

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 907 Gaming Licenses and Permits

**SPONSOR(S):** Sirois

**TIED BILLS:** IDEN./SIM. BILLS: SB 804

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Regulatory Reform & Economic Development Subcommittee	13 Y, 0 N	Thompson	Anstead
2) State Administration & Technology Appropriations Subcommittee			
3) Commerce Committee			

### SUMMARY ANALYSIS

The Florida Gaming Control Commission (Commission) is responsible for exercising all regulatory and executive powers of the state with respect to gambling, including pari-mutuel wagering, cardrooms, and slot machine facilities. The Florida Pari-mutuel Wagering Act (Act) provides specific permitting and licensure requirements for the pari-mutuel industry. Pari-mutuel wagering activities are limited to operators who have received a permit from the Commission, which is then subject to ratification by county referendum. Permitholders apply for an operating license annually to conduct pari-mutuel wagering activities. Certain permitholders are authorized to operate cardrooms and slot machines at their facility.

The bill revises provisions related to pari-mutuel wagering licenses, permit and application procedures, and removes obsolete provisions, as follows:

- Authorizes the Commission to penalize a licensee when a person falsely swears on an application.
- Establishes email as the primary service of legal filings for the Commission, including final agency action.
- Extends the submission period for pari-mutuel operating license application dates from December 15 - January 4, to January 15 - February 4, and extends the issuance date from March 15 to April 15.
- Authorizes the Commission to approve minor changes in performance dates for pari-mutuel wagering permitholders, removes the ability for permitholders to object to such changes, and makes it permissive, instead of mandatory, for the Commission to consider the impact of such changes to state revenues.
- Authorizes the Commission to take action against a racetrack occupational licensee who has been subject to certain federal horseracing penalties, including for a finding of a prohibited substance in an animal.
- Establishes a single audit and reporting requirement for pari-mutuel and slot machine permitholders, clarifies what is required in the report, and requires the deadline for the report to be 120 days after the end of the fiscal year.
- Revises the application and issuance fiscal year, submission, and issuance dates of nonwagering licenses to line up with the pari-mutuel operating license timeframes.
- Removes the authority of the Commission to conduct an eligibility investigation relating to new ownership or management interest in a nonwagering permit.
- Authorizes the Commission to waive the disqualifying offenses for slot machine occupational license applicants.
- Removes the provision that allows certain facilities to amend their 2006-2007 operating license.
- Repeals the section of law related to greyhound permitholders unclaimed tickets.
- Removes provisions related to the Greyhound Permitholder Tax Credit, and makes conforming changes.
- Removes an outdated provision relating to thoroughbred permitholder performances.

The bill does not appear to have a significant fiscal impact on state or local government. The bill may have a positive fiscal impact on the private sector.

The effective date of the bill is July 1, 2024.

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives.**

**STORAGE NAME:** h0907a.RRS

**DATE:** 1/24/2024

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Background

##### General Overview of Gaming in Florida

Gambling is generally prohibited in Florida, unless specifically authorized. Section 7, Art. X, of the Florida Constitution prohibits lotteries, other than pari-mutuel pools, from being conducted in Florida. Chapter 849, F.S., includes prohibitions against slot machines, keeping a gambling house and running a lottery. However, a constitutional amendment approved by voters in 1986 authorized state-operated lotteries, and a constitutional amendment in 2004 authorized slot machines in Miami-Dade and Broward Counties.

The following gaming activities are also authorized by law and regulated by the state:

- Pari-mutuel<sup>1</sup> wagering;<sup>2</sup>
- Gaming on tribal reservations in accordance with the Indian Gaming and Regulatory Act and the 2010 Gaming Compact with the Seminole Tribe of Florida;
- Slot machine gaming at certain licensed pari-mutuel locations in Miami-Dade County and Broward County;<sup>3</sup> and
- Cardrooms<sup>4</sup> at certain pari-mutuel facilities.

