

By Senator Diaz de la Portilla

10-658B-03

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           550.5251, F.S.; authorizing a thoroughbred  
 8           racing permitholder to operate a cardroom;  
 9           amending s. 849.086, F.S.; redefining the term  
 10          "authorized game"; providing for certain  
 11          permitholders to amend the annual application  
 12          to include operation of a cardroom; providing  
 13          requirements for a harness permitholder to  
 14          operate a cardroom; clarifying requirements for  
 15          the license fee; revising certain restrictions  
 16          on the hours that a cardroom may be operated;  
 17          authorizing the cardroom operator to limit the  
 18          amount wagered; providing certain restrictions  
 19          with respect to the amount of bets and the  
 20          number of raises in a round of betting;  
 21          providing an effective date.

22  
 23 Be It Enacted by the Legislature of the State of Florida:

24  
 25           Section 1. Subsections (1) and (2) of section  
 26 550.26165, Florida Statutes, are amended to read:

27           550.26165 Breeders' awards.--

28           (1) The purpose of this section is to encourage the  
 29 agricultural activity of breeding and training racehorses in  
 30 this state. Moneys dedicated in this chapter for use as  
 31 breeders' awards and stallion awards are to be used for awards

1 to breeders of registered Florida-bred horses winning  
2 horseraces and for similar awards to the owners of stallions  
3 who sired Florida-bred horses winning stakes races, if the  
4 stallions are registered as Florida stallions standing in this  
5 state. Such awards shall be given at a uniform rate to all  
6 winners of the awards, shall not be greater than 20 percent of  
7 the announced gross purse, and shall not be less than 15  
8 percent of the announced gross purse if funds are available.  
9 In addition, no less than 17 percent nor more than 40 percent,  
10 as determined by the Florida Thoroughbred Breeders'  
11 Association, of the moneys dedicated in this chapter for use  
12 as breeders' awards and stallion awards for thoroughbreds  
13 shall be returned pro rata to the permitholders that generated  
14 the moneys for special racing awards to be distributed by the  
15 permitholders to owners of ~~registered Florida-bred~~  
16 thoroughbred horses participating winning in prescribed  
17 thoroughbred stakes races, nonstakes races, or both and  
18 ~~winning or placing in thoroughbred stakes races,~~ all in  
19 accordance with a written agreement establishing the rate,  
20 procedure, and eligibility requirements for such awards  
21 ~~entered into plan established annually no later than 120 days~~  
22 ~~before the first day of the permitholders' racing meet and~~  
23 ~~agreed upon~~ by the permitholder, the Florida Thoroughbred  
24 Breeders' Association, and the Florida Horsemen's Benevolent  
25 and Protective Association, Inc., except that the plan for the  
26 distribution by any permitholder located in the area described  
27 in s. 550.615(9) shall be agreed upon by that permitholder,  
28 the Florida Thoroughbred Breeders' Association, and the  
29 association representing a majority of the thoroughbred  
30 racehorse owners and trainers at that location. Awards for  
31 thoroughbred races are to be paid through the Florida

1 Thoroughbred Breeders' Association, and awards for  
2 standardbred races are to be paid through the Florida  
3 Standardbred Breeders and Owners Association. Among other  
4 sources specified in this chapter, moneys for thoroughbred  
5 breeders' awards will come from the 0.955 percent of handle  
6 for thoroughbred races conducted, received, broadcast, or  
7 simulcast under this chapter as provided in s. 550.2625(3).  
8 The moneys for quarter horse and harness breeders' awards will  
9 come from the breaks and uncashed tickets on live quarter  
10 horse and harness racing performances and 1 percent of handle  
11 on intertrack wagering. The funds for these breeders' awards  
12 shall be paid to the respective breeders' associations by the  
13 permitholders conducting the races.

14       (2) Each breeders' association shall develop a plan  
15 each year that will provide for a uniform rate of payment and  
16 procedure for breeders' and stallion awards ~~payment~~. The plan  
17 for payment of breeders' and stallion awards may set a cap on  
18 winnings and may limit, exclude, or defer payments on to  
19 certain classes of races, such as the Florida stallion stakes  
20 races, in order to assure that there are adequate revenues to  
21 meet the proposed uniform rate. Priority shall be placed on  
22 imposing such restrictions in lieu of allowing the uniform  
23 rate for breeders' and stallion awards to be less than 15  
24 percent of the total purse payment. The plan must provide for  
25 the maximum possible payments within revenues.

