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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
01/17/2018	.	
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The Committee on Regulated Industries (Steube) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 546.13, Florida Statutes, is created to
read:

546.13 Fantasy contests and fantasy contest operators.-

(1) DEFINITIONS.-As used in this section, the term:

(a) "Entry fee" means cash or a cash equivalent that is
required to be paid by a participant in order to participate in



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11 a fantasy contest.

12 (b) "Fantasy contest" means a fantasy or simulated game or
13 contest in which:

14 1. The value of all prizes and awards offered to winning
15 participants is established and made known to the participants
16 in advance of the contest;

17 2. All winning outcomes reflect the relative knowledge and
18 skill of the participants and are determined predominantly by
19 accumulated statistical results of the performance of
20 individuals, including athletes in the case of sporting events;

21 3. No winning outcome is based on the score, point spread,
22 or any performance or performances of any single actual team or
23 combination of such teams, solely on any single performance of
24 an individual athlete or player in any single actual event, or
25 on the performances of participants in collegiate, high school,
26 or youth sporting events.

27 (c) "Fantasy contest operator" means a person or an entity,
28 including any employee or agent, that offers or conducts a
29 fantasy contest with an entry fee for a cash prize or award and
30 that is not a participant in the fantasy contest.

31 (2) EXEMPTIONS.—The Department of Business and Professional
32 Regulation may not regulate and the offenses established in s.
33 849.01, s. 849.08, s. 849.09, s. 849.11, s. 849.14, and s.
34 849.25 do not include or apply to a fantasy contest operated or
35 conducted by a:

36 (a) Fantasy contest operator.

37 (b) Natural person who is a participant in the fantasy
38 contest, serves as the commissioner of not more than 10 fantasy
39 contests in a calendar year, and distributes all entry fees for



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40 the fantasy contest as prizes or awards to the participants in
41 that fantasy contest.

42 Section 2. Subsection (11) of section 550.002, Florida
43 Statutes, is amended to read:

44 550.002 Definitions.—As used in this chapter, the term:

45 (11) "Full schedule of live racing or games" means: †

46 (a) For a greyhound or jai alai permitholder, the conduct
47 of a combination of at least 100 live evening or matinee
48 performances during the preceding year. †

49 (b) For a permitholder who has a converted permit or filed
50 an application on or before June 1, 1990, ~~for a converted~~
51 ~~permit,~~ the conduct of a combination of at least 100 live
52 evening and matinee wagering performances during either of the 2
53 preceding years. †

54 (c) For a jai alai permitholder who does not operate slot
55 machines in its pari-mutuel facility, who has conducted at least
56 100 live performances per year for at least 10 years after
57 December 31, 1992, and whose handle on live jai alai games
58 conducted at its pari-mutuel facility has been less than \$4
59 million per state fiscal year for at least 2 consecutive years
60 after June 30, 1992, the conduct of a combination of at least 40
61 live evening or matinee performances during the preceding year. †

62 (d) For a jai alai permitholder who operates slot machines
63 in its pari-mutuel facility, the conduct of a combination of at
64 least 150 performances during the preceding year. †

65 (e) For a harness permitholder, the conduct of at least 100
66 live regular wagering performances during the preceding year. †

67 (f) For a quarter horse permitholder using ~~at~~ its own
68 facility, unless an alternative schedule of at least 20 live



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69 regular wagering performances is agreed upon by the permitholder
70 and either the Florida Quarter Horse Racing Association or an
71 alternate representative organization designated pursuant to s.
72 550.3342 ~~the horsemen's association representing the majority of~~
73 ~~the quarter horse owners and trainers at the facility~~ and filed
74 with the division along with its annual date application, in the
75 2010-2011 fiscal year, the conduct of at least 20 regular
76 wagering performances, in the 2011-2012 and 2012-2013 fiscal
77 years, the conduct of at least 30 live regular wagering
78 performances, and for every fiscal year after the 2012-2013
79 fiscal year, the conduct of at least 40 live regular wagering
80 performances.†

81 (g) For a quarter horse permitholder leasing another
82 licensed racetrack, the conduct of 160 events at the leased
83 facility.† ~~and~~

84 (h) For a thoroughbred permitholder, the conduct of at
85 least 40 live regular wagering performances during the preceding
86 year.

87 (i) For a permitholder that ~~which~~ is restricted by statute
88 to certain operating periods within the year when other members
89 of its same class of permit are authorized to operate throughout
90 the year, the specified number of live performances which
91 constitute a full schedule of live racing or games is ~~shall be~~
92 adjusted pro rata in accordance with the relationship between
93 its authorized operating period and the full calendar year. ~~and~~
94 The resulting specified number of live performances ~~shall~~
95 constitute the full schedule of live games for such permitholder
96 and all other permitholders of the same class within 100 air
97 miles of such permitholder. A live performance must consist of



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98 no fewer than eight races or games conducted live for each of a
99 minimum of three performances each week at the permit holder's
100 licensed facility under a single admission charge.