Chapter 849, F.S., also authorizes, under specific and limited conditions, the conduct of penny-ante games,<sup>5</sup> bingo,<sup>6</sup> charitable drawings,<sup>7</sup> game promotions (sweepstakes),<sup>8</sup> bowling tournaments,<sup>9</sup> and skill-based amusement games and machines at specified locations.<sup>10</sup>

In 2013, the legislature clarified that Internet café style gambling machines were illegal in the state. The legislation clarified existing sections of law regarding slot machines, charitable drawings, game promotions, and amusement machines and created a rebuttable presumption that machines used to simulate casino-style games in schemes involving consideration and prizes are prohibited slot machines.<sup>11</sup>

In 2015, the legislature determined that the regulation of the operation of skill-based amusement games and machines would ensure compliance with Florida's limitations on gambling and prevent the expansion of casino-style gambling. The legislature clarified regulations related to the operation and use of amusement games or machines to ensure that regulations would not be interpreted as creating an exception to the state's general prohibitions against gambling.<sup>12</sup>

##### Amendment to Florida Constitution Prohibiting Racing of and Wagering on Greyhounds or Other Dogs

---

<sup>1</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>2</sup> See ch. 550, F.S., relating to the regulation of pari-mutuel activities.

<sup>3</sup> See FLA. CONST., art. X, s. 23, and ch. 551, F.S.

<sup>4</sup> S. 849.086(2)(c), F.S., 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>5</sup> S. 849.085, F.S.

<sup>6</sup> S. 849.0931, F.S.

<sup>7</sup> S. 849.0935, F.S.

<sup>8</sup> S. 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.

<sup>9</sup> S. 849.141, F.S.

<sup>10</sup> S. 546.10, F.S.

<sup>11</sup> Florida House of Representatives Select Committee on Gaming, Final Bill Analysis of 2013 CS/HB 155, p. 1 (Apr. 19, 2013).

<sup>12</sup> S. 546.10, F.S.

During the 2018 General Election, the voters approved an initiative constitutional amendment, Amendment 13, Prohibition on Racing of and Wagering on Greyhounds or Other Dogs, which has been codified in the State Constitution as Article X, Section 32.<sup>13</sup>

Article X, Section 32 states:

Prohibition on racing of and wagering on greyhounds or other dogs.—The humane treatment of animals is a fundamental value of the people of the State of Florida. After December 31, 2020, a person authorized to conduct gaming or pari-mutuel operations may not race greyhounds or any member of the *Canis Familiaris* subspecies in connection with any wager for money or any other thing of value in this state, and persons in this state may not wager money or any other thing of value on the outcome of a live dog race occurring in this state. The failure to conduct greyhound racing or wagering on greyhound racing after December 31, 2018, does not constitute grounds to revoke or deny renewal of other related gaming licenses held by a person who is a licensed greyhound permitholder on January 1, 2018, and does not affect the eligibility of such permitholder, or such permitholder's facility, to conduct other pari-mutuel activities authorized by general law. By general law, the legislature shall specify civil or criminal penalties for violations of this section and for activities that aid or abet violations of this section.

As of January 1, 2021, wagering on live greyhound racing in Florida is completely prohibited. However, cardroom and slot machine facilities by such permitholders may continue to operate after the closure of racing activities.

#### Pari-mutuel Wagering

Since approximately 1931, pari-mutuel wagering has been authorized in Florida for jai alai, greyhound racing, and horseracing. These activities are overseen and regulated<sup>14</sup> by the Division of Pari-Mutuel Wagering (Division) at the Florida Gaming Control Commission (Commission), which is housed within the Department of Legal Affairs, Office of the Attorney General.<sup>15</sup> The Commission is tasked with exercising all regulatory and executive powers of the state on all forms of gambling authorized by the State Constitution or law including pari-mutuel wagering, card rooms, slot machine facilities, and the oversight of gaming compacts under the federal Indian Gaming Regulatory Act but excluding state lottery games authorized by the State Constitution.<sup>16</sup>