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

28       550.2625 Horseracing; minimum purse requirement,  
29 Florida breeders' and owners' awards.--

30       (3) Each horseracing permitholder conducting any  
31 thoroughbred race under this chapter, including any intertrack

1 race taken pursuant to ss. 550.615-550.6305 or any interstate  
2 simulcast taken pursuant to s. 550.3551(3) shall pay a sum  
3 equal to 0.955 percent on all pari-mutuel pools conducted  
4 during any such race for the payment of breeders', and  
5 stallion, or special racing awards as authorized in this  
6 chapter section. This subsection also applies to all  
7 Breeder's Cup races conducted outside this state taken  
8 pursuant to s. 550.3551(3). On any race originating live in  
9 this state which is broadcast out-of-state to any location at  
10 which wagers are accepted pursuant to s. 550.3551(2), the host  
11 track is required to pay 3.475 percent of the gross revenue  
12 derived from such out-of-state broadcasts as breeders', and  
13 stallion, or special racing awards. The Florida Thoroughbred  
14 Breeders' Association is authorized to receive these payments  
15 from the permitholders and make payments of awards earned.  
16 The Florida Thoroughbred Breeders' Association has the right  
17 to withhold up to 10 percent of the permitholder's payments  
18 under this section as a fee for administering the payments of  
19 awards and for general promotion of the industry. The  
20 permitholder shall remit these payments to the Florida  
21 Thoroughbred Breeders' Association by the 5th day of each  
22 calendar month for such sums accruing during the preceding  
23 calendar month and shall report such payments to the division  
24 as prescribed by the division. With the exception of the  
25 10-percent fee, the moneys paid by the permitholders shall be  
26 maintained in a separate, interest-bearing account, and such  
27 payments together with any interest earned shall be used  
28 exclusively for the payment of breeders', awards ~~and stallion,~~  
29 or special racing awards in accordance with the following  
30 provisions:  
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1           (a) The breeder of each Florida-bred thoroughbred  
2 horse winning a thoroughbred horse race is entitled to an  
3 award of up to, but not exceeding, 20 percent of the announced  
4 gross purse, including nomination fees, eligibility fees,  
5 starting fees, supplementary fees, and moneys added by the  
6 sponsor of the race.

7           (b) The owner or owners of the sire of a Florida-bred  
8 thoroughbred horse that wins a stakes race is entitled to a  
9 stallion award of up to, but not exceeding, 20 percent of the  
10 announced gross purse, including nomination fees, eligibility  
11 fees, starting fees, supplementary fees, and moneys added by  
12 the sponsor of the race.

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

18           (d) In order for a breeder of a Florida-bred  
19 thoroughbred horse to be eligible to receive a breeder's  
20 award, ~~or for the owners of a registered Florida-bred~~  
21 ~~thoroughbred horse to be eligible to receive an award under~~  
22 ~~paragraph (c),~~ the horse must have been registered as a  
23 Florida-bred horse with the Florida Thoroughbred Breeders'  
24 Association, and the Jockey Club certificate for the horse  
25 must show that it has been duly registered as a Florida-bred  
26 horse as evidenced by the seal and proper serial number of the  
27 Florida Thoroughbred Breeders' Association registry. The  
28 Florida Thoroughbred Breeders' Association shall be permitted  
29 to charge the registrant a reasonable fee for this  
30 verification and registration.