101 Section 3. Subsections (1) and (3) of section 550.01215,
102 Florida Statutes, are amended to read:

103 550.01215 License application; periods of operation; bond,
104 conversion of permit.-

105 (1) Each permit holder shall annually, during the period
106 between December 15 and January 4, file in writing with the
107 division its application for an operating a license to conduct
108 pari-mutuel wagering during the next state fiscal year,
109 including intertrack and simulcast race wagering for greyhound
110 racing permit holders and thoroughbred horse racing permit holders
111 that do not ~~to~~ conduct live performances during the next state
112 fiscal year. Each application for live performances must shall
113 specify the number, dates, and starting times of all live
114 performances that which the permit holder intends to conduct. It
115 must shall also specify which performances will be conducted as
116 charity or scholarship performances.

117 (a) ~~In addition,~~ Each application for an operating a
118 license also must shall include:
119

120 1. For each permit holder, whether the permit holder intends
to accept wagers on intertrack or simulcast events.

121 2. For each permit holder that elects which elects to
122 operate a cardroom, the dates and periods of operation the
123 permit holder intends to operate the cardroom. ~~or~~

124 3. For each thoroughbred racing permit holder that which
125 elects to receive or rebroadcast out-of-state races after 7
126 p.m., the dates for all performances which the permit holder



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127 intends to conduct.

128 (b) A greyhound racing permitholder that conducted a full
129 schedule of live racing for a period of at least 10 consecutive
130 state fiscal years after the 1996-1997 state fiscal year, or
131 that converted its permit to a permit to conduct greyhound
132 racing after the 1996-1997 state fiscal year, may specify in its
133 application for an operating license that it does not intend to
134 conduct live racing, or that it intends to conduct less than a
135 full schedule of live racing, in the next state fiscal year. A
136 greyhound racing permitholder may retain its permit; is a pari-
137 mutuel facility as defined in s. 550.002(23); if such
138 permitholder has been issued a slot machine license, the
139 facility where such permit is located remains an eligible
140 facility as defined in s. 551.102(4), continues to be eligible
141 for a slot machine license, and is exempt from ss. 551.104(3)
142 and (4)(c)1. and 551.114(2) and (4); is eligible, but not
143 required, to be a guest track for purposes of intertrack
144 wagering and simulcasting pursuant to ss. 550.3551, 550.615, and
145 550.6305; and, if such permitholder has been issued a cardroom
146 license, remains eligible for a cardroom license notwithstanding
147 any requirement in s. 849.086 for the conduct of live racing. A
148 greyhound racing permitholder may receive an operating license
149 to conduct pari-mutuel wagering activities at another
150 permitholder's greyhound racing facility pursuant to s. 550.475.

151 (c)1. A thoroughbred horse racing permitholder that has
152 conducted live racing for at least 5 years irrevocably may elect
153 not to conduct live racing if the election is made within 30
154 days after the effective date of this act. A thoroughbred horse
155 racing permitholder that makes such election may retain such



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156 permit, must specify in future applications for an operating
157 license that it does not intend to conduct live racing, and is a
158 pari-mutuel facility as defined in s. 550.002(23).

159 2. If a thoroughbred horse racing permitholder makes such
160 election and if such permitholder holds a slot machine license
161 when such election is made, the facility where such permit is
162 located:

163 a. Remains an eligible facility pursuant to s. 551.102(4),
164 and continues to be eligible for a slot machine license;

165 b. Is exempt from ss. 550.5251, 551.104(3) and (4)(c)1.,
166 and 551.114(2) and (4);

167 c. Is eligible, but not required, to be a guest track for
168 purposes of intertrack wagering and simulcasting; and

169 d. Remains eligible for a cardroom license, notwithstanding
170 any requirement in s. 849.086 for the conduct of live racing.

171 3. A thoroughbred horse racing permitholder that makes such
172 election shall comply with all contracts regarding contributions
173 by such permitholder to thoroughbred horse purse supplements or
174 breeders' awards entered into before the effective date of this
175 act pursuant to s. 551.104(10)(a). At the time of such election,
176 such permitholder shall file with the division an irrevocable
177 consent that such contributions shall be allowed to be used for
178 purposes and awards on live races at other thoroughbred horse
179 racing facilities in this state. This subparagraph and s.
180 551.104(10)(a) do not apply after December 31, 2020, to a
181 thoroughbred horse racing permitholder that made such election.

182 (d) A harness horse racing permitholder or a quarter horse
183 racing permitholder that has conducted live racing for at least
184 5 years irrevocably may elect not to conduct live racing if the



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185 election is made within 30 days after the effective date of this
186 act. A permitholder that makes such election may retain its
187 permit; is a pari-mutuel facility as defined in s. 550.002(23);
188 if such permitholder has been issued a slot machine license, the
189 facility where such permit is located remains an eligible
190 facility as defined in s. 551.102(4), continues to be eligible
191 for a slot machine license, and is exempt from ss. 551.104(3)
192 and (4)(c)1. and 551.114(2) and (4); is eligible, but not
193 required, to be a guest track and, if the permitholder is a
194 harness horse racing permitholder, to be a host track for
195 purposes of intertrack wagering and simulcasting pursuant to ss.
196 550.3551, 550.615, 550.625, and 550.6305; and, if such
197 permitholder has been issued a cardroom license, remains
198 eligible for a cardroom license notwithstanding any requirement
199 in s. 849.086 to conduct live racing performances.

200 (e) Permitholders ~~may~~ shall be entitled to amend their
201 applications through February 28.

