2) Each breeders' association shall develop a plan each
71 year that will provide for a uniform rate of payment and
72 procedure for breeders' and stallion awards ~~payment~~. The plan
73 for payment of breeders' and stallion awards may set a cap on
74 winnings and may limit, exclude, or defer payments on ~~to~~ certain
75 classes of races, such as the Florida stallion stakes races, in
76 order to assure that there are adequate revenues to meet the
77 proposed uniform rate. Priority shall be placed on imposing such
78 restrictions in lieu of allowing the uniform rate for breeders'
79 and stallion awards to be less than 15 percent of the total
80 purse payment. The plan must provide for the maximum possible
81 payments within revenues.

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

84 550.2625 Horseracing; minimum purse requirement, Florida
85 breeders' and owners' awards.--

86 (3) Each horseracing permitholder conducting any
87 thoroughbred race under this chapter, including any intertrack
88 race taken pursuant to ss. 550.615-550.6305 or any interstate
89 simulcast taken pursuant to s. 550.3551(3) shall pay a sum equal
90 to 0.955 percent on all pari-mutuel pools conducted during any



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91 such race for the payment of breeders', ~~and stallion,~~ or special
 92 racing awards as authorized in this chapter ~~section~~. This
 93 subsection also applies to all Breeder's Cup races conducted
 94 outside this state taken pursuant to s. 550.3551(3). On any
 95 race originating live in this state which is broadcast out-of-
 96 state to any location at which wagers are accepted pursuant to
 97 s. 550.3551(2), the host track is required to pay 3.475 percent
 98 of the gross revenue derived from such out-of-state broadcasts
 99 as breeders', ~~and stallion,~~ or special racing awards. The
 100 Florida Thoroughbred Breeders' Association is authorized to
 101 receive these payments from the permitholders and make payments
 102 of awards earned. The Florida Thoroughbred Breeders'
 103 Association has the right to withhold up to 10 percent of the
 104 permitholder's payments under this section as a fee for
 105 administering the payments of awards and for general promotion
 106 of the industry. The permitholder shall remit these payments to
 107 the Florida Thoroughbred Breeders' Association by the 5th day of
 108 each calendar month for such sums accruing during the preceding
 109 calendar month and shall report such payments to the division as
 110 prescribed by the division. With the exception of the 10-
 111 percent fee, the moneys paid by the permitholders shall be
 112 maintained in a separate, interest-bearing account, and such
 113 payments together with any interest earned shall be used
 114 exclusively for the payment of breeders', ~~awards and stallion,~~
 115 or special racing awards in accordance with the following
 116 provisions:

117 (a) The breeder of each Florida-bred thoroughbred horse
 118 winning a thoroughbred horse race is entitled to an award of up
 119 to, but not exceeding, 20 percent of the announced gross purse,



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120 including nomination fees, eligibility fees, starting fees,
121 supplementary fees, and moneys added by the sponsor of the race.

122 (b) The owner or owners of the sire of a Florida-bred
123 thoroughbred horse that wins a stakes race is entitled to a
124 stallion award of up to, but not exceeding, 20 percent of the
125 announced gross purse, including nomination fees, eligibility
126 fees, starting fees, supplementary fees, and moneys added by the
127 sponsor of the race.

128 (c) The owners of ~~registered Florida-bred~~ thoroughbred
129 horses participating winning or placing in thoroughbred stakes
130 races, nonstakes races, or both may receive a special racing an
131 award in accordance with the agreement a plan established
132 pursuant to in s. 550.26165(1).

133 (d) In order for a breeder of a Florida-bred thoroughbred
134 horse to be eligible to receive a breeder's award, ~~or for the~~
135 ~~owners of a registered Florida-bred thoroughbred horse to be~~
136 ~~eligible to receive an award under paragraph (c),~~ the horse must
137 have been registered as a Florida-bred horse with the Florida
138 Thoroughbred Breeders' Association, and the Jockey Club
139 certificate for the horse must show that it has been duly
140 registered as a Florida-bred horse as evidenced by the seal and
141 proper serial number of the Florida Thoroughbred Breeders'
142 Association registry. The Florida Thoroughbred Breeders'
143 Association shall be permitted to charge the registrant a
144 reasonable fee for this verification and registration.