31

1           (e) In order for an owner of the sire of a  
2 thoroughbred horse winning a stakes race to be eligible to  
3 receive a stallion award, the stallion must have been  
4 registered with the Florida Thoroughbred Breeders'  
5 Association, and the breeding of the registered Florida-bred  
6 horse must have occurred in this state. The stallion must be  
7 standing permanently in this state during the period of time  
8 between February 1 and June 15 of each year or, if the  
9 stallion is dead, must have stood permanently in this state  
10 for a period of not less than 1 year immediately prior to its  
11 death. The removal of a stallion from this state during the  
12 period of time between February 1 and June 15 of any year for  
13 any reason, other than exclusively for prescribed medical  
14 treatment, as approved by the Florida Thoroughbred Breeders'  
15 Association, renders the owner or owners of the stallion  
16 ineligible to receive a stallion award under any circumstances  
17 for offspring sired prior to removal; however, if a removed  
18 stallion is returned to this state, all offspring sired  
19 subsequent to the return make the owner or owners of the  
20 stallion eligible for the stallion award but only for those  
21 offspring sired subsequent to such return to this state. The  
22 Florida Thoroughbred Breeders' Association shall maintain  
23 complete records showing the date the stallion arrived in this  
24 state for the first time, whether or not the stallion remained  
25 in the state permanently, the location of the stallion, and  
26 whether the stallion is still standing in this state and  
27 complete records showing awards earned, received, and  
28 distributed. The association may charge the owner, owners, or  
29 breeder a reasonable fee for this service.

30           (f) A permitholder conducting a thoroughbred horse  
31 race under the provisions of this chapter shall, within 30

1 days after the end of the race meet during which the race is  
2 conducted, certify to the Florida Thoroughbred Breeders'  
3 Association such information relating to the thoroughbred  
4 horses winning a stakes or other horserace at the meet as may  
5 be required to determine the eligibility for payment of  
6 breeders', ~~awards and~~ stallion, and special racing awards.

7 (g) The Florida Thoroughbred Breeders' Association  
8 shall maintain complete records showing the starters and  
9 winners in all races conducted at thoroughbred tracks in this  
10 state; shall maintain complete records showing awards earned,  
11 received, and distributed; and may charge the owner, owners,  
12 or breeder a reasonable fee for this service.

13 (h) The Florida Thoroughbred Breeders' Association  
14 shall annually establish a uniform rate and procedure for the  
15 payment of breeders' and stallion awards and shall make  
16 breeders' and stallion award payments in strict compliance  
17 with the established uniform rate and procedure plan. The  
18 plan may set a cap on winnings and may limit, exclude, or  
19 defer payments to certain classes of races, such as the  
20 Florida stallion stakes races, in order to assure that there  
21 are adequate revenues to meet the proposed uniform rate. Such  
22 plan must include proposals for the general promotion of the  
23 industry. Priority shall be placed upon imposing such  
24 restrictions in lieu of allowing the uniform rate to be less  
25 than 15 percent of the total purse payment. The uniform rate  
26 and procedure plan must be approved by the division before  
27 implementation. In the absence of an approved plan and  
28 procedure, the authorized rate for breeders' and stallion  
29 awards is 15 percent of the announced gross purse for each  
30 race. Such purse must include nomination fees, eligibility  
31 fees, starting fees, supplementary fees, and moneys added by

1 the sponsor of the race. If the funds in the account for  
2 payment of breeders' and stallion awards are not sufficient to  
3 meet all earned breeders' and stallion awards, those breeders  
4 and stallion owners not receiving payments have first call on  
5 any subsequent receipts in that or any subsequent year.

6 (i) The Florida Thoroughbred Breeders' Association  
7 shall keep accurate records showing receipts and disbursements  
8 of such payments and shall annually file a full and complete  
9 report to the division showing such receipts and disbursements  
10 and the sums withheld for administration. The division may  
11 audit the records and accounts of the Florida Thoroughbred  
12 Breeders' Association to determine that payments have been  
13 made to eligible breeders and stallion owners in accordance  
14 with this section.

15 (j) If the division finds that the Florida  
16 Thoroughbred Breeders' Association has not complied with any  
17 provision of this section, the division may order the  
18 association to cease and desist from receiving funds and  
19 administering funds received under this section. If the  
20 division enters such an order, the permitholder shall make the  
21 payments authorized in this section to the division for  
22 deposit into the Pari-mutuel Wagering Trust Fund; and any  
23 funds in the Florida Thoroughbred Breeders' Association  
24 account shall be immediately paid to the Division of  
25 Pari-mutuel Wagering for deposit to the Pari-mutuel Wagering  
26 Trust Fund. The division shall authorize payment from these  
27 funds to any breeder or stallion owner entitled to an award  
28 that has not been previously paid by the Florida Thoroughbred  
29 Breeders' Association in accordance with the applicable rate.