202 (3) The division shall issue each license no later than
203 March 15. Each permitholder shall operate all performances at
204 the date and time specified on its license. The division shall
205 have the authority to approve minor changes in racing dates
206 after a license has been issued. The division may approve
207 changes in racing dates after a license has been issued when
208 there is no objection from any operating permitholder located
209 within 50 miles of the permitholder requesting the changes in
210 operating dates. In the event of an objection, the division
211 shall approve or disapprove the change in operating dates based
212 upon the impact on operating permitholders located within 50
213 miles of the permitholder requesting the change in operating



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214 dates. In making the determination to change racing dates, the
215 division shall take into consideration the impact of such
216 changes on state revenues. Notwithstanding any other provision
217 of law, and for the 2018-2019 fiscal year only, the division may
218 approve changes in racing dates for permitholders if the request
219 for such changes is received before May 31, 2018.

220 Section 4. Section 550.3342, Florida Statutes, is created
221 to read:

222 550.3342 Requirements for electing an alternative quarter
223 horse representative organization.-

224 (1) In the event more than 50 percent of the total horsemen
225 who are participating in, or have participated in, quarter horse
226 racing registered with the American Quarter Horse Association
227 wish to designate a new representative organization, the
228 organization:

229 (a) Must be recognized by the American Quarter Horse
230 Association as the state racing affiliate.

231 (b) May not be affiliated with or under the control of any
232 licensee.

233 (c) Must be formed under guidelines approved by the
234 division.

235 (d) Must be elected by a majority of the horsemen who are
236 participating in, or have participated in, quarter horse racing
237 registered with the American Quarter Horse Association at
238 Florida quarter horse racetracks that follow the American
239 Quarter Horse Association's quarter horse racing guidelines.

240 Section 5. Paragraph (c) of subsection (4) and paragraph
241 (a) of subsection (10) of section 551.104, Florida Statutes, are
242 amended to read:



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243 551.104 License to conduct slot machine gaming.-

244 (4) As a condition of licensure and to maintain continued
245 authority for the conduct of slot machine gaming, a the slot
246 machine licensee shall:

247 (c)1. Conduct no less fewer than a full schedule of live
248 racing or games as defined in s. 550.002(11), unless conducting
249 less than a full schedule of live racing or games pursuant to s.
250 550.01215(1)(b) or (c). A permitholder's responsibility to
251 conduct a full schedule such number of live races or games, as
252 defined in s. 550.002(11), shall be reduced by the number of
253 races or games that could not be conducted due to the direct
254 result of fire, war, hurricane, or other disaster or event
255 beyond the control of the permitholder. A permitholder may
256 conduct live races or games at another pari-mutuel facility
257 pursuant to s. 550.475 if such permitholder has operated its
258 live races or games by lease for at least 5 consecutive years
259 immediately prior to the permitholder's application for a slot
260 machine license.

261 2. If not licensed to conduct a full schedule of live
262 racing or games, as defined in s. 550.002(11), pursuant to s.
263 550.01215(1)(b) or (c), remit for the payment of purses and
264 awards on live races an amount equal to the lesser of \$2 million
265 or 3 percent of its slot machine revenues from the previous
266 state fiscal year to a slot machine licensee licensed to conduct
267 not fewer than 160 days of thoroughbred racing. A slot machine
268 licensee receiving funds under this subparagraph shall remit,
269 within 10 days after receipt, 10 percent of those funds to the
270 Florida Thoroughbred Breeders' Association, Inc., for the
271 payment of breeders', stallion, and special racing awards,



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272 subject to the fee authorized in s. 550.2625(3). If no slot
273 machine licensee is licensed for at least 160 days of live
274 thoroughbred racing, no payments for purses are required. A slot
275 machine licensee that conducts no live racing and is making
276 purse and awards supplement payments due under agreements
277 entered pursuant to paragraph (10)(a) prior to the effective
278 date of this act may offset the total amount paid under such
279 agreements for purses and awards on or after July 1, 2017,
280 against any amount due under this subparagraph until the amount
281 paid and the amount due equal zero.

282 (10)(a)1. No slot machine license or renewal thereof shall
283 be issued to an applicant holding a permit under chapter 550 to
284 conduct pari-mutuel wagering meets of thoroughbred racing unless
285 the applicant has on file with the division a binding written
286 agreement between the applicant and the Florida Horsemen's
287 Benevolent and Protective Association, Inc., governing the
288 payment of purses on live thoroughbred races conducted at the
289 licensee's pari-mutuel facility. In addition, no slot machine
290 license or renewal thereof shall be issued to such an applicant
291 unless the applicant has on file with the division a binding
292 written agreement between the applicant and the Florida
293 Thoroughbred Breeders' Association, Inc., governing the payment
294 of breeders', stallion, and special racing awards on live
295 thoroughbred races conducted at the licensee's pari-mutuel
296 facility. The agreement governing purses and the agreement
297 governing awards may direct the payment of such purses and
298 awards from revenues generated by any wagering or gaming the
299 applicant is authorized to conduct under Florida law. All purses
300 and awards shall be subject to the terms of chapter 550. All



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301 sums for breeders', stallion, and special racing awards shall be
302 remitted monthly to the Florida Thoroughbred Breeders'
303 Association, Inc., for the payment of awards subject to the
304 administrative fee authorized in s. 550.2625(3).

