

HB 1033

2014

1 A bill to be entitled

2 An act relating to the horse racing industry;  
3 providing legislative findings; directing the Animal  
4 Industry Technical Council within the Department of  
5 Agriculture and Consumer Services to prepare a report  
6 on the state's equine breeding and racing industry;  
7 requiring submission of the report to the Commissioner  
8 of Agriculture and the Legislature by a specified  
9 date; amending s. 551.104, F.S.; requiring an  
10 applicant for a slot machine license or renewal  
11 thereof holding a harness horse racing permit to have  
12 on file with the Division of Pari-mutuel Wagering of  
13 the Department of Business and Professional Regulation  
14 an agreement between the applicant and the Florida  
15 Standardbred Breeders and Owners Association, Inc.,  
16 governing purses and certain awards; providing an  
17 effective date.

18  
19 Be It Enacted by the Legislature of the State of Florida:

20  
21 Section 1. The Legislature finds that the state's equine  
22 breeding and racing industry has a long-established history in  
23 Florida's agricultural and pari-mutuel community, and it is  
24 necessary to review the current state of that industry and its  
25 ancillary economic and workforce implications regarding the  
26 state's equine pari-mutuel industry, equine industry service

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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27 providers, and equine veterinary services industry. The Animal  
28 Industry Technical Council created under s. 570.38, Florida  
29 Statutes, shall prepare a report containing an assessment of the  
30 current state of the equine breeding and racing industry  
31 relevant to those equine breeds participating in pari-mutuel  
32 events under chapters 550 and 551, Florida Statutes. The report  
33 shall include data regarding the annual fiscal impact of the  
34 equine breeding and racing industry on the state's economy and  
35 workforce and shall provide recommendations for sustained  
36 economic and workforce growth within the industry. The report  
37 shall be submitted to the Commissioner of Agriculture, the  
38 President of the Senate, and the Speaker of the House of  
39 Representatives by December 31, 2014.

40 Section 2. Subsection (10) of section 551.104, Florida  
41 Statutes, is amended to read:

42 551.104 License to conduct slot machine gaming.—

43 (10)(a)1. A ~~Ne~~ slot machine license or renewal thereof may  
44 not shall be issued to an applicant holding a permit under  
45 chapter 550 to conduct pari-mutuel wagering meets of  
46 thoroughbred racing unless the applicant has on file with the  
47 division a binding written agreement between the applicant and  
48 the Florida Horsemen's Benevolent and Protective Association,  
49 Inc., governing the payment of purses on live thoroughbred races  
50 conducted at the licensee's pari-mutuel facility. In addition, a  
51 ~~ne~~ slot machine license or renewal thereof may not shall be  
52 issued to ~~such~~ an applicant unless the applicant has on file

53 with the division a binding written agreement between the  
54 applicant and the Florida Thoroughbred Breeders' Association,  
55 Inc., governing the payment of breeder ~~breeders~~, stallion, and  
56 special racing awards on live thoroughbred races conducted at  
57 the licensee's pari-mutuel facility. The agreement governing  
58 purses and the agreement governing awards may direct the payment  
59 of such purses and awards from revenues generated by any  
60 wagering or gaming the applicant is authorized to conduct ~~under~~  
61 ~~Florida law~~. All purses and awards are ~~shall be~~ subject to the  
62 terms of chapter 550. All sums for breeder ~~breeders~~, stallion,  
63 and special racing awards shall be remitted monthly to the  
64 Florida Thoroughbred Breeders' Association, Inc., for the  
65 payment of awards subject to the administrative fee authorized  
66 in s. 550.2625(3).

67 2. A ~~No~~ slot machine license or renewal thereof may not  
68 ~~shall~~ be issued to an applicant holding a permit under chapter  
69 550 to conduct pari-mutuel wagering meets of quarter horse  
70 racing unless the applicant has on file with the division a  
71 binding written agreement between the applicant and the Florida  
72 Quarter Horse Racing Association, or the association  
73 representing a majority of the horse owners and trainers at the  
74 applicant's eligible facility, governing the payment of purses  
75 on live quarter horse races conducted at the licensee's pari-  
76 mutuel facility. The agreement governing purses may direct the  
77 payment of such purses from revenues generated by any wagering  
78 or gaming the applicant is authorized to conduct ~~under Florida~~

79 ~~law.~~ All purses are ~~shall be~~ subject to the terms of chapter  
80 550.