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



1           550.5251 Florida thoroughbred racing; certain permits;  
2 operating days.--

3           (4) A thoroughbred racing permitholder may not begin  
4 any race later than 7 p.m. ~~However,~~Any thoroughbred  
5 permitholder in a county in which the authority for cardrooms  
6 has been approved by the board of county commissioners may  
7 ~~elect not to~~ operate a cardroom and,when conducting live  
8 races during its current race meet, may ~~and instead to~~ receive  
9 and rebroadcast out-of-state races after the hour of 7 p.m. on  
10 any day during which the permitholder conducts live races.  
11 ~~However, such permitholder may not engage in both operating a~~  
12 ~~cardroom and receiving or rebroadcasting out-of-state races~~  
13 ~~after 7 p.m. Permitholders shall be required to elect between~~  
14 ~~either operating a cardroom or engaging in simulcasting after~~  
15 ~~7 p.m. at the time of submitting its application for its~~  
16 ~~annual license pursuant to this section.~~

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

21           849.086 Cardrooms authorized.--

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

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

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

29           (a) Only those persons holding a valid cardroom  
30 license issued by the division may operate a cardroom. A  
31 cardroom license may only be issued to a licensed pari-mutuel

1 | permitholder and an authorized cardroom may only be operated  
2 | at the same facility at which the permitholder is authorized  
3 | under its valid pari-mutuel wagering permit to conduct  
4 | pari-mutuel wagering activities. Cardroom licenses are not  
5 | transferable.

6 |         (b) After the initial cardroom license is granted, the  
7 | application for the annual license renewal shall be made in  
8 | conjunction with the applicant's annual application for its  
9 | pari-mutuel license. If a permitholder has operated a cardroom  
10 | during any of the 3 previous fiscal years and fails to include  
11 | a renewal request for the operation of the cardroom in its  
12 | annual application for license renewal, the permitholder may  
13 | amend its annual application to include operation of the  
14 | cardroom.In order for a cardroom license to be renewed the  
15 | applicant must have requested, as part of its pari-mutuel  
16 | annual license application, to conduct at least 90 percent of  
17 | the total number of live performances conducted by such  
18 | permitholder during either the state fiscal year in which its  
19 | initial cardroom license was issued or the state fiscal year  
20 | immediately prior thereto. If the application is for a harness  
21 | permitholder cardroom, the applicant must have requested  
22 | authorization to conduct a minimum of 140 live performances  
23 | during the state fiscal year immediately prior thereto. If  
24 | more than one permitholder is operating at a facility, each  
25 | permitholder must have applied for a license to conduct a full  
26 | schedule of live racing.

27 |         (c) Persons seeking a license or a renewal thereof to  
28 | operate a cardroom shall make application on forms prescribed  
29 | by the division. Applications for cardroom licenses shall  
30 | contain all of the information the division, by rule, may  
31 | determine is required to ensure eligibility.

1           (d) The annual cardroom license fee for each facility  
2 shall be \$1,000 for the first table and \$500 for each  
3 additional table to be operated at the cardroom. This license  
4 fee shall be deposited by the division with the Treasurer to  
5 the credit of the Pari-mutuel Wagering Trust Fund.

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

7           (a) A cardroom may ~~only~~ be operated only at the  
8 location specified on the cardroom license issued by the  
9 division, and such location may only be the location at which  
10 the pari-mutuel permitholder is authorized to conduct  
11 pari-mutuel wagering activities pursuant to such  
12 permitholder's valid pari-mutuel permit or as otherwise  
13 authorized by law ~~and current license~~.

