

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Committee Code Not Found

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BILL: CS/SB 7080

INTRODUCER: Appropriations Committee and Regulated Industries Committee

SUBJECT: Requirements for Pari-mutuel Permitholders to Conduct Racing or Games

DATE: April 18, 2021

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kraemer</u>	<u>Imhof</u>		<b>RI Submitted as Comm. Bill/Fav</b>
	<u>Davis</u>	<u>Sadberry</u>	<u>AP</u>	<b>Fav/CS</b>

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/SB 7080 updates provisions in Florida law that are inconsistent with the prohibition of racing of greyhounds codified in Article X, section 32 of the State Constitution, titled “Prohibition on Racing of and Wagering on Greyhounds or other Dogs.”

The bill revises requirements for greyhound permitholders, jai alai permitholders, and harness horse permitholders to conduct live racing or games, by amending chapter 550, Florida Statutes (Pari-Mutuel Wagering), chapter 551, Florida Statutes (Slot Machines), and chapter 849, Florida Statutes (Gambling). The bill also includes technical drafting changes, conforming changes, and eliminates obsolete language related to requirements for live racing or games.

Under the bill, a permitholder or licensee may not conduct live greyhound racing or dogracing for wagering, and the Division of Pari-mutuel Wagering (division) in the Department of Business and Professional Regulation (DBPR) is authorized to deny, suspend, or revoke any permit or license under ch. 550, Florida Statutes, and impose a civil penalty of up to \$5,000 for such conduct.

The bill provides a pari-mutuel permitholder may not be issued an operating license for the conduct of pari-mutuel wagering, slot machine gaming, or the operation of a cardroom if the permitholder did not hold any type of operating license on January 1, 2021.

Under the bill, a permit for the operation of a pari-mutuel facility, cardroom, or slot machine facility may only be held by permitholders with permits on January 1, 2021, and new permits may not be approved or issued after January 1, 2021.

The bill revises racing requirements for thoroughbred and limited intertrack wagering license permitholders.

Under the bill as to cardroom licensing, such licenses may not be issued to any permitholder that did not hold a valid pari-mutuel wagering permit on January 1, 2021. In addition, the bill provides that only thoroughbred permitholders must conduct a minimum of live racing performances (known as the “90 percent rule”) to renew a cardroom license.

The bill may have an indeterminate negative fiscal impact to state government revenues. *See* Section V, Fiscal Impact Statement.

The bill takes effect July 1, 2021, but only if SB 7076 (2021) (Gaming Enforcement) or similar legislations is adopted in the same legislative sessions and becomes law.

## II. Present Situation:

### Background

In general, gambling is illegal in Florida.<sup>1</sup> Chapter 849, F.S., prohibits keeping a gambling house,<sup>2</sup> running a lottery,<sup>3</sup> or the manufacture, sale, lease, play, or possession of slot machines.<sup>4</sup> However, the following gaming activities are authorized by law and regulated by the state:

- Pari-mutuel<sup>5</sup> wagering at licensed greyhound and horse tracks and jai alai frontons;<sup>6</sup>
- Slot machine gaming at certain licensed pari-mutuel locations in Miami-Dade County and Broward County;<sup>7</sup> and
- Cardrooms<sup>8</sup> at certain pari-mutuel facilities.<sup>9</sup>

A license to offer pari-mutuel wagering, slot machine gambling, or a cardroom at a pari-mutuel facility is a privilege granted by the state.<sup>10</sup>

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<sup>1</sup> *See* s. 849.08, F.S.

<sup>2</sup> *See* s. 849.01, F.S.

<sup>3</sup> *See* s. 849.09, F.S.

<sup>4</sup> Section 849.16, F.S.

<sup>5</sup> “Pari-mutuel” is defined in Florida law as “a system of betting on races or games in which the winners divide the total amount bet, after deducting management expenses and taxes, in proportion to the sums they have wagered individually and with regard to the odds assigned to particular outcomes. *See* s. 550.002(22), F.S.