145 (e) In order for an owner of the sire of a thoroughbred
146 horse winning a stakes race to be eligible to receive a stallion
147 award, the stallion must have been registered with the Florida
148 Thoroughbred Breeders' Association, and the breeding of the
149 registered Florida-bred horse must have occurred in this state.



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150 The stallion must be standing permanently in this state during
151 the period of time between February 1 and June 15 of each year
152 or, if the stallion is dead, must have stood permanently in this
153 state for a period of not less than 1 year immediately prior to
154 its death. The removal of a stallion from this state during the
155 period of time between February 1 and June 15 of any year for
156 any reason, other than exclusively for prescribed medical
157 treatment, as approved by the Florida Thoroughbred Breeders'
158 Association, renders the owner or owners of the stallion
159 ineligible to receive a stallion award under any circumstances
160 for offspring sired prior to removal; however, if a removed
161 stallion is returned to this state, all offspring sired
162 subsequent to the return make the owner or owners of the
163 stallion eligible for the stallion award but only for those
164 offspring sired subsequent to such return to this state. The
165 Florida Thoroughbred Breeders' Association shall maintain
166 complete records showing the date the stallion arrived in this
167 state for the first time, whether or not the stallion remained
168 in the state permanently, the location of the stallion, and
169 whether the stallion is still standing in this state and
170 complete records showing awards earned, received, and
171 distributed. The association may charge the owner, owners, or
172 breeder a reasonable fee for this service.

173 (f) A permitholder conducting a thoroughbred horse race
174 under the provisions of this chapter shall, within 30 days after
175 the end of the race meet during which the race is conducted,
176 certify to the Florida Thoroughbred Breeders' Association such
177 information relating to the thoroughbred horses winning a stakes
178 or other horserace at the meet as may be required to determine



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179 the eligibility for payment of breeders', ~~awards and stallion,~~
180 and special racing awards.

181 (g) The Florida Thoroughbred Breeders' Association shall
182 maintain complete records showing the starters and winners in
183 all races conducted at thoroughbred tracks in this state; shall
184 maintain complete records showing awards earned, received, and
185 distributed; and may charge the owner, owners, or breeder a
186 reasonable fee for this service.

187 (h) The Florida Thoroughbred Breeders' Association shall
188 annually establish a uniform rate and procedure for the payment
189 of breeders' and stallion awards and shall make breeders' and
190 stallion award payments in strict compliance with the
191 established uniform rate and procedure plan. The plan may set a
192 cap on winnings and may limit, exclude, or defer payments to
193 certain classes of races, such as the Florida stallion stakes
194 races, in order to assure that there are adequate revenues to
195 meet the proposed uniform rate. Such plan must include proposals
196 for the general promotion of the industry. Priority shall be
197 placed upon imposing such restrictions in lieu of allowing the
198 uniform rate to be less than 15 percent of the total purse
199 payment. The uniform rate and procedure plan must be approved
200 by the division before implementation. In the absence of an
201 approved plan and procedure, the authorized rate for breeders'
202 and stallion awards is 15 percent of the announced gross purse
203 for each race. Such purse must include nomination fees,
204 eligibility fees, starting fees, supplementary fees, and moneys
205 added by the sponsor of the race. If the funds in the account
206 for payment of breeders' and stallion awards are not sufficient
207 to meet all earned breeders' and stallion awards, those breeders



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208 and stallion owners not receiving payments have first call on
209 any subsequent receipts in that or any subsequent year.

210 (i) The Florida Thoroughbred Breeders' Association shall
211 keep accurate records showing receipts and disbursements of such
212 payments and shall annually file a full and complete report to
213 the division showing such receipts and disbursements and the
214 sums withheld for administration. The division may audit the
215 records and accounts of the Florida Thoroughbred Breeders'
216 Association to determine that payments have been made to
217 eligible breeders and stallion owners in accordance with this
218 section.

219 (j) If the division finds that the Florida Thoroughbred
220 Breeders' Association has not complied with any provision of
221 this section, the division may order the association to cease
222 and desist from receiving funds and administering funds received
223 under this section. If the division enters such an order, the
224 permitholder shall make the payments authorized in this section
225 to the division for deposit into the Pari-mutuel Wagering Trust
226 Fund; and any funds in the Florida Thoroughbred Breeders'
227 Association account shall be immediately paid to the Division of
228 Pari-mutuel Wagering for deposit to the Pari-mutuel Wagering
229 Trust Fund. The division shall authorize payment from these
230 funds to any breeder or stallion owner entitled to an award that
231 has not been previously paid by the Florida Thoroughbred
232 Breeders' Association in accordance with the applicable rate.