305 2. No slot machine license or renewal thereof shall be
306 issued by the division to an applicant holding a permit under
307 chapter 550 to conduct pari-mutuel wagering meets of quarter
308 horse racing unless the applicant includes with their
309 application has on file with the division a binding written
310 agreement governing the payment of purses on live quarter horse
311 aces to be conducted at the applicant's pari-mutuel facility
312 for the licensure period applied for. Such agreement must be
313 between either the applicant and the Florida Quarter Horse
314 Racing Association or the applicant and an alternative
315 representative organization designated pursuant to s. 550.3342.
316 Such agreement the association representing a majority of the
317 horse owners and trainers at the applicant's eligible facility,
318 governing the payment of purses on live quarter horse races
319 conducted at the licensee's pari-mutuel facility. The agreement
320 governing purses may direct the payment of such purses from
321 revenues generated by any wagering or gaming the applicant is
322 authorized to conduct under Florida law. All purses are shall be
323 subject to the terms of chapter 550.

324 Section 6. Subsections (1), (2), and (4) of section
325 551.106, Florida Statutes, are amended to read:

326 551.106 License fee; tax rate; penalties.—

327 (1) LICENSE FEE.—

328 ~~(a)~~ Upon submission of the initial application for a slot
329 machine license, and annually thereafter, on the anniversary



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330 date of the issuance of the initial license, the licensee must
331 pay to the division a nonrefundable license fee of ~~\$3 million~~
332 ~~for the succeeding 12 months of licensure. In the 2010-2011~~
333 ~~fiscal year, the licensee must pay the division a nonrefundable~~
334 ~~license fee of \$2.5 million for the succeeding 12 months of~~
335 ~~licensure. In the 2011-2012 fiscal year and for every fiscal~~
336 ~~year thereafter, the licensee must pay the division a~~
337 ~~nonrefundable license fee of \$2 million for the succeeding 12~~
338 months of licensure. The license fee must ~~shall~~ be deposited
339 into the Pari-mutuel Wagering Trust Fund of the Department of
340 Business and Professional Regulation to be used by the division
341 and the Department of Law Enforcement for investigations,
342 regulation of slot machine gaming, and enforcement of slot
343 machine gaming provisions under this chapter. These payments
344 must ~~shall~~ be accounted for separately from taxes or fees paid
345 pursuant to ~~the provisions of~~ chapter 550.

346 ~~(b) Prior to January 1, 2007, the division shall evaluate~~
347 ~~the license fee and shall make recommendations to the President~~
348 ~~of the Senate and the Speaker of the House of Representatives~~
349 ~~regarding the optimum level of slot machine license fees in~~
350 ~~order to adequately support the slot machine regulatory program.~~

351 (2) TAX ON SLOT MACHINE REVENUES.—

352 (a) 1. The tax rate on slot machine revenues at each
353 facility ~~is shall be~~ 35 percent. Effective January 1, 2019, the
354 tax rate on slot machine revenues at each facility is 30
355 percent. Effective July 1, 2020, the tax rate on slot machine
356 revenues at each facility is 25 percent.

357 2.a. If, during any state fiscal year, the aggregate amount
358 of tax paid to the state by ~~all~~ slot machine licensees in



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359 Broward and Miami-Dade Counties is less than the aggregate
360 amount of tax paid to the state by ~~all slot machine~~ licensees in
361 those counties in the 2017-2018 ~~2008-2009~~ fiscal year, each slot
362 machine licensee shall pay to the state within 45 days after the
363 end of the state fiscal year a surcharge ~~equal to its pro rata~~
364 ~~share of an amount equal to the difference between the aggregate~~
365 ~~amount of tax paid to the state by all slot machine licensees in~~
366 ~~the 2008-2009 fiscal year and the amount of tax paid during the~~
367 ~~fiscal year.~~

368 b. The amount of the surcharge to be paid by each such
369 licensee must be calculated by dividing the aggregate amount of
370 slot machine taxes paid to the state by all such slot machine
371 licensees in the 2017-2018 fiscal year by the aggregate amount
372 of slot machine taxes paid by all such licensees during the
373 applicable state fiscal year, multiplying the result by the
374 amount of slot machine taxes paid by the licensee during the
375 applicable state fiscal year, and then subtracting from that
376 product the amount of slot machine taxes paid by the licensee
377 during the applicable state fiscal year. However, the sum of the
378 taxes paid by a licensee pursuant to subparagraph 1. and any
379 surcharge due from the licensee may not exceed 35 percent of the
380 slot machine revenue of that licensee in the applicable state
381 fiscal year ~~Each licensee's pro rata share shall be an amount~~
382 ~~determined by dividing the number 1 by the number of facilities~~
383 ~~licensed to operate slot machines during the applicable fiscal~~
384 ~~year, regardless of whether the facility is operating such~~
385 ~~machines.~~

386 (b) The slot machine revenue tax imposed by this section
387 must ~~shall~~ be paid to the division for deposit into the Pari-



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388 mutuel Wagering Trust Fund for immediate transfer by the Chief
389 Financial Officer for deposit into the Educational Enhancement
390 Trust Fund of the Department of Education. Any interest earnings
391 on the tax revenues must ~~shall~~ also be transferred to the
392 Educational Enhancement Trust Fund.

393 (c)1. Funds transferred to the Educational Enhancement
394 Trust Fund under paragraph (b) must ~~shall~~ be used to supplement
395 public education funding statewide.