<sup>6</sup> *See* ch. 550, F.S., relating to the regulation of pari-mutuel activities.

<sup>7</sup> *See* FLA. CONST., art. X, s. 23, and ch. 551, F.S.

<sup>8</sup> Section 849.086, F.S. *See* s. 849.086(2)(c), F.S., which defines “cardroom” to mean “a facility where authorized card games are played for money or anything of value and to which the public is invited to participate in such games and charged a fee for participation by the operator of such facility.”

<sup>9</sup> The Department of Business and Professional Regulation (DBPR) has issued licenses to permitholders with 2021-2022 Operating Licenses to operate 27 cardrooms. *See* <http://www.myfloridalicense.com/DBPR/pari-mutuel-wagering/permitholder-operating-licenses-2021-2022/> (last visited Apr. 12, 2021).

<sup>10</sup> *See* s. 550.1625(1), F.S., “...legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state.” *See also, Solimena v. State*, 402 So.2d 1240, 1247 (Fla. 3d DCA

The 1968 State Constitution states that “[l]otteries, other than the types of pari-mutuel pools authorized by law as of the effective date of this constitution . . .” are prohibited.<sup>11</sup> A constitutional amendment approved by the voters in 1986 authorized state-operated lotteries. Net proceeds of the lottery are deposited to the Educational Enhancement Trust Fund (EETF) and appropriated by the Legislature. Lottery operations are self-supporting and function as an entrepreneurial business enterprise.<sup>12</sup>

Chapter 849, F.S., also authorizes, under specific and limited conditions, the conduct of penny-ante games,<sup>13</sup> bingo,<sup>14</sup> charitable drawings,<sup>15</sup> game promotions (sweepstakes),<sup>16</sup> and bowling tournaments.<sup>17</sup> The Family Amusement Games Act was enacted in 2015 and authorizes skill-based amusement games and machines at specified locations.<sup>18</sup>

### **Regulation of Pari-mutuel Wagering**

The Division of Pari-mutuel Wagering (division) in the Department of Business and Professional Regulation (DBPR) regulates pari-mutuel wagering. The division has regulatory oversight of permitted and licensed pari-mutuel wagering facilities, cardrooms located at pari-mutuel facilities, and slot machines at pari-mutuel facilities located in Miami-Dade and Broward counties. According to the division, there were eight license suspensions, and \$19,075 in fines assessed for violations of all pari-mutuel statutes and administrative rules in Fiscal Year 2019-2020.<sup>19</sup>

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1981), *review denied*, 412 So.2d 470, which states “Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right,” citing *State ex rel. Mason v. Rose*, 122 Fla. 413, 165 So. 347 (1936).

<sup>11</sup> The pari-mutuel pools that were authorized by law on the effective date of the State Constitution, as revised in 1968, include horseracing, greyhound racing, and jai alai games. The revision was ratified by the electorate on November 5, 1968.

<sup>12</sup> The Department of the Lottery is authorized by s. 15, Art. X of the State Constitution. Chapter 24, F.S., was enacted by ch. 87-65, Laws of Fla., to establish the state lottery. Section 24.102, F.S., states the legislative purpose and intent for the operations of the state lottery.

<sup>13</sup> See s. 849.085, F.S.

<sup>14</sup> See s. 849.0931, F.S.

<sup>15</sup> See s. 849.0935, F.S.

<sup>16</sup> See s. 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.

<sup>17</sup> See s. 849.141, F.S.

<sup>18</sup> See s. 546.10, F.S.

<sup>19</sup> See the 89th Annual Report for Fiscal Year 2019-2020 issued by the division at:

<http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2019-2020--89th--20210224.pdf> at page 5 (equivalent to page 3 of the printed Annual Report) (last visited Apr. 7, 2021).