233 Section 3. Subsection (4) of section 550.5251, Florida
234 Statutes, is amended to read:

235 550.5251 Florida thoroughbred racing; certain permits;
236 operating days.--



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237 (4) A thoroughbred racing permitholder may not begin any
 238 race later than 7 p.m. ~~However,~~ Any thoroughbred permitholder in
 239 a county in which the authority for cardrooms has been approved
 240 by the board of county commissioners may ~~elect not to~~ operate a
 241 cardroom and, when conducting live races during its current race
 242 meet, may ~~and instead to~~ receive and rebroadcast out-of-state
 243 races after the hour of 7 p.m. on any day during which the
 244 permitholder conducts live races. ~~However, such permitholder may~~
 245 ~~not engage in both operating a cardroom and receiving or~~
 246 ~~rebroadcasting out-of-state races after 7 p.m. Permitholders~~
 247 ~~shall be required to elect between either operating a cardroom~~
 248 ~~or engaging in simuleasting after 7 p.m. at the time of~~
 249 ~~submitting its application for its annual license pursuant to~~
 250 ~~this section.~~

251 Section 4. Paragraph (a) of subsection (2), subsections
 252 (5), (7), and (8), and paragraphs(a) and (d) of subsection (13)
 253 of section 849.086, Florida Statutes, are amended to read:

254 849.086 Cardrooms authorized.--

255 (2) DEFINITIONS.--As used in this section:

256 (a) "Authorized game games" means a game or series of
 257 games of poker ~~only those games authorized by s. 849.085(2)(a)~~
 258 ~~and~~ which are played in a nonbanking manner.

259 (5) LICENSE REQUIRED; APPLICATION; FEES.--No person may
 260 operate a cardroom in this state unless such person holds a
 261 valid cardroom license issued pursuant to this section.

262 (a) Only those persons holding a valid cardroom license
 263 issued by the division may operate a cardroom. A cardroom
 264 license may only be issued to a licensed pari-mutuel
 265 permitholder and an authorized cardroom may only be operated at
 266 the same facility at which the permitholder is authorized under



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267 its valid pari-mutuel wagering permit to conduct pari-mutuel
268 wagering activities. Cardroom licenses are not transferable.

269 (b) After the initial cardroom license is granted, the
270 application for the annual license renewal shall be made in
271 conjunction with the applicant's annual application for its
272 pari-mutuel license. If a permitholder has operated a cardroom
273 during any of the 3 previous fiscal years and fails to include a
274 renewal request for the operation of the cardroom in its annual
275 application for license renewal, the permitholder may amend its
276 annual application to include operation of the cardroom. In
277 order for a cardroom license to be renewed the applicant must
278 have requested, as part of its pari-mutuel annual license
279 application, to conduct at least 90 percent of the total number
280 of live performances conducted by such permitholder during
281 either the state fiscal year in which its initial cardroom
282 license was issued or the state fiscal year immediately prior
283 thereto. If the application is for a harness permitholder
284 cardroom, the applicant must have requested authorization to
285 conduct a minimum of 140 live performances during the state
286 fiscal year immediately prior thereto. If more than one
287 permitholder is operating at a facility, each permitholder must
288 have applied for a license to conduct a full schedule of live
289 racing.

290 (c) Persons seeking a license or a renewal thereof to
291 operate a cardroom shall make application on forms prescribed by
292 the division. Applications for cardroom licenses shall contain
293 all of the information the division, by rule, may determine is
294 required to ensure eligibility.

295 (d) The annual cardroom license fee for each facility
296 shall be \$1,000 for the first table and \$500 for each additional



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297 table to be operated at the cardroom. This license fee shall be
 298 deposited by the division with the Treasurer to the credit of
 299 the Pari-mutuel Wagering Trust Fund.

300 (7) CONDITIONS FOR OPERATING A CARDROOM.--

301 (a) A cardroom may ~~only~~ be operated only at the location
 302 specified on the cardroom license issued by the division, and
 303 such location may only be the location at which the pari-mutuel
 304 permitholder is authorized to conduct pari-mutuel wagering
 305 activities pursuant to such permitholder's valid pari-mutuel
 306 permit or as otherwise authorized by law ~~and current license~~.

