

1 A bill to be entitled  
2 An act relating to pari-mutuel permitholders; amending s.  
3 550.002, F.S.; revising the definition of the term "full  
4 schedule of live racing or games" in reference to quarter  
5 horse permitholders; amending s. 550.334, F.S.; revising  
6 provisions for permits to conduct quarter horse race  
7 meetings; removing provisions for application to the  
8 Division of Pari-mutuel Wagering for a permit to conduct  
9 quarter horse race meetings; removing provisions for  
10 granting a license to conduct quarter horse racing;  
11 revising a provision for governance and control of quarter  
12 horse racing; revising authorization to substitute races  
13 of other breeds of horses; providing for an exception to a  
14 prohibition against the transfer or conversion of a  
15 quarter horse permit; providing requirements for a quarter  
16 horse racing permitholder to be eligible to conduct  
17 intertrack wagering; providing requirements for a quarter  
18 horse racing permitholder to be eligible to operate a  
19 cardroom; removing certain provisions restricting  
20 intertrack wagering; creating s. 550.3345, F.S.; providing  
21 for the transfer of a quarter horse racing permit to a  
22 not-for-profit corporation; providing for membership and  
23 purpose of such corporation; providing for conversion of  
24 such permit to a limited thoroughbred permit; requiring  
25 net revenues derived by the not-for-profit corporation to  
26 be used for certain purposes relating to the thoroughbred  
27 horse racing industry; prohibiting live racing in certain  
28 locations during certain times; providing licensure

29 requirements; providing for a change in location of the  
 30 permit; prohibiting transfer of the converted permit;  
 31 providing for application of state law to the permit and  
 32 the corporation; providing an exception to certain  
 33 provisions for failure to pay tax on handle; amending s.  
 34 551.106, F.S.; revising the license fee and tax rate for  
 35 slot machine licensees; providing for minimum tax revenue  
 36 from operation of slot machines; amending s. 849.086,  
 37 F.S.; revising requirements for initial issuance of a  
 38 cardroom license; requiring the permitholder to be  
 39 licensed to conduct a full schedule of live racing or  
 40 games during the state fiscal year in which the initial  
 41 cardroom license is issued; permitting cardroom operators  
 42 to operate 24 hours per day; increasing certain wager and  
 43 buy-in limits; permitting charity tournaments under  
 44 certain conditions; providing effective dates, including a  
 45 contingent effective date.

46  
 47 Be It Enacted by the Legislature of the State of Florida:

48  
 49 Section 1. Subsection (11) of section 550.002, Florida  
 50 Statutes, is amended to read:

51 550.002 Definitions.--As used in this chapter, the term:

52 (11) "Full schedule of live racing or games" means, for a  
 53 greyhound or jai alai permitholder, the conduct of a combination  
 54 of at least 100 live evening or matinee performances during the  
 55 preceding year; for a permitholder who has a converted permit or  
 56 filed an application on or before June 1, 1990, for a converted

57 | permit, the conduct of a combination of at least 100 live  
58 | evening and matinee wagering performances during either of the 2  
59 | preceding years; for a jai alai permitholder who does not  
60 | operate slot machines in its pari-mutuel facility, who has  
61 | conducted at least 100 live performances per year for at least  
62 | 10 years after December 31, 1992, and whose handle on live jai  
63 | alai games conducted at its pari-mutuel facility has been less  
64 | than \$4 million per state fiscal year for at least 2 consecutive  
65 | years after June 30, 1992, the conduct of a combination of at  
66 | least 40 live evening or matinee performances during the  
67 | preceding year; for a jai alai permitholder who operates slot  
68 | machines in its pari-mutuel facility, the conduct of a  
69 | combination of at least 150 performances during the preceding  
70 | year; for a harness permitholder, the conduct of at least 100  
71 | live regular wagering performances during the preceding year;  
72 | for a quarter horse permitholder conducting live regular  
73 | wagering performances at its facility, the conduct of at least  
74 | 20 live regular wagering performances in state fiscal year 2010-  
75 | 2011, the conduct of at least 30 live regular wagering  
76 | performances in state fiscal year 2011-2012 and in state fiscal  
77 | year 2012-2013, and the conduct of at least 40 live regular  
78 | wagering performances in state fiscal year 2013-2014 and every  
79 | state fiscal year thereafter, or for a quarter horse  
80 | permitholder conducting live regular wagering performances at  
81 | its facility, an alternative schedule of at least 20 live  
82 | regular wagering performances may be substituted if agreed to by  
83 | the permitholder and either the Florida Quarter Horse Racing  
84 | Association or the horsemen's association representing the

