

Bill No. CS for SB 2434

Barcode 601394

CHAMBER ACTION

Senate

House

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Comm: 5/RCS  
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The Committee on Finance and Tax (Geller) recommended the following amendment:

**Senate Amendment (with title amendment)**

On page 12, lines 1-25, delete those lines

and insert: agreement governing the payment of purses on live thoroughbred races conducted at the retailer's pari-mutuel facility between the retailer and the association representing a majority of the thoroughbred racehorse owners and trainers at that location. In addition, a video lottery retailer may not conduct video lottery games unless it has on file with the department a binding written agreement between it and the Florida Thoroughbred Breeders' Association, Inc., governing the payment of breeders', stallion, and special racing awards on live thoroughbred races conducted at the retailer's pari-mutuel facility.

(a) The agreement governing purses and the agreement governing awards may direct the payment of such purses and awards from revenues generated by any wagering or gaming that the applicant is authorized to conduct.

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1       (b) All purses and awards are subject to chapter 550.  
 2 All sums for breeders', stallion, and special racing awards  
 3 shall be remitted monthly to the Florida Thoroughbred  
 4 Breeders' Association, Inc., for the payment of awards subject  
 5 to the administrative fee authorized in s. 550.2625(3).

6       (2) The department shall prohibit the operation of  
 7 video lottery games at a retailer's premises if an agreement  
 8 required under subsection (1) is terminated or otherwise  
 9 ceases to operate or if the department determines that the  
 10 retailer has materially failed to comply with the terms of an  
 11 agreement.

12       (3) If an agreement required under subsection (1) is  
 13 not in place, either party may request the American  
 14 Arbitration Association to furnish a list of 11 arbitrators,  
 15 each of whom shall have at least 5 years of commercial  
 16 arbitration experience and no financial interest in or prior  
 17 relationship with any of the parties or their affiliated or  
 18 related entities or principals. Each party to the agreement  
 19 shall select a single arbitrator from the list provided within  
 20 10 days after receipt of the list and the arbitrators selected  
 21 shall choose one additional arbitrator from the same list  
 22 within the next 10 days.

23       (a) If an agreement is not in place 60 days after the  
 24 request for a list of arbitrators, the matter shall be  
 25 immediately submitted for mandatory binding arbitration to  
 26 resolve the disagreement between the parties. The three  
 27 arbitrators selected shall constitute the panel that will  
 28 arbitrate the dispute between the parties pursuant to the  
 29 American Arbitration Association Commercial Arbitration Rules  
 30 and chapter 682.

31       (b) At the conclusion of the proceedings, which must

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1 be within 90 days after requesting the list of arbitrators,  
2 the arbitration panel shall present a proposed agreement to  
3 the parties which the majority of the panel believes equitably  
4 balances the rights, interests, obligations, and reasonable  
5 expectations of the parties. The parties shall immediately  
6 enter into such agreement, which shall satisfy the  
7 requirements of subsection (1) and permit the conduct of video  
8 lottery games by the video lottery retailer. The agreement is  
9 effective until the last day of the license or renewal period  
10 or until the parties enter into a different agreement. Each  
11 party shall pay its respective costs of arbitration and  
12 one-half of the costs of the arbitration panel unless the  
13 parties have agreed otherwise. If the agreement remains in  
14 place 120 days before the scheduled issuance of the next  
15 annual license renewal, the arbitration process established in  
16 this subsection shall begin again.

17 (c) If neither of the agreements required under  
18 subsection (1) are in place, arbitration shall proceed  
19 independently with separate lists of arbitrators, arbitration  
20 panels, arbitration proceedings, and resulting agreements.

21 (d) Arbitration and the resulting agreement governing  
22 the payment of purses under subsection (1) shall be limited to  
23 the payment of purses from net terminal income only.

24 (4) A video lottery retailer who holds a limited  
25 intertrack wagering license pursuant to s. 550.6308 shall make  
26 the following payments for the promotion and welfare of the  
27 thoroughbred racing industry:

28 (a) An amount equal to 12.5 of the net terminal income  
29 shall be paid to thoroughbred pari-mutuel permitholders that  
30 are licensed to conduct live races for purses. If more than  
31 one permitholder is licensed to conduct live races during the

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1 state thoroughbred racing season, the video lottery retailer  
2 shall allocate these funds between the operating permitholders  
3 on a pro rata basis based on the total live handle generated  
4 during the previous racing season at the operating  
5 permitholders' facilities. An amount equal to 7.5 percent of  
6 the purse account generated under this paragraph shall be used  
7 for Florida Owners' Awards pursuant to an agreement executed  
8 by the permitholder, the Florida Thoroughbred Breeders'  
9 Association, and the association representing a majority of  
10 the thoroughbred racehorse owners and trainers at the  
11 permitholder's facility. If an agreement is not reached 60  
12 days before the commencement of the permitholder's racing  
13 meet, the funds shall be used for overnight purses.

14       (b) An amount equal to 1.25 percent of the net  
15 terminal income shall be paid for breeders', stallion, or  
16 special racing awards. The Florida Thoroughbred Breeders'  
17 Association may receive these payments from the video lottery  
18 retailer and make payments of awards earned. The Florida  
19 Thoroughbred Breeders' Association may withhold up to 10  
20 percent of the permitholder's payments under this paragraph as  
21 a fee for administering the payments of awards and for the  
22 general promotion of the industry. The video lottery retailer  
23 shall make weekly payments to the permitholders and to the  
24 Florida Thoroughbred Breeders' Association at the same time it  
25 remits its allocation to the department.

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

29 And the title is amended as follows:

30           On page 1, line 30, through  
31           page 2, line 3, delete those lines

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1 and insert:

2           execute certain agreements governing the  
3           payment of purses and special thoroughbred  
4           racing awards; requiring the remittance of  
5           funds pursuant to such agreements; authorizing  
6           the department to sanction certain breeders;  
7           prohibiting the operation of video lottery  
8           games in the absence of agreements; requiring  
9           arbitration if agreements are not in place;  
10          requiring the video lottery retailer to make  
11          certain payments for the promotion of the  
12          racing industry; creating s. 24.133,

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