Ten permitholders were not issued operating licenses for Fiscal Year 2020-2021: two greyhound permitholders,<sup>20</sup> two jai alai permitholders,<sup>21</sup> one limited thoroughbred permitholder,<sup>22</sup> and five quarter horse permitholders.<sup>23</sup>

### **Issuance of Pari-mutuel Permits and Annual Licenses**

Section 550.054, F.S., provides that any person meeting the qualification requirements of ch. 550, F.S., may apply to the division for a permit to conduct pari-mutuel wagering. Upon approval, a permit must be issued to the applicant that indicates:

- The name of the permitholder;
- The location of the pari-mutuel facility;
- The type of pari-mutuel activity to be conducted; and
- A statement showing qualifications of the applicant to conduct pari-mutuel performances under ch. 550, F.S.

A permit does not authorize any pari-mutuel performances until approved by a majority of voters in a ratification election in the county in which the applicant proposes to conduct pari-mutuel wagering activities. An application may not be considered, nor may a permit be issued by the division or be voted upon in any county, for the conduct of:

- Harness horse racing, quarter horse racing, thoroughbred horse racing, or greyhound racing at a location within 100 miles of an existing pari-mutuel facility; or
- Jai alai games within 50 miles of an existing pari-mutuel facility.

Distances are measured on a straight line from the nearest property line of one pari-mutuel facility to the nearest property line of the other facility.<sup>24</sup>

After issuance of the permit and a ratification election, the division may issue an annual operating license for wagering at the specified location in a county, indicating the time, place, and number of days during which pari-mutuel operations may be conducted at the specified location.<sup>25</sup> Section 550.5251, F.S., specifies the requirements for annual operating licenses to be issued to thoroughbred permitholders by March 15 of each year, including the number and dates of all performances to be conducted for the racing season commencing the following July 1.

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<sup>20</sup> Jefferson County Kennel Club (Monticello) and North American Racing Association (Key West).

<sup>21</sup> Gadsden Jai-alai (Chattahoochee) and Tampa Jai Alai.

<sup>22</sup> Under s. 550.3345, F.S., during Fiscal Year 2010-2011 only, holders of quarter horse racing permits were allowed to convert their permits to a thoroughbred racing permit, conditioned upon specific use of racing revenues for enhancement of thoroughbred purses and awards, promotion of the thoroughbred horse industry, and the care of retired thoroughbred horses. Two conversions occurred, Gulfstream Park Thoroughbred After Racing Program (GPTARP) (Hallandale, Broward County), which was licensed to operate in 2019-2020, and Ocala Thoroughbred Racing (Marion County), which was not licensed to operate, and is not yet subject to annual application requirements for thoroughbred permitholders set forth in s. 550.5251, F.S.

<sup>23</sup> ELH Jefferson (Jefferson County), DeBary Real Estate Holdings (Volusia County), North Florida Racing (Jacksonville), Pompano Park Racing (Pompano Beach), and St. Johns Racing (St. Johns County). *See* [http://www.myfloridalicense.com/dbpr/pmw/documents/PermitholdersList\\_2020-2021.pdf](http://www.myfloridalicense.com/dbpr/pmw/documents/PermitholdersList_2020-2021.pdf) (last visited Apr. 7, 2021).

<sup>24</sup> *See* s. 550.054(2), F.S.

<sup>25</sup> *See* s. 550.054(9)(a), F.S.

Pursuant to s. 550.054(9)(b), F.S., the division may revoke or suspend any permit or license upon the willful violation by the permitholder or licensee of any provision of ch. 550, F.S., or any administrative rule adopted by the division, and may impose a civil penalty against the permitholder or license up to \$1,000 for each offense.

Section 550.054(14), F.S., authorizes conversion of jai alai permits to greyhound permits, under limited conditions.