81 3. A slot machine license or renewal thereof may not be  
82 issued to an applicant holding a permit under chapter 550 to  
83 conduct pari-mutuel wagering meets of harness horse racing  
84 unless the applicant has on file with the division a binding  
85 written agreement between the applicant and the Florida  
86 Standardbred Breeders and Owners Association, Inc., governing  
87 the payment of purses on live harness horse races conducted at  
88 the licensee's pari-mutuel facility. In addition, a slot machine  
89 license or renewal thereof may not be issued to an applicant  
90 unless the applicant has on file with the division a binding  
91 written agreement between the applicant and the Florida  
92 Standardbred Breeders and Owners Association, Inc., governing  
93 the payment of breeder and stallion awards on live harness horse  
94 racers conducted at the licensee's pari-mutuel facility. The  
95 agreement governing purses and the agreement governing awards  
96 may direct the payment of such purses and awards from revenues  
97 generated by any wagering or gaming that the applicant is  
98 authorized to conduct. All purses and awards are subject to the  
99 terms of chapter 550. All sums for breeder and stallion awards  
100 shall be remitted monthly to the Florida Standardbred Breeders  
101 and Owners Association, Inc., for the payment of awards subject  
102 to the administrative fee authorized in s. 550.2625(4).

103 (b) The division shall suspend a slot machine license if  
104 one or more of the agreements required under paragraph (a) are

105 terminated or otherwise cease to operate or if the division  
106 determines that the licensee is materially failing to comply  
107 with the terms of such an agreement. Any such suspension shall  
108 take place in accordance with chapter 120.

109 (c)1. If an agreement required under paragraph (a) cannot  
110 be reached before ~~prior to~~ the initial issuance of the slot  
111 machine license, either party may request arbitration, or, in  
112 the case of a renewal, if an agreement required under paragraph  
113 (a) is not in place 120 days before ~~prior to~~ the scheduled  
114 expiration date of the slot machine license, the applicant shall  
115 immediately ask the American Arbitration Association to furnish  
116 a list of 11 arbitrators, each of whom shall have at least 5  
117 years of commercial arbitration experience and no financial  
118 interest in or prior relationship with any of the parties or  
119 their affiliated or related entities or principals. Each  
120 required party to the agreement shall select a single arbitrator  
121 from the list provided by the American Arbitration Association  
122 within 10 days after ~~of~~ receipt, and the individuals so selected  
123 shall choose one additional arbitrator from the list within the  
124 next 10 days.

125 2. If an agreement required under paragraph (a) is not in  
126 place 60 days after the request under subparagraph 1. in the  
127 case of an initial slot machine license or, ~~in the case of a~~  
128 ~~renewal,~~ 60 days before ~~prior to~~ the scheduled expiration date  
129 of the slot machine license in the case of a renewal, the matter  
130 shall be immediately submitted to mandatory binding arbitration

131 to resolve the disagreement between the parties. The three  
132 arbitrators selected pursuant to subparagraph 1. shall  
133 constitute the panel that shall arbitrate the dispute between  
134 the parties pursuant to the American Arbitration Association  
135 Commercial Arbitration Rules and chapter 682.

136 3. At the conclusion of the proceedings, which shall be no  
137 later than 90 days after the request under subparagraph 1. in  
138 the case of an initial slot machine license or, ~~in the case of a~~  
139 ~~renewal~~, 30 days before ~~prior to~~ the scheduled expiration date  
140 of the slot machine license in the case of a renewal, the  
141 arbitration panel shall present to the parties a proposed  
142 agreement that the majority of the panel believes equitably  
143 balances the rights, interests, obligations, and reasonable  
144 expectations of the parties. The parties shall immediately enter  
145 into such agreement, which shall satisfy the requirements of  
146 paragraph (a) and permit issuance of the pending annual slot  
147 machine license or renewal. The agreement produced by the  
148 arbitration panel under this subparagraph shall be effective  
149 until the last day of the license or renewal period or until the  
150 parties enter into a different agreement. Each party shall pay  
151 its respective costs of arbitration and shall pay one-half of  
152 the costs of the arbitration panel, unless the parties otherwise  
153 agree. If the agreement produced by the arbitration panel under  
154 this subparagraph remains in place 120 days before ~~prior to~~ the  
155 scheduled issuance of the next annual license renewal, ~~then~~ the  
156 arbitration process established in this paragraph will begin

157 again.

158         4. In the event that neither of the agreements required  
159 under subparagraph (a)1. or the agreement required under  
160 subparagraph (a)2. is ~~are~~ in place by the deadlines established  
161 in this paragraph, arbitration regarding each agreement will  
162 proceed independently, with separate lists of arbitrators,  
163 arbitration panels, arbitration proceedings, and resulting  
164 agreements.

165         5. With respect to the agreements required under paragraph  
166 (a) governing the payment of purses, the arbitration and  
167 resulting agreement called for under this paragraph shall be  
168 limited to the payment of purses from slot machine revenues  
169 only.

170         (d) If any provision of this subsection or its application  
171 to any person or circumstance is held invalid, the invalidity  
172 does not affect other provisions or applications of this  
173 subsection or chapter which can be given effect without the  
174 invalid provision or application, and to this end the provisions  
175 of this subsection are severable.

176         Section 3. This act shall take effect upon becoming a law.