396 2. If necessary to comply with any covenant established
397 pursuant to s. 1013.68(4), s. 1013.70(1), or s. 1013.737(3),
398 funds transferred to the Educational Enhancement Trust Fund
399 under paragraph (b) must ~~shall~~ first be available to pay debt
400 service on lottery bonds issued to fund school construction in
401 the event lottery revenues are insufficient for such purpose or
402 to satisfy debt service reserve requirements established in
403 connection with lottery bonds. Moneys available pursuant to this
404 subparagraph are subject to annual appropriation by the
405 Legislature.

406 (4) TO PAY TAX; PENALTIES.—A slot machine licensee who
407 fails to make tax and any applicable surcharge payments as
408 required under this section is subject to an administrative
409 penalty of up to \$10,000 for each day the tax payment is not
410 remitted. All administrative penalties imposed and collected
411 must ~~shall~~ be deposited into the Pari-mutuel Wagering Trust Fund
412 of the Department of Business and Professional Regulation. If
413 any slot machine licensee fails to pay penalties imposed by
414 order of the division under this subsection, the division may
415 deny, suspend, revoke, or refuse to renew the license of the
416 permitholder or slot machine licensee.



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417 Section 7. Present subsections (9) through (17) of section
418 849.086, Florida Statutes, are redesignated as subsections (10)
419 through (18), respectively, and a new subsection (9) is added to
420 that section, subsections (1) and (2) of that section are
421 amended, paragraph (g) is added to subsection (4) of that
422 section, and paragraph (b) of subsection (5), paragraph (c) of
423 subsection (7), paragraph (a) of subsection (8), present
424 subsection (12), and paragraphs (d) and (h) of present
425 subsection (13) are amended, to read:

426 849.086 Cardrooms authorized.—

427 (1) LEGISLATIVE INTENT.—It is the intent of the Legislature
428 to provide additional entertainment choices for the residents of
429 and visitors to the state, promote tourism in the state, provide
430 revenues to support the continuation of live pari-mutuel
431 activity, and provide additional state revenues through the
432 authorization of the playing of certain games in the state at
433 facilities known as cardrooms which are to be located at
434 licensed pari-mutuel facilities. To ensure the public confidence
435 in the integrity of authorized cardroom operations, this act is
436 designed to strictly regulate the facilities, persons, and
437 procedures related to cardroom operations. Furthermore, the
438 Legislature finds that authorized games of poker and dominoes ~~as~~
439 ~~herein defined~~ are considered to be pari-mutuel style games and
440 not casino gaming because the participants play against each
441 other instead of against the house.

442 (2) DEFINITIONS.—As used in this section:

443 (a) "Authorized game" means a game or series of games of
444 poker or dominoes which are played in conformance with this
445 section, including designated player games that are played in a



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446 manner consistent with the rules and requirements specified in
447 the 1974 edition of Hoyle's Modern Encyclopedia of Card Games:
448 Rules of All the Basic Games and Popular Variations and
449 including three card poker a nonbanking manner.

450 (b) "Banking game" means a game in which the house is a
451 participant in the game, taking on players, paying winners, and
452 collecting from losers ~~or in which the cardroom establishes a~~
453 ~~bank against which participants play.~~ A designated player game
454 is not a banking game.

455 (c) "Cardroom" means a facility where authorized games are
456 played for money or anything of value and to which the public is
457 invited to participate in such games and charged a fee for
458 participation by the operator of such facility. Authorized games
459 and cardrooms do not constitute casino gaming operations if
460 conducted at an eligible facility.

461 (d) "Cardroom management company" means any individual not
462 an employee of the cardroom operator, any proprietorship,
463 partnership, corporation, or other entity that enters into an
464 agreement with a cardroom operator to manage, operate, or
465 otherwise control the daily operation of a cardroom.

466 (e) "Cardroom distributor" means any business that
467 distributes cardroom paraphernalia such as card tables, betting
468 chips, chip holders, dominoes, dominoes tables, drop boxes,
469 banking supplies, playing cards, card shufflers, and other
470 associated equipment to authorized cardrooms.

471 (f) "Cardroom operator" means a licensed pari-mutuel
472 permitholder that ~~which~~ holds a valid permit and license issued
473 by the division pursuant to chapter 550 and which also holds a
474 valid cardroom license issued by the division pursuant to this



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475 section which authorizes such person to operate a cardroom and
476 to conduct authorized games in such cardroom.

477 (g) "Designated player" means the player identified for
478 each game by a button that rotates clockwise before each game
479 begins as the player in the dealer position and seated at a
480 traditional player position in a designated player game who pays
481 winning players and collects from losing players.

482 (h) "Designated player game" means a game in which the
483 players compare their cards only to the cards of the designated
484 player or to a combination of cards held by the designated
485 player and cards common and available for play by all players.

486 (i)~~(g)~~ "Division" means the Division of Pari-mutuel
487 Wagering of the Department of Business and Professional
488 Regulation.

489 (j)~~(h)~~ "Dominoes" means a game of dominoes typically played
490 with a set of 28 flat rectangular blocks, called "bones," which
491 are marked on one side and divided into two equal parts, with
492 zero to six dots, called "pips," in each part. The term also
493 includes larger sets of blocks that contain a correspondingly
494 higher number of pips. The term also means the set of blocks
495 used to play the game.

496 (k)~~(i)~~ "Gross receipts" means the total amount of money
497 received by a cardroom from any person for participation in
498 authorized games.

499 (l)~~(j)~~ "House" means the cardroom operator and all
500 employees of the cardroom operator.