### **Limited Intertrack Wagering**

Section 550.6308, F.S., relating to the conduct of limited intertrack wagering in support of thoroughbred breeding in Florida, requires:

- A minimum of 15 days of thoroughbred horse sales;
- The conduct of at least one day of nonwagering thoroughbred racing with a \$250,000 purse per year for two consecutive years;
- Intertrack wagering to be conducted:
  - For up to 21 days in connection with sales;
  - Between November 1 and May 8;
  - Only with the consent of other permitholders that run live racing in the county, between May 9 and October 31; and
  - During the weekend of the Kentucky Derby, the Preakness, the Belmont, and a Breeders' Cup Meet conducted after May 8 and before November 1.
- The conduct of intertrack wagering by the limited intertrack license permitholder only on thoroughbred racing, unless the consent of all thoroughbred, jai alai, and greyhound racing permitholders in the same county is obtained; and
- The payment of purses by limited intertrack license permitholder of 2.5 percent for its intertrack wagering on greyhound races or jai alai games.

### **Slot Machine Gaming Locations and Operations**

Section 32 of Art. X of the State Constitution, adopted pursuant to a 2004 initiative petition, authorized slot machines in licensed pari-mutuel facilities in Broward and Miami-Dade, if approved by county referendum. The voters in Broward and Miami-Dade counties approved slot machine gaming. Slot machine gaming in the state is limited to Broward and Miami-Dade counties, and as authorized by federal law, in the tribal gaming facilities of the Seminole Tribe.

Sections 551.104, F.S., addresses slot machine gaming operations, and:

- Restricts the issuance of slot machine licenses to licensed pari-mutuel permitholders, for slot machine gaming only at the facility where pari-mutuel wagering is authorized to be conducted by the permitholder;
- Requires the licensee to be in compliance with chs. 551 and 550, F.S.;
- Conducts a full schedule of live racing or games as defined in s. 550.002(11), F.S.; and
- Provides other requirements regarding ownership, law enforcement access, computer systems, security, records, and audits.

## Cardrooms

Section 849.086, F.S., authorizes cardrooms at certain pari-mutuel facilities.<sup>26</sup> In Fiscal Year 2021-2022, 27 cardrooms are licensed to operate.<sup>27</sup> A license to offer pari-mutuel wagering, slot machine gaming, or a cardroom at a pari-mutuel facility is a privilege granted by the state.<sup>28</sup> A cardroom may be open 18 hours per day on Monday through Friday, and 24 hours per day on Saturday and Sunday.<sup>29</sup> An initial cardroom license may be issued to a pari-mutuel permitholder only after its facilities are in place and it has conducted its first day of live racing. In order to renew a cardroom license, the licensee must have requested, as part of its annual pari-mutuel license application, to conduct at least 90 percent of the total performances it had conducted in the prior fiscal year.

Sections 849.086(5) and (6), F.S., provide that a licensed pari-mutuel permitholder that holds a valid pari-mutuel permit may hold a cardroom license authorizing the operation of a cardroom and the conduct of authorized games at the cardroom. An authorized game is a game or series of games of poker or dominoes.<sup>30</sup> Such games must be played in a non-banking manner,<sup>31</sup> where the participants play against each other, instead of against the house (cardroom). At least four percent of the gross cardroom receipts of greyhound racing permitholders and jai alai permitholders conducting live races or games must supplement greyhound purses, and quarter horse permitholders must have a contract with a horsemen's association governing the payment of purses on live quarter horse races conducted by the permitholder.<sup>32</sup>

## Prohibition on Racing of and Wagering on Greyhounds or other Dogs

Amendment 13 was adopted in 2018 with 69.06 percent support of the electorate. The amendment, titled "Prohibition on Racing of and Wagering on Greyhounds or other Dogs, is codified in s. 32, Art. X of the Florida Constitution.<sup>33</sup> The amendment bans all racing of and wagering on live dog racing in Florida after December 31, 2020, and allows greyhound permitholders to stop racing after December 31, 2018, without affecting other pari-mutuel activities as authorized by law. The Legislature is directed to specify civil or criminal penalties for violations.