85 majority of the horse owners and trainers at the facility and  
 86 filed with the division with the permitholder's annual date  
 87 application; for a quarter horse permitholder leasing another  
 88 licensed racetrack, the conduct of 160 events at the leased  
 89 facility ~~during the preceding year;~~ and for a thoroughbred  
 90 permitholder, the conduct of at least 40 live regular wagering  
 91 performances during the preceding year. For a permitholder which  
 92 is restricted by statute to certain operating periods within the  
 93 year when other members of its same class of permit are  
 94 authorized to operate throughout the year, the specified number  
 95 of live performances which constitute a full schedule of live  
 96 racing or games shall be adjusted pro rata in accordance with  
 97 the relationship between its authorized operating period and the  
 98 full calendar year and the resulting specified number of live  
 99 performances shall constitute the full schedule of live games  
 100 for such permitholder and all other permitholders of the same  
 101 class within 100 air miles of such permitholder. A live  
 102 performance must consist of no fewer than eight races or games  
 103 conducted live for each of a minimum of three performances each  
 104 week at the permitholder's licensed facility under a single  
 105 admission charge.

106 Section 2. Section 550.334, Florida Statutes, is amended  
 107 to read:

108 550.334 Quarter horse racing; substitutions.--

109 ~~(1) Subject to all the applicable provisions of this~~  
 110 ~~chapter, any person who possesses the qualifications prescribed~~  
 111 ~~in this chapter may apply to the division for a permit to~~  
 112 ~~conduct quarter horse race meetings and racing under this~~

113 ~~chapter. The applicant must demonstrate that the location or~~  
114 ~~locations where the permit will be used are available for such~~  
115 ~~use and that she or he has the financial ability to satisfy the~~  
116 ~~reasonably anticipated operational expenses of the first racing~~  
117 ~~year following final issuance of the permit. If the racing~~  
118 ~~facility is already built, the application must contain a~~  
119 ~~statement, with reasonable supporting evidence, that the permit~~  
120 ~~will be used for quarter horse racing within 1 year after the~~  
121 ~~date on which it is granted; if the facility is not already~~  
122 ~~built, the application must contain a statement, with reasonable~~  
123 ~~supporting evidence, that substantial construction will be~~  
124 ~~started within 1 year after the issuance of the permit. After~~  
125 ~~receipt of an application, the division shall convene to~~  
126 ~~consider and act upon permits applied for. The division shall~~  
127 ~~disapprove an application if it fails to meet the requirements~~  
128 ~~of this chapter. Upon each application filed and approved, a~~  
129 ~~permit shall be issued setting forth the name of the applicant~~  
130 ~~and a statement showing qualifications of the applicant to~~  
131 ~~conduct racing under this chapter. If a favorable referendum on~~  
132 ~~a pari-mutuel facility has not been held previously within the~~  
133 ~~county, then, before a quarter horse permit may be issued by the~~  
134 ~~division, a referendum ratified by a majority of the electors in~~  
135 ~~the county is required on the question of allowing quarter horse~~  
136  ~~races within that county.~~

137 ~~(2) After a quarter horse racing permit has been granted~~  
138 ~~by the division, the department shall grant to the lawful holder~~  
139 ~~of such permit, subject to the conditions of this section, a~~  
140 ~~license to conduct quarter horse racing under this chapter; and~~