501 (m)~~(k)~~ "Net proceeds" means the total amount of gross
502 receipts received by a cardroom operator from cardroom
503 operations less direct operating expenses related to cardroom



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504 operations, including labor costs, admission taxes only if a
505 separate admission fee is charged for entry to the cardroom
506 facility, gross receipts taxes imposed on cardroom operators by
507 this section, the annual cardroom license fees imposed by this
508 section on each table operated at a cardroom, and reasonable
509 promotional costs excluding officer and director compensation,
510 interest on capital debt, legal fees, real estate taxes, bad
511 debts, contributions or donations, or overhead and depreciation
512 expenses not directly related to the operation of the cardrooms.

513 (n)~~(l)~~ "Rake" means a set fee or percentage of the pot
514 assessed by a cardroom operator for providing the services of a
515 dealer, table, or location for playing the authorized game.

516 (o)~~(m)~~ "Tournament" means a series of games that have more
517 than one betting round involving one or more tables and where
518 the winners or others receive a prize or cash award.

519 (4) AUTHORITY OF DIVISION.—The Division of Pari-mutuel
520 Wagering of the Department of Business and Professional
521 Regulation shall administer this section and regulate the
522 operation of cardrooms under this section and the rules adopted
523 pursuant thereto, and is hereby authorized to:

524 (g) Establish a reasonable period to respond to requests
525 from a licensed cardroom; provided however, the division has a
526 maximum of 45 days to approve:

527 1. A cardroom's internal controls or provide the cardroom
528 with a list of deficiencies as to the internal controls.

529 2. Rules for a new authorized game submitted by a licensed
530 cardroom or provide the cardroom with a list of deficiencies as
531 to those rules.

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533 No later than 10 days after the submission of revised internal
534 controls or revised rules addressing the deficiencies identified
535 by the division, the division must review and approve or reject
536 the revised internal controls or revised rules.

537 (5) LICENSE REQUIRED; APPLICATION; FEES.—No person may
538 operate a cardroom in this state unless such person holds a
539 valid cardroom license issued pursuant to this section.

540 (b) After the initial cardroom license is granted, the
541 application for the annual license renewal shall be made in
542 conjunction with the applicant's annual application for its
543 pari-mutuel license. If a permitholder has operated a cardroom
544 during any of the 3 previous fiscal years and fails to include a
545 renewal request for the operation of the cardroom in its annual
546 application for license renewal, the permitholder may amend its
547 annual application to include operation of the cardroom. ~~In~~
548 ~~order for a cardroom license to be renewed the applicant must~~
549 ~~have requested, as part of its pari-mutuel annual license~~
550 ~~application, to conduct at least 90 percent of the total number~~
551 ~~of live performances conducted by such permitholder during~~
552 ~~either the state fiscal year in which its initial cardroom~~
553 ~~license was issued or the state fiscal year immediately prior~~
554 ~~thereto if the permitholder ran at least a full schedule of live~~
555 ~~racing or games in the prior year. If the application is for a~~
556 ~~harness permitholder cardroom, the applicant must have requested~~
557 ~~authorization to conduct a minimum of 140 live performances~~
558 ~~during the state fiscal year immediately prior thereto. If more~~
559 ~~than one permitholder is operating at a facility, each~~
560 ~~permitholder must have applied for a license to conduct a full~~
561 ~~schedule of live racing.~~



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562 (7) CONDITIONS FOR OPERATING A CARDROOM.—

563 (c) A cardroom operator must at all times employ and
564 provide a nonplaying live dealer at ~~for~~ each table on which
565 authorized ~~card~~ games ~~which traditionally use a dealer~~ are
566 conducted ~~at the cardroom~~. Such dealers may not have a
567 participatory interest in any game other than the dealing of
568 cards and may not have an interest in the outcome of the game.
569 The providing of such dealers by a licensee does not constitute
570 the conducting of a banking game by the cardroom operator.

571 (8) METHOD OF WAGERS; LIMITATION.—

572 (a) ~~No~~ Wagering may not be conducted using money or other
573 negotiable currency. Games may only be played utilizing a
574 wagering system whereby all players' money is first converted by
575 the house to tokens or chips that may ~~which shall~~ be used for
576 wagering only at that specific cardroom.

577 (9) DESIGNATED PLAYER GAMES AUTHORIZED.—

578 (a) A cardroom operator may offer designated player games
579 consisting of players making wagers against the designated
580 player. However, not more than 50 percent of the total licensed
581 tables in a cardroom may offer designated player games. The
582 designated player must be licensed pursuant to paragraph (6) (b).
583 Employees of a designated player also must be licensed, and the
584 designated player shall pay, in addition to the business
585 occupational fee established pursuant to paragraph (6) (i), an
586 employee occupational license fee that may not exceed \$500 per
587 employee for any 12-month period.

588 (b) A cardroom operator may not serve as a designated
589 player in any game. The cardroom operator may not have a
590 financial interest in a designated player in any game. A



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591 cardroom operator may collect a rake in accordance with the rake
592 structure posted at the table.

593 (c) If there are multiple designated players at a table,
594 the dealer button shall be rotated in a clockwise rotation after
595 each hand.

596 (d) A cardroom operator may not allow a designated player
597 to pay an opposing player who holds a lower-ranked hand.