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<sup>26</sup> Section 849.086, F.S. Section 849.086(2)(c), F.S., defines "cardroom" to mean a facility where authorized games are played for money or anything of value and to which the public is invited to participate in such games and charges a fee for participation by the operator of such facility.

<sup>27</sup> See <http://www.myfloridalicense.com/DBPR/pari-mutuel-wagering/permitholder-operating-licenses-2021-2022/> (last visited Apr. 7, 2021).

<sup>28</sup> *Solimena v. State*, 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), review denied, 412 So.2d 470, states "Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right," citing *State ex rel. Mason v. Rose*, 122 Fla. 413, 165 So. 347 (1936). See s. 550.1625(1), F.S., "...legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state."

<sup>29</sup> Section 849.086(7)(b), F.S.

<sup>30</sup> See s. 849.086(2)(a), F.S.

<sup>31</sup> *Id.*

<sup>32</sup> See s. 849.086(13)(d), F.S.

<sup>33</sup> See <http://www.leg.state.fl.us/Statutes/index.cfm?Mode=Constitution&Submenu=3&Tab=statutes#A10S32> (last visited Apr. 1, 2021).

### III. Effect of Proposed Changes:

**Section 1** amends s. 550.002, F.S., to revise live racing requirements affected by the adoption of s. 32, Art. X of the State Constitution (popularly known as Amendment 13). The constitutional amendment prohibits, after December 31, 2020, the conduct of live racing of greyhounds in Florida by gaming or pari-mutuel permitholders, and wagering by any person on the outcome of such racing in the state. Technical drafting changes, conforming changes, and elimination of obsolete language are also included.

**Section 2** of the bill is a technical revision amending s. 550.0115, F.S., relating to operating licenses, to clarify references to annual operating licenses.

**Section 3** amends s. 550.01215, F.S., relating to operating license applications filed annually with the division of the DBPR, for the conduct of pari-mutuel wagering, including intertrack and simulcast wagering. The application of each permitholder must indicate whether the permitholder intends to accept wagers on intertrack and simulcast events.

The requirement for pari-mutuel permitholders to conduct live racing or games is revised by the bill to provide:

- A greyhound permitholder may not conduct live racing, as such racing is prohibited in Florida after December 31, 2020.
- A jai alai permitholder, harness horse racing permitholder, or quarter horse racing permitholder may elect not to conduct live racing or games.
- A thoroughbred permitholder must conduct live racing.

A greyhound permitholder, jai alai permitholder, harness horse racing permitholder, or quarter horse racing permitholder that does not conduct live racing or games:

- Retains its permit;
- Is a pari-mutuel facility as defined in s. 550.002(23), F.S.
- Is eligible, but not required, to be a guest track, and if the permitholder is a harness horse racing permitholder, is eligible to be a host track for purposes of intertrack wagering and simulcasting pursuant to ss. 550.3551, 550.615, 550.625, and 550.6305, F.S.; and
- Remains eligible for a cardroom license.

For a greyhound permitholder, jai alai permitholder, harness horse racing permitholder, or quarter horse racing permitholder that does not conduct live racing or games, but has been issued a slot machine license, the facility where such permit is located:

- Remains an eligible facility as defined in s. 551.102(4), F.S.;
- Continues to be eligible for a slot machine license pursuant to s. 551.104(3), F.S.; and
- Is exempt from ss. 551.104(4)(c) and (10) and 551.114(2) and (4), F.S.

Under the bill, a permitholder or licensee may not conduct live greyhound racing or dogracing for wagering, and the division is authorized to deny, suspend, or revoke any permit or license under ch. 550, F.S., and impose a civil penalty of up to \$5,000 for such conduct.

The bill provides a pari-mutuel permitholder may not be issued an operating license for the conduct of pari-mutuel wagering, slot machine gaming, or the operation of a cardroom if the permitholder did not hold any type of operating license on January 1, 2021. This provision does not apply to limited thoroughbred permitholders issued permits pursuant to s. 550.3345, F.S.

