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A bill to be entitled
 An act relating to horse breeder awards; amending s.
 550.26165, F.S.; revising provisions for breeders' and
 stallion awards; providing for awards to breeders of
 registered Florida-bred horses participating in
 horseraces; revising requirements for awards; revising
 provisions for plans for rate of payment and procedure for
 awards; providing for amendment of the plan; amending s.
 550.2625, F.S.; revising amount and use a thoroughbred
 permitholder is authorized to withhold from handle on
 exotic wagering; revising sources of funds in the purse
 account; removing an exemption from certain provisions for
 owners' awards; revising procedures for payment of
 breeders', stallion, or special racing awards; providing
 for awards in the absence of a certain written agreements;
 providing for severability; providing effective dates.

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

Section 1. Subsections (1), (2), and (3) of section
 550.26165, Florida Statutes, are amended to read:

550.26165 Breeders' awards.--

(1) The purpose of this section is to encourage the
 agricultural activity of breeding and training racehorses in
 this state. Moneys dedicated in this chapter for use as
 breeders' awards and stallion awards are to be used for awards
 to breeders of registered Florida-bred horses participating in
~~winning~~ horseraces and for similar awards to the owners of

29 stallions who sired Florida-bred horses participating in ~~winning~~
 30 stakes races, if the stallions are registered as Florida
 31 stallions standing in this state.

32 (a) Such awards shall be given at a uniform rates ~~rate~~ to
 33 all winners of the awards and, shall not be greater than 20
 34 percent of the announced gross purse. Such rates shall be
 35 established in the annual plan adopted pursuant to subsection
 36 (2) and may vary based upon the place of finish and class of
 37 race, ~~and shall not be less than 15 percent of the announced~~
 38 ~~gross purse if funds are available.~~

39 (b) ~~In addition~~, No less than 17 percent nor more than 40
 40 percent, as determined by the Florida Thoroughbred Breeders'
 41 Association, of the moneys dedicated in this chapter for use as
 42 breeders' awards and stallion awards for thoroughbreds shall be
 43 returned pro rata to the permitholders that generated the moneys
 44 for special racing awards to be distributed by the permitholders
 45 to owners of thoroughbred horses participating in prescribed
 46 thoroughbred stakes races, nonstakes races, or both, all in
 47 accordance with a written agreement establishing the rate,
 48 procedure, and eligibility requirements for such awards entered
 49 into by the permitholder, the Florida Thoroughbred Breeders'
 50 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 race horse ~~racehorse~~
 56 owners and trainers at that location.

57 (c) Awards for thoroughbred races are to be paid through
58 the Florida Thoroughbred Breeders' Association, and awards for
59 standardbred races are to be paid through the Florida
60 Standardbred Breeders and Owners Association.

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

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

84 (3) Breeders' associations shall submit their plans to the
 85 division at least 60 days before the beginning of the payment
 86 year. The payment year may be a calendar year or any 12-month
 87 period, but once established, the yearly base may not be changed
 88 except for compelling reasons. Once a plan is approved, the
 89 division may not allow the plan to be amended during the year,
 90 except when such amendment is deemed by the division to be in
 91 the best interests of the thoroughbred breeding industry ~~for the~~
 92 ~~most compelling reasons.~~

93 Section 2. Effective July 1, 2007, paragraphs (a) and (e)
 94 of subsection (2) of section 550.2625, Florida Statutes, are
 95 amended to read:

96 550.2625 Horseracing; minimum purse requirement, Florida
 97 breeders' and owners' awards.--

98 (2) Each permitholder conducting a horserace meet is
 99 required to pay from the takeout withheld on pari-mutuel pools a
 100 sum for purses in accordance with the type of race performed.