598 (e) A designated player may not be required by the rules of
599 a game or by the rules of a cardroom to cover more than 10 times
600 the maximum wager for players participating in any one game.

601 (f) The cardroom, or any cardroom licensee, may not
602 contract with, or receive compensation other than a posted table
603 rake from, any player to participate in any game to serve as a
604 designated player.

605 (13) ~~(12)~~ PROHIBITED ACTIVITIES.—

606 (a) A ~~Ne~~ person licensed to operate a cardroom may not
607 conduct any banking game or any game not specifically authorized
608 by this section.

609 (b) A ~~Ne~~ person who is younger than ~~under~~ 18 years of age
610 may not be permitted to hold a cardroom or employee license, or
611 to engage in any game conducted therein.

612 (c) With the exception of mechanical card shufflers, ~~Ne~~
613 electronic or mechanical devices, ~~except mechanical card~~
614 ~~shufflers,~~ may not be used to conduct any authorized game in a
615 cardroom.

616 (d) ~~Ne~~ Cards, game components, or game implements may not
617 be used in playing an authorized game unless they have ~~such has~~
618 been furnished or provided to the players by the cardroom
619 operator.



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620 (14)~~(13)~~ TAXES AND OTHER PAYMENTS.—

621 (d)1. Each ~~greyhound and jai alai~~ permitholder that
622 operates a cardroom facility shall use at least 4 percent of
623 such permitholder's cardroom monthly gross receipts to
624 supplement ~~greyhound~~ purses and awards or jai alai prize money,
625 respectively, during the permitholder's next ensuing pari-mutuel
626 meet.

627 2. A cardroom license or renewal thereof may not be issued
628 to a permitholder conducting less than a full schedule of live
629 racing or games, as defined in s. 550.002(11), pursuant to s.
630 550.01215(1) (b), (c), or (d) unless the applicant has on file
631 with the division a binding written contract with a thoroughbred
632 permitholder that is licensed to conduct live racing and that
633 does not possess a slot machine license. This contract must
634 provide that the permitholder will pay an amount equal to 4
635 percent of its monthly cardroom gross receipts to the
636 thoroughbred permitholder conducting the live racing for
637 exclusive use as purses and awards during the current or ensuing
638 live racing meet of the thoroughbred permitholder. A
639 thoroughbred permitholder receiving funds under this
640 subparagraph shall remit, within 10 days after receipt, 10
641 percent of those funds to the Florida Thoroughbred Breeders'
642 Association, Inc., for the payment of breeders', stallion, and
643 special racing awards, subject to the fee authorized in s.
644 550.2625(3). If there is not a thoroughbred permitholder that
645 does not possess a slot machine license, payments for purses are
646 not required, and the cardroom licensee shall retain such funds
647 for its use. Each thoroughbred and harness horse racing
648 permitholder that operates a cardroom facility shall use at



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649 least 50 percent of such permitholder's cardroom monthly net
650 proceeds as follows: 47 percent to supplement purses and 3
651 percent to supplement breeders' awards during the permitholder's
652 next ensuing racing meet.

653 3. A ~~No~~ cardroom license or renewal thereof may not ~~shall~~
654 be issued by the division to an applicant that holds ~~holding~~ a
655 permit under chapter 550 to conduct pari-mutuel wagering meets
656 of quarter horse racing and that conducts live racing unless the
657 applicant includes with its application ~~has on file with the~~
658 ~~division~~ a binding written agreement governing the payment of
659 purses on live quarter horse races to be conducted at the
660 applicant's pari-mutuel facility for the licensure period
661 applied for. Such agreement must either be between the applicant
662 and the Florida Quarter Horse Racing Association or the
663 applicant and an alternative representative organization
664 designated pursuant to s. 550.3342. Such agreement ~~the~~
665 ~~association representing a majority of the horse owners and~~
666 ~~trainers at the applicant's eligible facility, governing the~~
667 ~~payment of purses on live quarter horse races conducted at the~~
668 ~~licensee's pari-mutuel facility. The agreement governing purses~~
669 may direct the payment of such purses from revenues generated by
670 any wagering or gaming the applicant is authorized to conduct
671 under Florida law. All purses are ~~shall be~~ subject to the terms
672 of chapter 550.

673 (h) One-quarter of the moneys deposited into the Pari-
674 mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by
675 October 1 of each year, be distributed to the local government
676 that approved the cardroom under subsection (17) ~~(16)~~; however,
677 if two or more pari-mutuel racetracks are located within the



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678 same incorporated municipality, the cardroom funds shall be
679 distributed to the municipality. If a pari-mutuel facility is
680 situated in such a manner that it is located in more than one
681 county, the site of the cardroom facility shall determine the
682 location for purposes of disbursement of tax revenues under this
683 paragraph. The division shall, by September 1 of each year,
684 determine: the amount of taxes deposited into the Pari-mutuel
685 Wagering Trust Fund pursuant to this section from each cardroom
686 licensee; the location by county of each cardroom; whether the
687 cardroom is located in the unincorporated area of the county or
688 within an incorporated municipality; and, the total amount to be
689 distributed to each eligible county and municipality.

690 Section 8. The Division of Law Revision and Information is
691 directed to replace the phrase "the effective date of this act"
692 wherever it occurs in this act with the date this act becomes a
693 law.