Under the bill, the division may approve changes in racing dates after a license has been issued if there is no objection from any permitholder conducting live racing or games within 50 miles.

The bill further provides that for Fiscal Year 2021-2022 only, the division may approve changes to a permitholder's operating dates if the request is received before July 1, 2021.

The bill repeals an obsolete provision relating to greyhound racing permits.

**Section 4** of the bill is a technical revision amending s. 550.0235, F.S., to substitute the term "a permitholder licensed to conduct pari-mutuel wagering," and delete the obsolete term "a permittee conducting a racing meet."

**Section 5** amends s. 550.0351, F.S., to delete the authorization for a "dogracing permitholder" to hold charity or scholarship racing days. In addition, the authorization for "hound dog derby" racing events at greyhound permitholder facilities is deleted.

**Section 6** amends s. 550.0425, F.S., relating to the attendance of minors to pari-mutuel events, to delete an exception granting access to kennel compound areas for the minor children of greyhound trainers, kennel operators, or other licensees employed in the kennel, when supervised by a parent or legal guardian.

**Section 7** amends s. 550.054, F.S., to retain current law for existing permits converted to greyhound permits and remove this method of converting permits. Under the bill, a permit for the operation of a pari-mutuel facility, cardroom, or slot machine facility may only be held by permitholders with permits on January 1, 2021, and new permits may not be approved or issued after January 1, 2021.

**Section 8** amends s. 550.09511(4), F.S., to delete a requirement for payment of daily license fees and tax on admissions and bets, if fewer than 100 live jai alai games are conducted in a calendar year.

**Section 9** amends s. 550.09512, F.S., to amend a provision relating to taxes payable by harness horse permitholders who conduct live racing.

**Section 10** is a technical revision amending s. 550.105, F.S., related to occupational licenses, to delete references to kennels, kennel helpers, and greyhound racing.

**Section 11** is a technical revision amending s. 550.1155, F.S., related to stewards and judges, to delete references to dog tracks and dogtrack judges.

**Section 12** is a technical revision amending s. 550.1647, F.S., related to unclaimed pari-mutuel tickets, to delete references to greyhound racing.



**Section 13** repeals s. 550.1648, F.S., related to obsolete provisions concerning greyhound adoption booths at pari-mutuel facilities and associated charity racing days.

**Section 14** is a technical revision amending s. 550.175, F.S., related to a county's revocation of a permit, to substitute the term "pari-mutuel wagering" for "racing."

**Section 15** is a technical revision amending s. 550.1815, F.S., relating to a prohibition against holding a pari-mutuel permit, to substitute the term "greyhound permit" for "dogracing permit."

**Section 16** amends s. 550.24055, F.S., relating to the prohibited use of controlled substances and alcohol by occupational licensees officiating at or participating in a race or game, to delete a reference to dogtracks.

**Section 17** amends s. 550.2415, F.S., relating to testing of racing animals for medications and other substances, to delete provisions relating to greyhounds and to training and euthanizing greyhounds.

**Section 18** amends s. 550.334(8), F.S., to remove a live racing requirement for quarter horse permitholders to conduct intertrack wagering.

**Section 19** amends s. 550.3551, F.S., relating to broadcasting of racing and jai alai information, to conform references to permitholders and to delete a limitation on the number of broadcasts that may be received from outside the state by certain greyhound permitholders. This section amends current law providing that all permitholders conduct at least eight live races or games on a race day, and meet certain minimum live racing or games requirements, to limit application of those requirements to permitholders who conduct live races or games. This section deletes the requirement that a permitholder obtain authorization from the division for special racing events, and deletes the associated approval process and limits on such authorization.

**Section 20** amends s. 550.3615, F.S., relating to bookmaking on the grounds of a permitholder, to refer to tracks and frontons as pari-mutuel facilities.

**Section 21** amends s. 550.475, F.S., relating to the leasing of pari-mutuel facilities by permitholders, to conform references to permitholders and to ensure a lessee may conduct intertrack wagering.

