

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 permit holder. 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 ~~permit holder must be accompanied by proof, in such form as the~~
147 ~~division requires, that the permit holder 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 ~~permit holder 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 permitholders whose pari-mutuel facilities are~~
 202 ~~located within 50 air miles of such quarter horse racing~~
 203 ~~permitholder'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 a limited thoroughbred permit shall be subject to
276 the mileage limitation or the ratification election as set forth
277 under s. 550.054(2) or s. 550.0651. Upon receipt of the request
278 for such conversion, the division shall timely issue a converted
279 permit. The converted permit and the not-for-profit corporation
280 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 the aggregate
 346 amount of tax paid to the state by all slot machine licensees in
 347 fiscal year 2008-2009, each slot machine licensee shall pay to
 348 the state within 45 days after the end of the state fiscal year
 349 a surcharge equal to its pro rata share of an amount equal to
 350 the difference between the aggregate amount of tax paid to the
 351 state by all slot machine licensees in fiscal year 2008-2009 and
 352 the amount of tax paid during the fiscal year. Each licensee's
 353 pro rata share shall be an amount determined by dividing the
 354 number 1 by the number of facilities licensed to operate slot
 355 machines during the applicable fiscal year, regardless of
 356 whether the facility is operating such machines. ~~The tax rate on~~
 357 ~~slot machine revenues at each facility shall be 50 percent.~~

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

361 849.086 Cardrooms authorized.--

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

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

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

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

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

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

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

393 calculation of the limitation on the bet amount provided in this
394 paragraph. However, a cardroom operator may conduct games of
395 Texas Hold-em without a betting limit if the required player
396 buy-in is no more than \$1,000 ~~\$100~~.

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

416 (d) In each of its facilities, a cardroom operator may
417 hold up to two celebrity or charity poker tournaments per year
418 that are not subject to the limitations and restrictions imposed
419 by this section, provided that 100 percent of the gross
420 receipts, as defined in paragraph (c), from each poker

421 tournament are donated to a charitable organization organized
422 pursuant to s. 501(c)(3) of the Internal Revenue Code. Such
423 celebrity or charity poker tournament may not be played over
424 more than 8 calendar days. The payments made to charitable
425 organizations pursuant to this paragraph shall not be calculated
426 as gross receipts for the purpose of calculating tax payments
427 due to the state under paragraph (13)(a).

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