#### Pari-Mutuel Wagering State Revenue

License fees and taxes collected by pari-mutuel wagering permitholders, including slot machine and cardroom permitholders, are deposited with the Chief Financial Officer, to the credit of the Pari-mutuel Wagering Trust Fund. Slot machine tax revenue is transferred from the Pari-mutuel Wagering Trust Fund to the Educational Enhancement Trust Fund to supplement public education funding statewide. Taxes collected by cardrooms are split between the Pari-mutuel Wagering Trust Fund and the General Revenue Fund. During the 2022-2023 fiscal year, the pari-mutuel industry operated 447 racing and gaming days, which resulted in state revenue of \$6,291,327, total paid attendance of 61,775, and total pari-mutuel handle of \$469,498,714.<sup>17</sup>

#### Pari-Mutuel Wagering Live Performance Requirements

---

<sup>13</sup> See the text of Amendment 13, now codified as art. X, s. 32, at <http://www.leg.state.fl.us/Statutes/index.cfm?Mode=Constitution&Submenu=3&Tab=statutes#A10S32> (last visited Jan. 12, 2024).

<sup>14</sup> From 1932 to 1969, Florida's pari-mutuel industry was regulated by the State Racing Commission. In 1970, the commission became a division within the Department of Business Regulation, which, in 1993, became DBPR.

<sup>15</sup> See ss. 16.71-16.716, F.S.

<sup>16</sup> S. 16.712, F.S.

<sup>17</sup> Florida Gaming Control Commission, *Annual Report Fiscal Year 2022-2023*, <https://flgaming.gov/pmw/annual-reports/docs/2022-2023%20FGCC%20Annual%20Report.pdf> (last visited Jan. 12, 2024).

Currently, only thoroughbred permitholders are required to conduct live racing.<sup>18</sup> Greyhound permitholders may not conduct live racing, and jai alai permitholders, harness horse racing permitholders, or quarter horse racing permitholders may elect not to conduct live racing or games.

A greyhound permitholder, jai alai permitholder, harness horse racing permitholder, or quarter horse racing permitholder that does not conduct live racing or games:<sup>19</sup>

- 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.

A permitholder or licensee may not conduct live greyhound racing or dogracing in connection with any wager for money or any other thing of value in the state. The Division is authorized to deny, suspend, or revoke any permit or license in ch. 550, F.S., for conducting live greyhound racing or dogracing in violation of this provision. In addition to, or in lieu of, denial, suspension, or revocation of such permit or license, the Division is authorized to impose a civil penalty of up to \$5,000. All penalties imposed and collected must be deposited with the Chief Financial Officer to the credit of the General Revenue Fund.<sup>20</sup>

### Pari-mutuel Wagering Permitting and Licensure

The Florida Pari-mutuel Wagering Act (Act)<sup>21</sup> provides specific permitting and licensing requirements for the conduct of the pari-mutuel industry.<sup>22</sup> Pari-mutuel wagering activities are limited to operators who have received a permit from the Division, which is then subject to ratification by county referendum.<sup>23</sup> Permitholders apply for an operating license annually to conduct pari-mutuel wagering activities.<sup>24</sup> Certain permitholders are also authorized to operate cardrooms<sup>25</sup> and slot machines at their facility.<sup>26</sup>

During Fiscal Year 2021-2022, the following 39 pari-mutuel permitholders were licensed to operate:<sup>27</sup>

- Nineteen Greyhound Racing permits.
- Three Thoroughbred Horse Racing permits.
- One Harness Horse Racing permit.
- Six Quarter Horse Racing permits.
- Ten Jai-Alai permits.