**Section 22** amends s. 550.5251, F.S., relating to thoroughbred racing, to provide that a thoroughbred permitholder that has conducted live racing for at least five years prior to July 1, 2020, and that has not filed an application to conduct racing for the racing season commencing July 1, 2021, retains its permit; is a pari-mutuel facility as defined in s. 550.002(23), F.S.; if such permitholder has been issued a slot machine license, the facility where such permit is located remains an eligible facility as defined in s. 551.102(4), F.S., continues to be eligible for a slot machine license pursuant to s. 551.104(3), F.S., and is exempt from the requirements in ss. 551.104(4)(c) and (10), F.S., and 551.114(2), F.S.; is eligible, but not required, to be a guest track; and remains eligible for a cardroom license.

**Section 23** amends s. 550.615, F.S., relating to intertrack wagering, to conform references to pari-mutuel facilities and live racing or games requirements, and to provide that a permitholder that has met the live racing or games requirement applicable to that permitholder under s. 550.01215(1)(b), F.S., is qualified to receive broadcasts of any class of pari-mutuel races or games and to accept wagers on such races or games. This section provides any greyhound permitholder licensed under ch. 550, F.S., to conduct pari-mutuel wagering is qualified to, at any time, receive broadcasts and accept wagers on any class of pari-mutuel race or game.

**Section 24** is a technical revision amending s. 550.6305, F.S., relating to intertrack wagering, to delete certain pari-mutuel pool accounting requirements for greyhound permitholders.

**Section 25** amends s. 550.6308, F.S., relating to limited intertrack wagering, by:

- Reducing the required number of days of sales to eight days from fifteen days.
- Removing the requirement to conduct at least one day of nonwagering thoroughbred racing with a \$250,000 purse per year for two consecutive years.
- Removing the following restrictions and requirements for intertrack wagering to be conducted:
  - For up to 21 days in connection with sales;
  - Between November 1 and May 8;
  - Only with the consent of other permitholders that run live racing in the county, between May 9 and October 31; and
  - During the weekend of the Kentucky Derby, the Preakness, the Belmont, and a Breeders' Cup Meet conducted after May 8 and before November 1.
- Removing the restriction that intertrack wagering must be conducted by the limited intertrack license permitholder only on thoroughbred racing, unless the consent of all thoroughbred, jai alai, and greyhound racing permitholders in the same county is obtained; and
- Removing the purse pool requirement imposed on the limited intertrack license permitholder of 2.5 percent for its intertrack wagering on greyhound races or jai alai games, and other pro-rata allocations regarding intertrack wagering to thoroughbred permitholders.

**Section 26** amends s. 551.104(4)(c), F.S., relating to the requirement that a permitholder conduct full schedule of live racing or games as a condition for eligibility to obtain a license to conduct slot machine gaming. The live racing requirements for such eligibility are applicable only to thoroughbred permitholders, as under the bill, greyhound permitholders may not conduct live racing, jai alai permitholders may elect not to conduct live games, and harness horse and quarter horse permitholders may elect not to conduct live racing.

**Section 27** amends s. 551.114, F.S., relating to slot machine gaming areas, respecting the locations at which designated slot machine gaming areas may be located. The undefined term "live gaming facility" in current law is no longer applicable to greyhound permitholders prohibited from conducting live racing after December 31, 2020. This section provides that slot machine gaming areas must be located at the address location specified in the licensed permitholder's slot machine license issued for fiscal year 2020-2021. Provisions relating to the types of buildings and the connection of such buildings to the live gaming facility are deleted as obsolete.

**Section 28** amends s. 565.02, F.S., relating to the licensing of caterers, to confirm that catering licenses may be obtained for all licensed pari-mutuel facilities, whether or not they are conducting live racing or games.