694 Section 9. This act shall take effect upon becoming a law.

695
696 ===== T I T L E A M E N D M E N T =====

697 And the title is amended as follows:

698 Delete everything before the enacting clause
699 and insert:

700 A bill to be entitled
701 An act relating to gaming; creating s. 546.13, F.S.;
702 defining terms; exempting a fantasy contest from
703 certain regulations; amending s. 550.002, F.S.;
704 providing that a quarter horse permitholder and an
705 alternative representative organization may agree to
706 an alternative schedule of performances; amending s.



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707 550.01215, F.S.; revising application requirements for
708 a pari-mutuel operating license; authorizing a
709 greyhound racing permitholder to specify certain
710 intentions on its application; providing that a
711 greyhound racing permitholder that has been issued a
712 slot machine license remains an eligible facility,
713 continues to be eligible for a slot machine license,
714 is exempt from certain provisions of ch. 551, F.S., is
715 eligible to be a guest track for certain purposes, and
716 remains eligible for a cardroom license; authorizing a
717 greyhound racing permitholder to receive an operating
718 license to conduct pari-mutuel wagering activities at
719 another permitholder's greyhound racing facility;
720 authorizing a thoroughbred horse racing permitholder
721 to elect not to conduct live racing under certain
722 circumstances; authorizing a thoroughbred horse racing
723 permitholder that elects not to conduct live racing to
724 retain its permit and requiring the permitholder to
725 specify its intention not to conduct live racing in
726 future applications and that it is a pari-mutuel
727 facility; authorizing such thoroughbred horse racing
728 permitholder's facility to remain an eligible
729 facility, to continue to be eligible for a slot
730 machine license, to be exempt from certain provisions
731 of chs. 550 and 551, F.S., to be eligible as a guest
732 track for intertrack wagering and simulcasting, and to
733 remain eligible for a cardroom license; requiring that
734 such permitholder comply with all contracts regarding
735 distributions to thoroughbred horse purse supplements



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736 or breeders' awards entered into before a specified
737 date; requiring, for a specified period, that such
738 permitholder file with the division an irrevocable
739 consent authorizing the use of certain contributions
740 for specified purses and awards; authorizing harness
741 horse and quarter horse racing permitholders to elect
742 not to conduct live racing under certain
743 circumstances; authorizing a permitholder that elects
744 not to conduct live racing to retain its permit and
745 remain a pari-mutuel facility; specifying that, if
746 such permitholder has been issued a slot machine
747 license, the permitholder's facility remains an
748 eligible facility, continues to be eligible for a slot
749 machine license, is exempt from certain provisions of
750 chs. 550 and 551, F.S., is eligible to be a guest
751 track, and if the permitholder is a harness horse
752 racing permitholder, a host track for intertrack
753 wagering and simulcasting, and remains eligible for a
754 cardroom license; authorizing a harness horse racing
755 permitholder to be a host track for purposes of
756 intertrack wagering and simulcasting; authorizing the
757 division to approve a change in racing dates for a
758 permitholder if the request for a change is received
759 before a specified date and under certain
760 circumstances; creating s. 550.3342, F.S.;
761 establishing the requirements for electing an
762 alternative quarter horse representative organization;
763 amending s. 551.104, F.S.; revising conditions of
764 licensure and conditions for maintaining authority to



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765 conduct slot machine gaming; amending s. 551.106,
766 F.S.; deleting obsolete provisions; revising the tax
767 rate on slot machine revenue effective on specified
768 dates; providing a formula to calculate a surcharge
769 amount; prohibiting the surcharge from exceeding a
770 certain amount; amending s. 849.086, F.S.; revising
771 legislative intent; revising definitions; authorizing
772 the division to establish a reasonable period to
773 respond to certain requests from a licensed cardroom;
774 providing that the division must approve certain
775 requests within 45 days; requiring the division to
776 review and approve or reject certain revised internal
777 controls or revised rules within 10 days after
778 submission; deleting provisions relating to the
779 renewal of a cardroom license; making technical
780 changes; authorizing certain cardroom operators to
781 offer a certain number of certain designated player
782 games; requiring the designated player and employees
783 of the designated player to be licensed; requiring the
784 designated player to pay certain fees; prohibiting a
785 cardroom operator from serving as the designated
786 player in a game and from having a financial interest
787 in a designated player; authorizing a cardroom
788 operator to collect a rake, subject to certain
789 requirements; requiring the dealer button to be
790 rotated under certain circumstances; prohibiting a
791 cardroom operator from allowing a designated player to
792 pay an opposing player under certain circumstances;
793 prohibiting the rules of the game or of the cardroom



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794 to require a designated player to cover more than 10
795 times the maximum wager for players participating in
796 any one game; prohibiting a cardroom or cardroom
797 licensee from contracting with or receiving certain
798 compensation from a player to allow that player to
799 participate in any game as a designated player;
800 revising requirements for a cardroom license to be
801 issued or renewed; requiring a certain written
802 agreement with a thoroughbred permitholder; providing
803 contract requirements for the agreement; requiring a
804 thoroughbred permitholder to remit a percentage of
805 specified funds to the Florida Thoroughbred Breeders'
806 Association, Inc., subject to certain requirements;
807 requiring certain applicants to include a written
808 agreement with an alternative quarter horse
809 representative organization, if such organization
810 exists, in their application for a cardroom license;
811 conforming a cross-reference; providing a directive to
812 the Division of Law Revision and Information;
813 providing an effective date.