14           (b) A cardroom may be operated at the facility only  
15 when the facility is authorized to accept wagers on  
16 pari-mutuel events during its authorized meet. A cardroom may  
17 operate between the hours of 12 noon and 12 midnight on any  
18 day a pari-mutuel event is conducted live as a part of its  
19 authorized meet. However, a permitholder who holds a valid  
20 cardroom license may operate a cardroom between the hours of  
21 12 noon and 12 midnight on any day that live racing of the  
22 same class of permit is occurring within 35 miles of its  
23 facility if no other holder of that same class of permit  
24 within 35 miles is operating a cardroom at such time and if  
25 all holders of the same class of permit within the 35-mile  
26 area have given their permission in writing to the  
27 permitholder to operate the cardroom during the designated  
28 period. Application to operate a cardroom under this paragraph  
29 must be made to the division as part of the annual license  
30 application.~~begin operations within 2 hours prior to the post~~  
31 ~~time of the first pari-mutuel event conducted live at the~~

1 ~~pari-mutuel facility on which wagers are accepted and must~~  
2 ~~cease operations within 2 hours after the conclusion of the~~  
3 ~~last pari-mutuel event conducted live at the pari-mutuel~~  
4 ~~facility on which wagers are accepted.~~

5 (c) A cardroom operator must at all times employ and  
6 provide a nonplaying dealer for each table on which authorized  
7 card games which traditionally utilize a dealer are conducted  
8 at the cardroom. Such dealers may not have any participatory  
9 interest in any game other than the dealing of cards and may  
10 not have an interest in the outcome of the game. The  
11 providing of such dealers by a licensee shall not be construed  
12 as constituting the conducting of a banking game by the  
13 cardroom operator.

14 (d) Each cardroom operator shall conspicuously post  
15 upon the premises of the cardroom a notice which contains a  
16 copy of the cardroom license; a list of authorized games  
17 offered by the cardroom; the wagering limits imposed by the  
18 house, if any; any additional house rules regarding operation  
19 of the cardroom or the playing of any game; and all costs to  
20 players to participate, including any rake by the house. In  
21 addition, each cardroom operator shall post at each table a  
22 notice of the minimum and maximum bets authorized at such  
23 table and the fee for participation in the game conducted.

24 (e) The cardroom facility shall be subject to  
25 inspection by the division or any law enforcement agency  
26 during the licensee's regular business hours. The inspection  
27 will specifically encompass the permitholder internal control  
28 procedures approved by the division.

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

1 race, creed, color, religion, sex, national origin, marital  
2 status, physical handicap, or age, except as provided in this  
3 section.

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

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

10 (b) The cardroom operator may limit the amount wagered  
11 in any game or series of games, but the maximum bet ~~winnings~~  
12 ~~of any player in a single round, hand, or game~~ may not exceed  
13 \$2\$10 in value. There may not be more than three raises in  
14 any round of betting.The fee charged by the cardroom for  
15 participation in the game shall not be included in the  
16 calculation of the limitation on the bet amount ~~pot size~~  
17 provided in this paragraph.

18 (13) TAXES AND OTHER PAYMENTS.--

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

22 (d) Each greyhound and jai alai permitholder that  
23 ~~which~~ operates a cardroom facility shall use ~~utilize~~ at least  
24 4 percent of such permitholder's cardroom monthly gross  
25 receipts to supplement greyhound purses or jai alai prize  
26 money, respectively, during the permitholder's next ensuing  
27 pari-mutuel meet. Each thoroughbred and harness horse racing  
28 permitholder that ~~which~~ operates a cardroom facility shall use  
29 ~~utilize~~ at least 50 percent of such permitholder's cardroom  
30 monthly net proceeds as follows: 47 percent to supplement  
31

1 purses and 3 percent to supplement breeders' awards during the  
2 permitholder's next ensuing racing meet.

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

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6

SENATE SUMMARY

7 Provides for special racing awards, in addition to  
8 Florida breeders' awards and owners' awards, to be  
9 distributed to owners of thoroughbred horses  
10 participating in stakes races or nonstakes races. Allows  
11 thoroughbred racing permitholders to operate cardrooms.  
12 Redefines the term "authorized game" to mean a game or  
13 series of games of poker. Provides for permitholders to  
14 amend an application to include the operation of a  
15 cardroom. Authorizes the operation of a cardroom between  
16 12 noon and 12 midnight, with certain limitations.  
17 Provides for the cardroom operator to limit the amount  
18 wagered. Restricts the maximum bet to \$2 and prohibits  
19 more than three raises in any round of betting. (See bill  
20 for details.)  
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