**Section 29** amends s. 849.086, F.S., relating to cardrooms, to:

- Revise provisions in current law that are no longer applicable to greyhound permitholders prohibited from conducting live racing after December 31, 2020;
- Revise provisions relating to required contributions to purse pools, and required horsemen's agreements, to clarify that such contributions and agreements are required only if a permitholder conducts live races or games;
- Provide that a cardroom license may not be issued to any permitholder that did not hold a valid pari-mutuel wagering permit on January 1, 2021; and
- Provide that only thoroughbred permitholders must conduct a minimum of live racing performances (known as the "90 percent rule") to renew a cardroom license.

**Section 30** re-enacts s. 380.0651, F.S., relating to developments of regional impact, for the purpose of incorporating the definitions in s. 550.002, F.S., amended by the bill. A pari-mutuel facility continues to be subject to certain statewide guidelines and standards for developments of regional impact, as set forth in s. 380.06, F.S.

**Section 31** re-enacts s. 402.82, F.S., relating to the electronic benefits transfer program, for the purpose of incorporating the definitions in s. 550.002, F.S., amended by the bill. The use of electronic benefits transfer cards continues to be prohibited at pari-mutuel facilities.

**Section 320** re-enacts s. 480.0475, F.S., relating to certain overnight hours that massage establishments are prohibited from operating, for the purpose of incorporating the definitions in s. 550.002, F.S., amended by the bill. Massage establishments at pari-mutuel facilities continue to be exempt from the prohibition, and may operate between the hours of midnight and 5 a.m.

**Section 33** provides the bill takes effect July 1, 2021, but only if SB 7076 (2021) (Gaming Enforcement) or similar legislation is adopted in the same legislative session and becomes law.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**D. State Tax or Fee Increases:**

None.

**E. Other Constitutional Issues:**

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Persons associated with jai alai, harness horse, and quarter horse racing will be affected by the election by permitholders to conduct or not conduct live racing or games.

**C. Government Sector Impact:**

The bill has an indeterminate fiscal impact to state government revenues. The bill authorizes jai alai, harness horse, and quarter horse racing permitholders to elect whether or not to conduct live racing or games while retaining intertrack and simulcast wagering, cardrooms, and where relevant, slot machine facilities. Provisions of the bill, contingent upon the election of certain authorized permitholders to conduct or not conduct live racing or games, may reduce daily license fees and taxes on wagering payable by these affected permitholders. The Revenue Estimating Conference has not reviewed the fiscal impact of this bill.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 550.002, 550.0115, 550.01215, 550.0235, 550.0351, 550.0425, 550.054, 550.09511, 550.09512, 550.105, 550.1155, 550.1647, 550.175, 550.1815, 550.24055, 550.2415, 550.334, 550.3551, 550.3615, 550.475, 550.5251, 550.615, 550.6305, 550.6308, 551.104, 551.114, 565.02, and 849.086.

This bill repeals section 550.1648 of the Florida Statutes.

This bill reenacts the following sections of the Florida Statutes: 380.0651, 402.82, and 480.0475.

**IX. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Appropriations on April 15, 2021:**

The committee substitute:

- Prohibits a pari-mutuel permitholder or licensee from conducting greyhound or dog racing and authorizes the division to suspend or revoke permits and licenses and impose civil penalties up to \$5,000;
- Provides that an operating license may not be issued if a permitholder did not hold a permit or a license on January 1, 2021;
- Provides that permits for pari-mutuel wagering activities may only be held by facilities with permits on January 1, 2021;
- Allows an inactive thoroughbred permitholder to retain its permits, under limited circumstances;
- Revises and removes restrictions for the conduct of limited intertrack wagering by the permitholder licensed for such wagering;
- Provides a cardroom license may not be issued to any permitholder that did not have a permit on January 1, 2021.
- Provides for a contingent effective date; the bill takes effect July 1, 2021, but only if SB 7076 (2021) (Gaming Enforcement) or similar legislation is adopted in the same legislative session and becomes law.

- B. **Amendments:**

None.