307 (b) A cardroom may be operated at the facility only when
 308 the facility is authorized to accept wagers on pari-mutuel
 309 events during its authorized meet. A cardroom may operate
 310 between the hours of 12 noon and 12 midnight on any day a pari-
 311 mutuel event is conducted live as a part of its authorized meet.
 312 However, a permitholder who holds a valid cardroom license may
 313 operate a cardroom between the hours of 12 noon and 12 midnight
 314 on any day that live racing of the same class of permit is
 315 occurring within 35 miles of its facility if no other holder of
 316 that same class of permit within 35 miles is operating a
 317 cardroom at such time and if all holders of the same class of
 318 permit within the 35-mile area have given their permission in
 319 writing to the permitholder to operate the cardroom during the
 320 designated period. Application to operate a cardroom under this
 321 paragraph must be made to the division as part of the annual
 322 license application. ~~begin operations within 2 hours prior to~~
 323 ~~the post time of the first pari-mutuel event conducted live at~~
 324 ~~the pari-mutuel facility on which wagers are accepted and must~~
 325 ~~cease operations within 2 hours after the conclusion of the last~~



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326 ~~pari-mutuel event conducted live at the pari-mutuel facility on~~
327 ~~which wagers are accepted.~~

328 (c) A cardroom operator must at all times employ and
329 provide a nonplaying dealer for each table on which authorized
330 card games which traditionally utilize a dealer are conducted at
331 the cardroom. Such dealers may not have any participatory
332 interest in any game other than the dealing of cards and may not
333 have an interest in the outcome of the game. The providing of
334 such dealers by a licensee shall not be construed as
335 constituting the conducting of a banking game by the cardroom
336 operator.

337 (d) Each cardroom operator shall conspicuously post upon
338 the premises of the cardroom a notice which contains a copy of
339 the cardroom license; a list of authorized games offered by the
340 cardroom; the wagering limits imposed by the house, if any; any
341 additional house rules regarding operation of the cardroom or
342 the playing of any game; and all costs to players to
343 participate, including any rake by the house. In addition, each
344 cardroom operator shall post at each table a notice of the
345 minimum and maximum bets authorized at such table and the fee
346 for participation in the game conducted.

347 (e) The cardroom facility shall be subject to inspection
348 by the division or any law enforcement agency during the
349 licensee's regular business hours. The inspection will
350 specifically encompass the permitholder internal control
351 procedures approved by the division.

352 (f) A cardroom operator may refuse entry to or refuse to
353 allow to play any person who is objectionable, undesirable, or
354 disruptive, but such refusal shall not be on the basis of race,



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355 creed, color, religion, sex, national origin, marital status,
356 physical handicap, or age, except as provided in this section.

357 (8) METHOD OF WAGERS; LIMITATION.--

358 (a) No wagering may be conducted using money or other
359 negotiable currency. Games may only be played utilizing a
360 wagering system whereby all players' money is first converted by
361 the house to tokens or chips which shall be used for wagering
362 only at that specific cardroom.

363 (b) The cardroom operator may limit the amount wagered in
364 any game or series of games, but the maximum bet ~~winnings of any~~
365 ~~player in a single round, hand, or game~~ may not exceed \$2 ~~\$10~~ in
366 value. There may not be more than three raises in any round of
367 betting. The fee charged by the cardroom for participation in
368 the game shall not be included in the calculation of the
369 limitation on the bet amount ~~pot size~~ provided in this
370 paragraph.

371 (13) TAXES AND OTHER PAYMENTS.--

372 (a) Each cardroom operator shall pay a tax to the state of
373 10 percent of the cardroom operation's monthly gross receipts.

374 (d) Each greyhound and jai alai permitholder that ~~which~~
375 operates a cardroom facility shall use ~~utilize~~ at least 4
376 percent of such permitholder's cardroom monthly gross receipts
377 to supplement greyhound purses or jai alai prize money,
378 respectively, during the permitholder's next ensuing pari-mutuel
379 meet. Each thoroughbred and harness horse racing permitholder
380 that ~~which~~ operates a cardroom facility shall use ~~utilize~~ at
381 least 50 percent of such permitholder's cardroom monthly net
382 proceeds as follows: 47 percent to supplement purses and 3
383 percent to supplement breeders' awards during the permitholder's
384 next ensuing racing meet.



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Section 5. This act shall take effect July 1, 2003.