141 ~~the division shall fix annually the time when, place where, and~~  
142 ~~number of days upon which racing may be conducted by such~~  
143 ~~quarter horse racing permitholder. After the first license has~~  
144 ~~been issued to the holder of a permit for quarter horse racing,~~  
145 ~~all subsequent annual applications for a license by a~~  
146 ~~permitholder must be accompanied by proof, in such form as the~~  
147 ~~division requires, that the permitholder still possesses all the~~  
148 ~~qualifications prescribed by this chapter. The division may~~  
149 ~~revoke any permit or license issued under this section upon the~~  
150 ~~willful violation by the licensee of any provision of this~~  
151 ~~chapter or any rule adopted by the division under this chapter.~~  
152 ~~The division shall revoke any quarter horse permit under which~~  
153 ~~no live racing has ever been conducted before July 7, 1990, for~~  
154 ~~failure to conduct a horse meet pursuant to the license issued~~  
155 ~~where a full schedule of horseracing has not been conducted for~~  
156 ~~a period of 18 months commencing on October 1, 1990, unless the~~  
157 ~~permitholder has commenced construction on a facility at which a~~  
158 ~~full schedule of live racing could be conducted as approved by~~  
159 ~~the division. "Commenced construction" means initiation of and~~  
160 ~~continuous activities beyond site preparation associated with~~  
161 ~~erecting or modifying a horseracing facility, including~~  
162 ~~procurement of a building permit applying the use of approved~~  
163 ~~construction documents, proof of an executed owner/contractor~~  
164 ~~agreement or an irrevocable or binding forced account, and~~  
165 ~~actual undertaking of foundation forming with steel installation~~  
166 ~~and concrete placing. The 18-month period shall be extended by~~  
167 ~~the division, to the extent that the applicant demonstrates to~~  
168 ~~the satisfaction of the division that good faith commencement of~~

169 ~~the construction of the facility is being delayed by litigation~~  
 170 ~~or by governmental action or inaction with respect to~~  
 171 ~~regulations or permitting precluding commencement of the~~  
 172 ~~construction of the facility.~~

173 (1)~~(3)~~ The operator of any licensed racetrack is  
 174 authorized to lease such track to any quarter horse racing  
 175 permitholder for the conduct of quarter horse racing under this  
 176 chapter.

177 (2)~~(4)~~ ~~Section 550.054 is inapplicable to quarter horse~~  
 178 ~~racing as permitted under this section.~~ All other provisions of  
 179 this chapter, including s. 550.054, apply to, govern, and  
 180 control such racing, and the same must be conducted in  
 181 compliance therewith.

182 (3)~~(5)~~ Quarter horses participating in such races must be  
 183 duly registered by the American Quarter Horse Association, and  
 184 before each race such horses must be examined and declared in  
 185 fit condition by a qualified person designated by the division.

186 (4)~~(6)~~ Any quarter horse racing days permitted under this  
 187 chapter are in addition to any other racing permitted under the  
 188 license issued the track where such quarter horse racing is  
 189 conducted.

190 (5)~~(7)~~~~(a)~~ Any quarter horse racing permitholder operating  
 191 under a valid permit issued by the division is authorized to  
 192 substitute races of other breeds of horses, ~~except~~  
 193 ~~thoroughbreds,~~ which are, respectively, registered with the  
 194 American Paint Horse Association, Appaloosa Horse Club, Arabian  
 195 Horse Registry of America, Palomino Horse Breeders of America,  
 196 or United States Trotting Association, or ~~for no more than 50~~

197 ~~percent of the quarter horse races daily, and may substitute~~  
198 ~~races of thoroughbreds registered with the Jockey Club for no~~  
199 ~~more than 50 percent of the quarter horse races during its meet~~  
200 ~~daily with the written consent of all greyhound, harness, and~~  
201 ~~thoroughbred permit holders whose pari-mutuel facilities are~~  
202 ~~located within 50 air miles of such quarter horse racing~~  
203 ~~permit holder's pari-mutuel facility.~~

204 ~~(b) Any permittee operating within an area of 50 air miles~~  
205 ~~of a licensed thoroughbred track may not substitute thoroughbred~~  
206 ~~races under this section while a thoroughbred horse race meet is~~  
207 ~~in progress within that 50 miles. Any permittee operating within~~  
208 ~~an area of 125 air miles of a licensed thoroughbred track may~~  
209 ~~not substitute live thoroughbred races under this section while~~  
210 ~~a thoroughbred permittee who pays taxes under s. 550.09515(2)(a)~~  
211 ~~is conducting a thoroughbred meet within that 125 miles. These~~  
212 ~~mileage restrictions do not apply to any permittee that holds a~~  
213 ~~nonwagering permit issued pursuant to s. 550.505.~~

214 ~~(6)-(8)~~ Except as provided in s. 550.3345, a quarter horse  
215 permit issued pursuant to this section is not eligible for  
216 transfer or conversion to another type of pari-mutuel operation.