The Division is authorized to revoke or suspend any permit or license upon the willful violation by the permitholder or licensee of any provision of the Act, or any administrative rule adopted by the Division, and may impose a civil penalty against the permitholder or licensee up to \$1,000 for each offense.<sup>28</sup>

During Fiscal Year 2022-2023, the Division issued 22 rulings and five consent orders with assessed fines and/or imposed license suspensions for violations. <sup>29</sup>

---

<sup>18</sup> S. 550.01215(1)(b)1., F.S.

<sup>19</sup> *Id.*

<sup>20</sup> S. 550.01215(1)(b)2., F.S.

<sup>21</sup> Ch. 550, F.S.

<sup>22</sup> S. 550.054(1), F.S.

<sup>23</sup> S. 550.054(2), F.S.

<sup>24</sup> S. 550.0115, F.S.

<sup>25</sup> S. 849.086, F.S.

<sup>26</sup> S. 551.104, F.S.

<sup>27</sup> Florida Gaming Control Commission, *Annual Report Fiscal Year 2022-2023*, <https://flgaming.gov/pmw/annual-reports/docs/2022-2023%20FGCC%20Annual%20Report.pdf> (last visited Jan. 12, 2024).

<sup>28</sup> S. 550.054(9)(b), F.S.

<sup>29</sup> Florida Gaming Control Commission, *Annual Report Fiscal Year 2022-2023*, <https://flgaming.gov/pmw/annual-reports/docs/2022-2023%20FGCC%20Annual%20Report.pdf> (last visited Jan. 12, 2024).

## False Swearing On Applications

### Present Situation

Currently, the Division does not appear to have the authority to deny applications and suspend or revoke professional licenses that it issues when it has found that an applicant or licensee has provided false information on an application that was signed under oath.

Prior to July 1, 2022, the Division was a part of the Department of Business and Professional Regulation (DBPR), which has the authority to take these actions.<sup>30</sup> Specifically, the law provides that any license **issued by DBPR**, which is issued or renewed in response to an application upon which the person signing under oath or affirmation has falsely sworn to a material statement, including, but not limited to, the names and addresses of the owners or managers of the licensee or applicant, is subject to denial of the application or suspension or revocation of the license, and the person falsely swearing is subject to any other penalties provided by law.<sup>31</sup>

On July 1, 2022, the Division was transferred out of DBPR and to the Commission.<sup>32</sup> However the Division did not retain the ability to take these actions. According to the Commission, it “is responsible for the regulation of licensees, permit holders, and persons participating in pari-mutuel wagering, slot machine gaming, or cardroom activity in the state of Florida. To regulate the industry, the Florida Gaming Control Commission needs to have the ability to apply the appropriate penalties when a person makes a false material statement on an application.”<sup>33</sup>

### Proposed Changes

The bill authorizes the Commission to deny any application or suspend or revoke any license that it issues when a person falsely swears to a material statement on an application. Specifically, the bill provides that any person who submits an application for a license to the Commission, or any person issued a license or renewal by the Commission in response to an application, and upon which application the person signing under oath or affirmation has falsely sworn to a material statement, including, but not limited to, the criminal history of the applicant or licensee, is subject to denial of his or her application or to suspension or revocation of his or her license, and is subject to any other penalties provided by law.

## Legal Notices

### Present Situation

Currently, the Commission does not have the authority to require service by e-mail from applicants and licensees for official communications. Chapter 455, F.S., which applies to the regulation of professions by DBPR, provides this authority to DBPR. Specifically, each licensee of DBPR is solely responsible for notifying DBPR in writing of the licensee’s current mailing address, e-mail address, and place of practice, as defined by rule of the board or the department when there is no board.<sup>34</sup>

A licensee’s failure to notify DBPR of a change of address constitutes a violation, and the licensee may be disciplined by the board or the department when there is no board.<sup>35</sup>

Notwithstanding any other provision of law, service by regular mail or e-mail to a licensee’s last known mailing address or e-mail address of record with DBPR constitutes adequate and sufficient notice to the

---

<sup>30</sup> S. 559.791, F.S.

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

<sup>32</sup> Ch. 2021-269, Laws of Fla.

