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LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
04/19/2010	.	
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The Committee on General Government Appropriations (Dean)
recommended the following:

Senate Amendment (with title amendment)

Delete lines 85 - 306
and insert:

Section 2. Paragraphs (a) and (c) of subsection (10) of
section 551.104, Florida Statutes, as amended by section 20 of
chapter 2009-170, Laws of Florida, are amended to read:

551.104 License to conduct slot machine gaming.-

(10) (a) 1. No slot machine license or renewal thereof shall
be issued to an applicant holding a permit under chapter 550 to
conduct pari-mutuel wagering meets of thoroughbred racing unless
the applicant has on file with the division a binding written



126638

13 agreement between the applicant and the Florida Horsemen's
14 Benevolent and Protective Association, Inc., governing the
15 payment of purses on live thoroughbred races conducted at the
16 licensee's pari-mutuel facility. In addition, no slot machine
17 license or renewal thereof shall be issued to such an applicant
18 unless the applicant has on file with the division a binding
19 written agreement between the applicant and the Florida
20 Thoroughbred Breeders' Association, Inc., governing the payment
21 of breeders', stallion, and special racing awards on live
22 thoroughbred races conducted at the licensee's pari-mutuel
23 facility. The agreement governing purses and the agreement
24 governing awards may direct the payment of such purses and
25 awards from revenues generated by any wagering or gaming the
26 applicant is authorized to conduct under Florida law. All purses
27 and awards shall be subject to the terms of chapter 550. All
28 sums for breeders', stallion, and special racing awards shall be
29 remitted monthly to the Florida Thoroughbred Breeders'
30 Association, Inc., for the payment of awards subject to the
31 administrative fee authorized in s. 550.2625(3).

32 2. No slot machine license or renewal thereof shall be
33 issued to an applicant holding a permit under chapter 550 to
34 conduct pari-mutuel wagering meets of quarter horse racing
35 unless the applicant has on file with the division a binding
36 written agreement between the applicant and the Florida Quarter
37 Horse Racing Association or the association representing a
38 majority of the horse owners and trainers at the applicant's
39 eligible facility, governing the payment of purses on live
40 quarter horse races conducted at the licensee's pari-mutuel
41 facility. The agreement governing purses may direct the payment



126638

42 of such purses from revenues generated by any wagering or gaming
43 the applicant is authorized to conduct under Florida law. All
44 purses shall be subject to the terms of chapter 550.

45 3. No slot machine license or renewal thereof shall be
46 issued to an applicant holding a permit under chapter 550 to
47 conduct pari-mutuel wagering meets of standardbred horse racing
48 unless the applicant has on file with the division a binding
49 written agreement between the applicant and the Florida
50 Standardbred Breeders and Owners Association governing the
51 payment of purses on live standardbred horse races conducted at
52 the licensee's pari-mutuel facility. The agreement governing
53 purses may direct the payment of such purses from revenues
54 generated by any wagering or gaming that the applicant is
55 authorized to conduct under Florida law. All purses shall be
56 subject to the terms of chapter 550.

57 (b) The division shall suspend a slot machine license if
58 one or more of the agreements required under paragraph (a) are
59 terminated or otherwise cease to operate or if the division
60 determines that the licensee is materially failing to comply
61 with the terms of such an agreement. Any such suspension shall
62 take place in accordance with chapter 120.

63 (c)1. If an agreement required under paragraph (a) cannot
64 be reached prior to the initial issuance of the slot machine
65 license, either party may request arbitration or, in the case of
66 a renewal, if an agreement required under paragraph (a) is not
67 in place 120 days prior to the scheduled expiration date of the
68 slot machine license, the applicant shall immediately ask the
69 American Arbitration Association to furnish a list of 11
70 arbitrators, each of whom shall have at least 5 years of



126638

71 commercial arbitration experience and no financial interest in
72 or prior relationship with any of the parties or their
73 affiliated or related entities or principals. Each required
74 party to the agreement shall select a single arbitrator from the
75 list provided by the American Arbitration Association within 10
76 days of receipt, and the individuals so selected shall choose
77 one additional arbitrator from the list within the next 10 days.

78 2. If an agreement required under paragraph (a) is not in
79 place 60 days after the request under subparagraph 1. in the
80 case of an initial slot machine license or, in the case of a
81 renewal, 60 days prior to the scheduled expiration date of the
82 slot machine license, the matter shall be immediately submitted
83 to mandatory binding arbitration to resolve the disagreement
84 between the parties. The three arbitrators selected pursuant to
85 subparagraph 1. shall constitute the panel that shall arbitrate
86 the dispute between the parties pursuant to the American
87 Arbitration Association Commercial Arbitration Rules and chapter
88 682.

89 3. At the conclusion of the proceedings, which shall be no
90 later than 90 days after the request under subparagraph 1. in
91 the case of an initial slot machine license or, in the case of a
92 renewal, 30 days prior to the scheduled expiration date of the
93 slot machine license, the arbitration panel shall present to the
94 parties a proposed agreement that the majority of the panel
95 believes equitably balances the rights, interests, obligations,
96 and reasonable expectations of the parties. The parties shall
97 immediately enter into such agreement, which shall satisfy the
98 requirements of paragraph (a) and permit issuance of the pending
99 annual slot machine license or renewal. The agreement produced



126638

100 by the arbitration panel under this subparagraph shall be
101 effective until the last day of the license or renewal period or
102 until the parties enter into a different agreement. Each party
103 shall pay its respective costs of arbitration and shall pay one-
104 half of the costs of the arbitration panel, unless the parties
105 otherwise agree. If the agreement produced by the arbitration
106 panel under this subparagraph remains in place 120 days prior to
107 the scheduled issuance of the next annual license renewal, then
108 the arbitration process established in this paragraph will begin
109 again.