217 ~~(7)-(9)~~ Any nonprofit corporation, including, but not  
218 limited to, an agricultural cooperative marketing association,  
219 organized and incorporated under the laws of this state may  
220 apply for a quarter horse racing permit and operate racing meets  
221 under such permit, provided all pari-mutuel taxes and fees  
222 applicable to such racing are paid by the corporation. However,  
223 insofar as its pari-mutuel operations are concerned, the  
224 corporation shall be considered to be a corporation for profit



225 and is subject to taxation on all property used and profits  
 226 earned in connection with its pari-mutuel operations.

227 (8) To be eligible to conduct intertrack wagering, a  
 228 quarter horse racing permitholder must have conducted a full  
 229 schedule of live racing in the preceding year and, to operate a  
 230 cardroom, a quarter horse racing permitholder must be licensed  
 231 to conduct a full schedule of live racing in the initial year of  
 232 cardroom licensure.

233 ~~(10) Intertrack wagering shall not be authorized for any~~  
 234 ~~quarter horse permitholder without the written consent of all~~  
 235 ~~greyhound, harness, and thoroughbred permitholders whose pari-~~  
 236 ~~mutuel facilities are located within 50 air miles of such~~  
 237 ~~quarter horse permitholder's pari-mutuel facility.~~

238 Section 3. Section 550.3345, Florida Statutes, is created  
 239 to read:

240 550.3345 Conversion of quarter horse permit to a limited  
 241 thoroughbred permit.--

242 (1) In recognition of the important and long-standing  
 243 economic contribution of the thoroughbred horse breeding  
 244 industry to this state and the state's vested interest in  
 245 promoting the continued viability of this agricultural activity,  
 246 the state intends to provide a limited opportunity for the  
 247 conduct of live thoroughbred horse racing with the net revenues  
 248 from such racing dedicated to the enhancement of thoroughbred  
 249 purses and breeders', stallion, and special racing awards under  
 250 this chapter; the general promotion of the thoroughbred horse  
 251 breeding industry; and the care in this state of thoroughbred  
 252 horses retired from racing.

253        (2) Notwithstanding any other provision of law, the holder  
254 of a quarter horse racing permit issued under s. 550.334 may,  
255 within 1 year after the effective date of this section, apply to  
256 the division for a transfer of the quarter horse racing permit  
257 to a not-for-profit corporation formed under state law to serve  
258 the purposes of the state as provided in subsection (1). The  
259 board of directors of the not-for-profit corporation must be  
260 comprised of 11 members, 4 of whom shall be designated by the  
261 applicant, 4 of whom shall be designated by the Florida  
262 Thoroughbred Breeders' Association, and 3 of whom shall be  
263 designated by the other 8 directors, with at least 1 of these 3  
264 members being an authorized representative of another  
265 thoroughbred permitholder in this state. The not-for-profit  
266 corporation shall submit an application to the division for  
267 review and approval of the transfer in accordance with s.  
268 550.054. Upon approval of the transfer by the division, and  
269 notwithstanding any other provision of law to the contrary, the  
270 not-for-profit corporation may, within 1 year after its receipt  
271 of the permit, request that the division convert the quarter  
272 horse racing permit to a permit authorizing the holder to  
273 conduct pari-mutuel wagering meets of thoroughbred racing.  
274 Neither the transfer of the quarter horse racing permit nor its  
275 conversion to thoroughbred racing shall be subject to the  
276 mileage limitation set forth in s. 550.054(2) or to a  
277 ratification election under s. 550.0651. Upon receipt of the  
278 request for such conversion, the division shall timely issue a  
279 converted permit. The converted permit and the not-for-profit  
280 corporation shall be subject to the following requirements:

281 (a) All net revenues derived by the not-for-profit  
282 corporation under the thoroughbred horse racing permit, after  
283 the funding of operating expenses and capital improvements,  
284 shall be dedicated to the enhancement of thoroughbred purses and  
285 breeders', stallion, and special racing awards under this  
286 chapter; the general promotion of the thoroughbred horse  
287 breeding industry; and the care in this state of thoroughbred  
288 horses retired from racing.