<sup>33</sup> Florida Gaming Control Commission, Agency Package, Issue 1: False swearing on application; penalties.

<sup>34</sup> S. 455.275(1), F.S.

<sup>35</sup> *Id.*

licensee for any official communication to the licensee by the board or the department except when other service is required pursuant to disciplinary proceedings under s. 455.225, F.S.<sup>36</sup>

Notwithstanding any provision of law, when an administrative complaint is served on a licensee of DBPR, DBPR is required to provide service by regular mail to the licensee's last known address of record, by certified mail to the last known address of record, and, if possible, by e-mail.<sup>37</sup>

If the licensee does not provide DBPR with proof of service, DBPR is required to:<sup>38</sup>

- Call the last known telephone number of record.
- Cause a short, plain notice to the licensee to be posted on the front page of DBPR's website.
- Send notice via e-mail to all newspapers of general circulation and all news departments of broadcast network affiliates in the county of the licensee's last known address of record.

### Proposed Changes

The bill establishes e-mail as the Commission's primary service of legal filings, including final agency action, similar to the method that DBPR is authorized to use. Specifically, the bill:

- Requires each applicant for a license with the Commission and each licensee of the Commission is responsible to notify the Commission in writing of the applicant's or licensee's current mailing address, e-mail address, and place of employment.
- Provides that an applicant's failure to notify the Commission constitutes a violation, and the applicant's application may be denied.
- Provides that a licensee's failure to notify the Commission of any change to the e-mail or mailing address of record constitutes a violation, and the licensee may be disciplined by the Commission as described in s. 550.0251(10), F.S.
- Provides that notwithstanding any provision of law to the contrary, service by e-mail to an applicant's or licensee's e-mail address of record with the Commission constitutes sufficient notice to the applicant or licensee for any official communication.
- Authorizes the Commission to, in its discretion, provide service for any official communication by regular mail to an applicant's or licensee's last known mailing address.
- Clarifies that the Commission is not required to provide service by both e-mail and regular mail.
- Provides that notwithstanding any provision of law to the contrary, when an administrative complaint or other document setting forth intended or final agency action is to be served on an applicant or a licensee, the Commission is only required to provide service by e-mail to the applicant's or licensee's e-mail address on record with the commission.
- Specifies that e-mail service constitutes sufficient notice to the person or persons upon whom an administrative complaint or any other document setting forth intended or final agency action is served.
- Authorizes the commission to, in its discretion, provide service of an administrative complaint or any other documents setting forth intended or final agency action by regular mail to an applicant's or licensee's last known mailing address.
- Clarifies that the Commission is not required to provide service by both e-mail and regular mail.

### **Deadline for Submitting Pari-Mutuel Wagering Operating License Application**

#### Present Situation

Currently, each permit holder is required to annually, during the period between December 15 and January 4, file in writing with the Commission its application for an operating license for a pari-mutuel facility for the conduct of pari-mutuel wagering during the next state fiscal year, including intertrack and simulcast race wagering.<sup>39</sup>

---

<sup>36</sup> S. 455.275(2), F.S.

<sup>37</sup> S. 455.275(3)(a), F.S.

<sup>38</sup> S. 455.275(3)(b), F.S.

<sup>39</sup> S. 550.01215(1), F.S.

Each application for live performances must specify:<sup>40</sup>

- The number, dates, and starting times of all live performances that the permit holder intends to conduct.
- Which performances will be conducted as charity or scholarship performances.

Each application for an operating license also must include:<sup>41</sup>

- For each permit holder, whether the permit holder intends to accept wagers on intertrack or simulcast events.
- For each permit holder that elects to operate a cardroom, the dates and periods of operation the permit holder intends to operate the cardroom.
- For each thoroughbred racing permit holder that elects to receive or rebroadcast out-of-state races, the dates for all performances that the permit holder intends to conduct.