101 (a) A permitholder conducting a thoroughbred horse race
 102 meet under this chapter must pay from the takeout withheld a sum
 103 not less than 7.75 percent of all contributions to pari-mutuel
 104 pools conducted during the race meet as purses. In addition to
 105 the 7.75 percent minimum purse payment, permitholders conducting
 106 live thoroughbred performances shall be required to pay as
 107 additional purses .625 percent of live handle for performances
 108 conducted during the period beginning on January 3 and ending
 109 March 16; .225 percent for performances conducted during the
 110 period beginning March 17 and ending May 22; and .85 percent for
 111 performances conducted during the period beginning May 23 and

112 ending January 2. Except that any thoroughbred permitholder
 113 whose total handle on live performances during the 1991-1992
 114 state fiscal year was not greater than \$34 million is not
 115 subject to this additional purse payment. A permitholder
 116 authorized to conduct thoroughbred racing may withhold from the
 117 handle an additional amount equal to 3 ± percent on exotic
 118 wagering for use as owners' awards, and may withhold from the
 119 ~~handle an amount equal to 2 percent on exotic wagering for use~~
 120 ~~as~~ overnight purses. No permitholder may withhold in excess of
 121 20 percent from the handle without withholding the amounts set
 122 forth in this subsection.

123 (e) An amount equal to 8.5 percent of the purse account
 124 ~~generated through intertrack wagering and interstate~~
 125 ~~simuleasting~~ will be used for Florida owners' awards as set
 126 forth in subsection (6) (3). The purse account shall include all
 127 sources of purse funds including funds derived from pari-mutuel
 128 wagering, cardrooms, slot machines, and any other form of
 129 gaming. ~~Any thoroughbred permitholder with an average blended~~
 130 ~~takeout which does not exceed 20 percent and with an average~~
 131 ~~daily purse distribution excluding sponsorship, entry fees, and~~
 132 ~~nominations exceeding \$225,000 is exempt from the provisions of~~
 133 ~~this paragraph.~~

134 Section 3. Subsection (3) and paragraphs (a) and (d) of
 135 subsection (6) of section 550.2625, Florida Statutes, are
 136 amended to read:

137 550.2625 Horseracing; minimum purse requirement, Florida
 138 breeders' and owners' awards.--

139 (3) Each horseracing permitholder conducting any
140 thoroughbred race under this chapter, including any intertrack
141 race taken pursuant to ss. 550.615-550.6305 or any interstate
142 simulcast taken pursuant to s. 550.3551(3), shall pay a sum
143 equal to 0.955 percent on all pari-mutuel pools conducted during
144 any such race for the payment of breeders', stallion, or special
145 racing awards as authorized in this chapter. This subsection
146 also applies to all Breeder's Cup races conducted outside this
147 state taken pursuant to s. 550.3551(3). On any race originating
148 live in this state which is broadcast out-of-state to any
149 location at which wagers are accepted pursuant to s.
150 550.3551(2), the host track is required to pay 3.475 percent of
151 the gross revenue derived from such out-of-state broadcasts as
152 breeders', stallion, or special racing awards. The Florida
153 Thoroughbred Breeders' Association is authorized to receive
154 these payments from the permitholders and make payments of
155 awards earned. The Florida Thoroughbred Breeders' Association
156 has the right to withhold up to 10 percent of the permitholder's
157 payments under this section as a fee for administering the
158 payments of awards and for general promotion of the industry.
159 The permitholder shall remit these payments to the Florida
160 Thoroughbred Breeders' Association by the 5th day of each
161 calendar month for such sums accruing during the preceding
162 calendar month and shall report such payments to the division as
163 prescribed by the division. With the exception of the 10-percent
164 fee, the moneys paid by the permitholders shall be maintained in
165 a separate, interest-bearing account, and such payments together
166 with any interest earned shall be used exclusively for the

167 payment of breeders', stallion, or special racing awards in
 168 accordance with the following provisions:

169 (a) The breeder of each Florida-bred thoroughbred horse
 170 participating in winning a thoroughbred horse race may receive
 171 ~~is entitled to~~ an award of up to, but not exceeding, 20 percent
 172 of the announced gross purse, including nomination fees,
 173 eligibility fees, starting fees, supplementary fees, and moneys
 174 added by the sponsor of the race.