110 4. In the event that ~~neither of the agreements required~~
111 ~~under paragraph (a) subparagraph (a)1. or the agreement required~~
112 ~~under subparagraph (a)2.~~ are not in place by the deadlines
113 established in this paragraph, arbitration regarding each
114 agreement will proceed independently, with separate lists of
115 arbitrators, arbitration panels, arbitration proceedings, and
116 resulting agreements.

117 5. With respect to the agreements required under paragraph
118 (a) governing the payment of purses, the arbitration and
119 resulting agreement called for under this paragraph shall be
120 limited to the payment of purses from slot machine revenues
121 only.

122 (d) If any provision of this subsection or its application
123 to any person or circumstance is held invalid, the invalidity
124 does not affect other provisions or applications of this
125 subsection or chapter which can be given effect without the
126 invalid provision or application, and to this end the provisions
127 of this subsection are severable.

128 Section 3. Paragraphs (a), (c) and (d) of subsection (13) of



126638

129 section 849.086, Florida Statutes, as amended by section 24 of
130 chapter 2009-170, Laws of Florida, are amended to read:

131 849.086 Cardrooms authorized.—

132 (13) TAXES AND OTHER PAYMENTS.—

133 (a) Each cardroom operator shall pay a tax to the state of
134 10 percent of the cardroom operation's monthly gross receipts.
135 However, a pari-mutuel facility that does not operate slot
136 machines is exempt from the tax under this paragraph.

137 (c) Payment of the admission tax and gross receipts tax
138 imposed by this section shall be paid to the division. The
139 division shall deposit these sums with the Chief Financial
140 Officer, ~~one-half being~~ credited to the Pari-mutuel Wagering
141 Trust Fund ~~and one-half being credited to the General Revenue~~
142 ~~Fund~~. The cardroom licensee shall remit to the division payment
143 for the admission tax, the gross receipts tax, and the licensee
144 fees. Such payments shall be remitted to the division on the
145 fifth day of each calendar month for taxes and fees imposed for
146 the preceding month's cardroom activities. Licensees shall file
147 a report under oath by the fifth day of each calendar month for
148 all taxes remitted during the preceding calendar month. Such
149 report shall, under oath, indicate the total of all admissions,
150 the cardroom activities for the preceding calendar month, and
151 such other information as may be prescribed by the division.

152 (d)1. Each greyhound and jai alai permitholder that
153 operates a cardroom facility and slot machines shall use at
154 least 4 percent of such permitholder's cardroom monthly gross
155 receipts to supplement greyhound purses or jai alai prize money,
156 respectively, during the permitholder's next ensuing pari-mutuel
157 meet. Each greyhound and jai alai permitholder that operates a



126638

158 cardroom facility but does not operate slot machines shall use
159 at least 6 percent of such permitholder's cardroom monthly gross
160 receipts to supplement greyhound purses or jai alai prize money,
161 respectively, during the permitholder's next ensuing pari-mutuel
162 meet.

163 2. Each thoroughbred and harness horse racing permitholder
164 that operates a cardroom facility shall use at least 50 percent
165 of such permitholder's cardroom monthly net proceeds as follows:
166 47 percent to supplement purses and 3 percent to supplement
167 breeders' awards during the permitholder's next ensuing racing
168 meet.

169 3. No cardroom license or renewal thereof shall be issued
170 to an applicant holding a permit under chapter 550 to conduct
171 pari-mutuel wagering meets of quarter horse racing unless the
172 applicant has on file with the division a binding written
173 agreement between the applicant and the Florida Quarter Horse
174 Racing Association or the association representing a majority of
175 the horse owners and trainers at the applicant's eligible
176 facility, governing the payment of purses on live quarter horse
177 races conducted at the licensee's pari-mutuel facility. The
178 agreement governing purses may direct the payment of such purses
179 from revenues generated by any wagering or gaming the applicant
180 is authorized to conduct under Florida law. All purses shall be
181 subject to the terms of chapter 550.

182
183
184 ===== T I T L E A M E N D M E N T =====

185 And the title is amended as follows:

186 Delete lines 6 - 27



126638

187 and insert:
188 their pari-mutuel facilities; amending s. 551.104,
189 F.S.; revising slot machine license requirements;
190 requiring a written agreement as a condition of
191 license issuance or renewal; amending s. 849.086,
192 F.S.; exempting a pari-mutuel facility that operates a
193 cardroom but does not operate slot machines from the
194 tax on the gross receipts of the cardroom operations;
195 providing for the deposit of taxes into the Pari-
196 mutuel Wagering Trust Fund; revising the amounts that
197 greyhound and jai alai permitholders that operate
198 cardrooms must use to supplement greyhound purses or
199 jai alai prize money; revising the amounts that are
200 distributed to local governments that approve
201 cardrooms; providing an effective