The Commission is required to issue each license no later than March 15.<sup>42</sup>

### Proposed Changes

The bill extends the submission period for pari-mutuel operating license application dates from December 15 through January 4, to instead January 15 through February 4, and extends the date the Commission is required to issue a license from March 15 to April 15.

## **Changes in Racing Dates**

### Present Situation

Current law authorizes the Commission to approve minor changes in racing dates after a license has been issued when there is no objection from any operating permit holder that is conducting live racing or games and that is located within 50 miles of the permit holder requesting the changes in operating dates. In the event of an objection, the Commission is required to approve or disapprove the change in operating dates based upon the impact on operating permit holders located within 50 miles of the permit holder requesting the change in operating dates. In making the determination to change racing dates, the Commission is required to take into consideration the impact of such changes on state revenues.<sup>43</sup>

### Proposed Changes

The bill revises the authority of the Commission to approve minor changes in racing dates for pari-mutuel wagering permit holders to also allow such changes for performance dates.

The bill removes the ability for the impacted permit holders to object to changes in performance dates, and makes it permissive, instead of mandatory, for the Commission to consider the impact of changes to performance dates to state revenues.

## **Greyhound Permit Holder Tax Credit**

### Present Situation

Current law provides for a daily license fee tax credit for greyhound permit holders. Specifically, in addition to the tax exemption specified in s. 550.09514(1), F.S., of \$360,000 or \$500,000 per greyhound permit holder per state fiscal year, each greyhound permit holder is required to receive in the current state fiscal year a tax credit equal to the number of live greyhound races conducted in the

---

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

<sup>42</sup> S. 550.01215(3), F.S.

<sup>43</sup> *Id.*

previous state fiscal year times the daily license fee specified for each dograce in this subsection applicable for the previous state fiscal year.<sup>44</sup>

Current law establishes tax rates relating to live greyhound racing performances. Each permitholder is required to pay a tax on contributions to pari-mutuel pools, the aggregate of which is referred to as "handle," on races or games conducted by the permitholder. The tax is imposed daily and is based on the total contributions to all pari-mutuel pools conducted during the daily performance. If a permitholder conducts more than one performance daily, the tax is imposed on each performance separately. The tax on handle for dogracing is 5.5 percent of the handle, except that for live charity performances held pursuant to s. 550.0351, F.S., and for intertrack wagering on such charity performances at a guest greyhound track within the market area of the host, the tax is 7.6 percent of the handle.<sup>45</sup>

### Proposed Changes

The bill removes provisions related to:

- The Greyhound Permitholder Tax Credit, and makes conforming changes.
- Live charity performances for greyhound permitholders and intertrack wagering on such charity performances.

## **Daily License Fee Payments**

### Present Situation

Each person engaged in the business of conducting race meetings or jai alai games is required to pay to the Commission, for the use of the commission, a daily license fee on each live or simulcast pari-mutuel event of \$100 for each horserace and \$80 for each dograce and \$40 for each jai alai game conducted at a racetrack or fronton licensed.<sup>46</sup>

Payments imposed by this section are required to be paid to the Commission, and the Commission is required to deposit these sums with the Chief Financial Officer, to the credit of the Pari-mutuel Wagering Trust Fund. The permitholder must remit to the Commission payment for the daily license fee, the admission tax, the tax on handle, and the breaks tax.

Such payments must be remitted by 3 p.m. Wednesday of each week for taxes imposed and collected for the preceding week ending on Sunday.

Beginning on July 1, 2012, such payments must be remitted by 3 p.m. on the 5th day of each calendar month for taxes imposed and collected for the preceding calendar month.

### Proposed Changes

The bill removes:

- The requirement that such payments be remitted by 3 p.m. Wednesday of each week for taxes imposed and collected for the preceding week ending on Sunday.
- The July 1, 2012, date that such payments must be remitted by each month.