175 (b) The owner or owners of the sire of a Florida-bred
 176 thoroughbred horse that participates in wins a stakes race may
 177 receive ~~is entitled to~~ a stallion award of up to, but not
 178 exceeding, 20 percent of the announced gross purse, including
 179 nomination fees, eligibility fees, starting fees, supplementary
 180 fees, and moneys added by the sponsor of the race.

181 (c) The owners of thoroughbred horses participating in
 182 thoroughbred stakes races, nonstakes races, or both may receive
 183 a special racing award in accordance with the agreement
 184 established pursuant to s. 550.26165(1)(b).

185 (d) In order for a breeder of a Florida-bred thoroughbred
 186 horse to be eligible to receive a breeder's award, the horse
 187 must have been registered as a Florida-bred horse with the
 188 Florida Thoroughbred Breeders' Association, and the Jockey Club
 189 certificate for the horse must show that it has been duly
 190 registered as a Florida-bred horse as evidenced by the seal and
 191 proper serial number of the Florida Thoroughbred Breeders'
 192 Association registry. The Florida Thoroughbred Breeders'
 193 Association shall be permitted to charge the registrant a
 194 reasonable fee for this verification and registration.

195 (e) As part of its annual awards plan adopted pursuant to
 196 s. 550.26165, the Florida Thoroughbred Breeders' Association
 197 shall establish eligibility requirements for the payment of
 198 stallion awards. Such requirements shall include registration
 199 with the Florida Thoroughbred Breeders' Association of the
 200 stallion and the Florida-bred thoroughbred horse participating
 201 in the stakes race, may condition eligibility on the period of
 202 time during which the sire is standing in this state, and may
 203 except from such standing requirements stallions leaving the
 204 state exclusively for prescribed medical treatment. In order for
 205 ~~an owner of the sire of a thoroughbred horse winning a stakes~~
 206 ~~race to be eligible to receive a stallion award, the stallion~~
 207 ~~must have been registered with the Florida Thoroughbred~~
 208 ~~Breeders' Association, and the breeding of the registered~~
 209 ~~Florida-bred horse must have occurred in this state. The~~
 210 ~~stallion must be standing permanently in this state during the~~
 211 ~~period of time between February 1 and June 15 of each year or,~~
 212 ~~if the stallion is dead, must have stood permanently in this~~
 213 ~~state for a period of not less than 1 year immediately prior to~~
 214 ~~its death. The removal of a stallion from this state during the~~
 215 ~~period of time between February 1 and June 15 of any year for~~
 216 ~~any reason, other than exclusively for prescribed medical~~
 217 ~~treatment, as approved by the Florida Thoroughbred Breeders'~~
 218 ~~Association, renders the owner or owners of the stallion~~
 219 ~~ineligible to receive a stallion award under any circumstances~~
 220 ~~for offspring sired prior to removal; however, if a removed~~
 221 ~~stallion is returned to this state, all offspring sired~~
 222 ~~subsequent to the return make the owner or owners of the~~

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223 ~~stallion eligible for the stallion award but only for those~~
 224 ~~offspring sired subsequent to such return to this state.~~ The
 225 Florida Thoroughbred Breeders' Association shall maintain
 226 complete records showing the date the stallion arrived in this
 227 state for the first time, whether or not the stallion remained
 228 in the state permanently, the location of the stallion, and
 229 whether the stallion is still standing in this state and
 230 complete records showing awards earned, received, and
 231 distributed. The association may charge the owner, owners, or
 232 breeder a reasonable fee for this service.

233 (f) A permitholder conducting a thoroughbred horse race
 234 under the provisions of this chapter shall, within 30 days after
 235 the end of the race meet during which the race is conducted,
 236 certify to the Florida Thoroughbred Breeders' Association such
 237 information relating to the thoroughbred horses participating in
 238 ~~winning~~ a stakes or other horserace at the meet as may be
 239 required to determine the eligibility for payment of breeders',
 240 stallion, and special racing awards.