289 (b) From December 1 through April 30, no live thoroughbred  
290 racing may be conducted under the permit on any day during which  
291 another thoroughbred permitholder is conducting live  
292 thoroughbred racing within 125 air miles of the not-for-profit  
293 corporation's pari-mutuel facility unless the other thoroughbred  
294 permitholder gives its written consent.

295 (c) After the conversion of the quarter horse racing  
296 permit and the issuance of its initial license to conduct pari-  
297 mutuel wagering meets of thoroughbred racing, the not-for-profit  
298 corporation shall annually apply to the division for a license  
299 pursuant to s. 550.5251(2)-(5).

300 (d) Racing under the permit may take place only at the  
301 location for which the original quarter horse racing permit was  
302 issued, which may be leased by the not-for-profit corporation  
303 for that purpose; however, the not-for-profit corporation may,  
304 without the conduct of any ratification election pursuant to ss.  
305 550.054(13) or 550.0651, move the location of the permit to  
306 another location in the same county provided that such  
307 relocation is approved under the zoning and land use regulations  
308 of the applicable county or municipality.

309 (e) No permit converted under this section is eligible for  
 310 transfer to another person or entity.

311 (3) Unless otherwise provided in this section, after  
 312 conversion, the permit and the not-for-profit corporation shall  
 313 be treated under the laws of this state as a thoroughbred permit  
 314 and as a thoroughbred permitholder, respectively, with the  
 315 exception of s. 550.09515(3).

316 Section 4. Paragraph (a) of subsection (1) and paragraph  
 317 (a) of subsection (2) of section 551.106, Florida Statutes, are  
 318 amended to read:

319 551.106 License fee; tax rate; penalties.--

320 (1) LICENSE FEE.--

321 (a) Upon submission of the initial application for a slot  
 322 machine license and annually thereafter, on the anniversary date  
 323 of the issuance of the initial license, the licensee must pay to  
 324 the division a nonrefundable license fee of \$2 ~~\$3~~ million for  
 325 the succeeding 12 months of licensure. The license fee shall be  
 326 deposited into the Pari-mutuel Wagering Trust Fund of the  
 327 Department of Business and Professional Regulation to be used by  
 328 the division and the Department of Law Enforcement for  
 329 investigations, regulation of slot machine gaming, and  
 330 enforcement of slot machine gaming provisions under this  
 331 chapter. These payments shall be accounted for separately from  
 332 taxes or fees paid pursuant to the provisions of chapter 550.

333 (2) TAX ON SLOT MACHINE REVENUES.--

334 (a) The tax rate on slot machine revenues at each facility  
 335 shall be the product of the number 2 multiplied by the  
 336 percentage rate specified in the gaming compact between the

337 Seminole Tribe of Florida and the State of Florida for the  
 338 purpose of determining the annual gaming revenue share that the  
 339 Seminole Tribe of Florida is obligated to pay to the state  
 340 pursuant to such gaming compact that has been ratified by the  
 341 Legislature and has been approved by either the Secretary of the  
 342 United States Department of the Interior or by operation of  
 343 federal law. If, during any state fiscal year, the aggregate  
 344 amount of tax paid to the state by all slot machine licensees in  
 345 Broward and Miami-Dade Counties is less than \$140 million, each  
 346 slot machine licensee shall pay to the state within 45 days  
 347 after the end of the state fiscal year a surcharge equal to its  
 348 pro rata share of an amount equal to the difference between \$140  
 349 million and the amount of tax paid during the fiscal year. Each  
 350 licensee's pro rata share shall be an amount determined by  
 351 dividing the number 1 by the number of facilities licensed to  
 352 operate slot machines during the applicable fiscal year,  
 353 regardless of whether the facility is operating such machines.  
 354 ~~The tax rate on slot machine revenues at each facility shall be~~  
 355 ~~50 percent.~~