241 (g) The Florida Thoroughbred Breeders' Association shall
 242 maintain complete records showing the thoroughbred horses
 243 participating ~~starters and winners~~ in all races conducted at
 244 thoroughbred tracks in this state; shall maintain complete
 245 records showing awards earned, received, and distributed; and
 246 may charge the owner, owners, or breeder a reasonable fee for
 247 this service.

248 (h) The Florida Thoroughbred Breeders' Association shall
 249 annually adopt a plan pursuant to s. 550.26165 establishing
 250 ~~establish~~ a uniform rate and procedure for the payment of

251 breeders' and stallion awards and shall make breeders' and
252 stallion award payments in strict compliance with the
253 ~~established uniform rate and procedure plan. The plan may set a~~
254 ~~cap on winnings and may limit, exclude, or defer payments to~~
255 ~~certain classes of races, such as the Florida stallion stakes~~
256 ~~racess, in order to assure that there are adequate revenues to~~
257 ~~meet the proposed uniform rate.~~ Such plan must include proposals
258 for the general promotion of the industry. ~~Priority shall be~~
259 ~~placed upon imposing such restrictions in lieu of allowing the~~
260 ~~uniform rate to be less than 15 percent of the total purse~~
261 ~~payment.~~ The ~~uniform rate and procedure~~ plan must be approved by
262 the division before implementation. In the absence of an
263 approved plan ~~and procedure~~, the authorized rate for breeders'
264 and stallion awards is 15 percent of the announced gross purse
265 for each race. Such purse must include nomination fees,
266 eligibility fees, starting fees, supplementary fees, and moneys
267 added by the sponsor of the race. If the funds in the account
268 for payment of breeders' and stallion awards are not sufficient
269 to meet all earned breeders' and stallion awards, those breeders
270 and stallion owners not receiving payments have first call on
271 any subsequent receipts in that or any subsequent year.

272 (i) The Florida Thoroughbred Breeders' Association shall
273 keep accurate records showing receipts and disbursements of such
274 payments and shall annually file a full and complete report to
275 the division showing such receipts and disbursements and the
276 sums withheld for administration. The division may audit the
277 records and accounts of the Florida Thoroughbred Breeders'
278 Association to determine that payments have been made to

279 eligible breeders and stallion owners in accordance with this
 280 section.

281 (j) If the division finds that the Florida Thoroughbred
 282 Breeders' Association has not complied with any provision of
 283 this section, the division may order the association to cease
 284 and desist from receiving funds and administering funds received
 285 under this section. If the division enters such an order, the
 286 permitholder shall make the payments authorized in this section
 287 to the division for deposit into the Pari-mutuel Wagering Trust
 288 Fund; and any funds in the Florida Thoroughbred Breeders'
 289 Association account shall be immediately paid to the Division of
 290 Pari-mutuel Wagering for deposit to the Pari-mutuel Wagering
 291 Trust Fund. The division shall authorize payment from these
 292 funds to any breeder or stallion owner entitled to an award that
 293 has not been previously paid by the Florida Thoroughbred
 294 Breeders' Association in accordance with the applicable rate.

295 (6)(a) In the absence of a written agreement on file with
 296 the division establishing the rate, procedure, and eligibility
 297 requirements for Florida owners' awards entered into by the
 298 permitholder, the association representing a majority of the
 299 racehorse owners and trainers at that location, and the
 300 breeders' association, the funds described in paragraph (2)(e)
 301 shall ~~The takeout may~~ be used for the payment of awards Florida
 302 owners' awards to owners of registered Florida-bred horses
 303 placing first in a claiming race, an allowance race, a maiden
 304 special race, or a stakes race in which the announced purse,
 305 exclusive of entry and starting fees and added moneys, does not
 306 exceed \$40,000.

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307 (d) Breeders' awards authorized by subsections (3) and (4)
308 may not be paid on Florida owners' awards.

309 Section 4. If any provision of this act or its application
310 to any person or circumstance is held invalid, the invalidity
311 does not affect other provisions or applications of the act
312 which can be given effect without the invalid provision or
313 application, and to this end the provisions of this act are
314 declared severable.

315 Section 5. Except as otherwise provided herein, this act
316 shall take effect upon becoming a law.