356 Section 5. Paragraph (a) of subsection (5), paragraph (b)  
 357 of subsection (7), and subsection (8) of section 849.086,  
 358 Florida Statutes, are amended to read:

359 849.086 Cardrooms authorized.--

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

363 (a) Only those persons holding a valid cardroom license  
 364 issued by the division may operate a cardroom. A cardroom

365 license may only be issued to a licensed pari-mutuel  
 366 permitholder and an authorized cardroom may only be operated at  
 367 the same facility at which the permitholder is authorized under  
 368 its valid pari-mutuel wagering permit to conduct pari-mutuel  
 369 wagering activities. An initial cardroom license shall only be  
 370 issued to a pari-mutuel permitholder if the permitholder is  
 371 licensed to conduct a full schedule of live racing or games as  
 372 defined in s. 550.002(11) during the state fiscal year in which  
 373 the initial cardroom license is issued.

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

375 (b) Any horserace, greyhound race, or jai alai  
 376 permitholder licensed under this section may operate a cardroom  
 377 at the pari-mutuel facility for 24 hours per day ~~on any day for~~  
 378 ~~a cumulative amount of 12 hours~~ if the permitholder meets the  
 379 requirements under paragraph (5) (b).

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

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

386 (b) The cardroom operator may limit the amount wagered in  
 387 any game or series of games, but the maximum bet may not exceed  
 388 \$50 ~~\$5~~ in value. There may not be more than three raises in any  
 389 round of betting. The fee charged by the cardroom for  
 390 participation in the game shall not be included in the  
 391 calculation of the limitation on the bet amount provided in this  
 392 paragraph. However, a cardroom operator may conduct games of

393 Texas Hold-em without a betting limit if the required player  
394 buy-in is no more than \$1,000 ~~\$100~~.

395 (c) A tournament shall consist of a series of games. The  
396 entry fee for a tournament, including any re-buys, may not  
397 exceed the maximum amount that could be wagered by a participant  
398 in 10 like-kind, nontournament games under paragraph (b).  
399 Tournaments may be played only with tournament chips that are  
400 provided to all participants in exchange for an entry fee and  
401 any subsequent re-buys. All players must receive an equal number  
402 of tournament chips for their entry fee. Tournament chips have  
403 no cash value and represent tournament points only. There is no  
404 limitation on the number of tournament chips that may be used  
405 for a bet except as otherwise determined by the cardroom  
406 operator. Tournament chips may never be redeemed for cash or for  
407 any other thing of value. The distribution of prizes and cash  
408 awards must be determined by the cardroom operator before entry  
409 fees are accepted. For purposes of tournament play only, the  
410 term "gross receipts" means the total amount received by the  
411 cardroom operator for all entry fees, player re-buys, and fees  
412 for participating in the tournament less the total amount paid  
413 to the winners or others as prizes.

414 (d) In each of its facilities, a cardroom operator may  
415 hold up to two celebrity or charity poker tournaments per year  
416 that are not subject to the limitations and restrictions imposed  
417 by this section, provided that 100 percent of the gross  
418 receipts, as defined in paragraph (c), from each poker  
419 tournament are donated to a charitable organization organized  
420 pursuant to s. 501(c)(3) of the Internal Revenue Code. Such

421 celebrity or charity poker tournament may not be played over  
422 more than 8 calendar days. The payments made to charitable  
423 organizations pursuant to this paragraph shall not be calculated  
424 as gross receipts for the purpose of calculating tax payments  
425 due to the state under paragraph (13) (a).

426 Section 6. This act shall take effect July 1, 2009, except  
427 that the amendments to section 551.106, Florida Statutes, made  
428 by this act shall take effect only upon the date that the  
429 Legislature ratifies an Indian gaming compact between the State  
430 and the Seminole Tribe of Florida and is approved or deemed  
431 approved by the Secretary of the United States Department of the  
432 Interior as evidenced by publication of the executed compact in  
433 the Federal Register.