## **Thoroughbred Horse Taxes**

### Present Situation

Current law provides that if a thoroughbred permitholder fails to operate all performances on its 2001-2002 license, failure to pay tax on handle for a full schedule of live races for those performances in the 2001-2002 fiscal year does not constitute failure to pay taxes on handle for a full schedule of live races

---

<sup>44</sup> S. 550.0951(1)(a), F.S.

<sup>45</sup> S. 550.0951(3)(b)1., F.S.

<sup>46</sup> S. 550.0951(1)(a), F.S.



in a fiscal year. This may not be construed as forgiving a thoroughbred permitholder from paying taxes on performances conducted at its facility pursuant to its 2001-2002 license other than for failure to operate all performances on its 2001-2002 license. This subsection expired on July 1, 2003.

### Proposed Changes

The bill removes this provision.

## **Occupational Licenses of Racetrack Employees**

### Present Situation

#### Occupational Licenses

Currently, each person connected with a racetrack or jai alai fronton is required to purchase from the commission an occupational license. All moneys collected pursuant to this section each fiscal year shall be deposited into the Pari-mutuel Wagering Trust Fund. Pursuant to the rules adopted by the commission, an occupational license may be valid for a period of up to 3 years for a fee that does not exceed the full occupational license fee for each of the years for which the license is purchased. The occupational license is valid during its specified term at any pari-mutuel facility.<sup>47</sup>

The following licenses are issued to persons or entities with access to the backside, racing animals, jai alai players' room, jockeys' room, drivers' room, totalisator room, the mutuels, or money room, or to persons who, by virtue of the position they hold, might be granted access to these areas or to any other person or entity in one of the following categories and with fees not to exceed the following amounts for any 12-month period:<sup>48</sup>

- **Business licenses:** any business such as a vendor, contractual concessionaire, business owning racing animals, trust or estate, totalisator company, stable name, or other fictitious name: \$50.
- **Professional occupational licenses:** professional persons with access to the backside of a racetrack or players' quarters in jai alai such as trainers, officials, veterinarians, doctors, nurses, EMT's, jockeys and apprentices, drivers, jai alai players, owners, trustees, or any management or officer or director or shareholder or any other professional-level person who might have access to the jockeys' room, the drivers' room, the backside, racing animals, or managers or supervisors requiring access to mutuels machines, the money room, or totalisator equipment: \$40.
- **General occupational licenses:** general employees with access to the jockeys' room, the drivers' room, racing animals, the backside of a racetrack or players' quarters in jai alai, such as grooms, leadouts, pelota makers, cesta makers, or ball boys, or a practitioner of any other occupation who would have access to the animals or the backside, or who would provide the security or maintenance of these areas, or mutuel employees, totalisator employees, money-room employees, or any employee with access to mutuels machines, the money room, or totalisator equipment or who would provide the security or maintenance of these areas: \$10.

Individuals and entities that are licensed require heightened state scrutiny, including the submission by the individual licensees or persons associated with the entities described in this chapter of fingerprints for a Federal Bureau of Investigation criminal records check.<sup>49</sup>

If the state racing commission or racing authority of such other state or jurisdiction extends to the Commission reciprocal courtesy to maintain the disciplinary control, the Commission is authorized to:<sup>50</sup>

- Deny, revoke, suspend, or place conditions or restrictions upon a license of any person who has been refused a license by any other state racing commission or racing authority;

---

<sup>47</sup> S. 550.105(1), F.S.

<sup>48</sup> S. 550.105(2)(a), F.S.

<sup>49</sup> *Id.*

<sup>50</sup> S. 550.105(5)(a), F.S.

- Deny, suspend, or place conditions on a license of any person who is under suspension or has unpaid fines in another jurisdiction.

The commission may also deny, declare ineligible, or revoke any occupational license if the applicant for such license has been convicted of a felony or misdemeanor in this state, in any other state, or under the laws of the United States, if such felony or misdemeanor is related to gambling or bookmaking, as contemplated in s. 849.25, F.S., or involves cruelty to animals.<sup>51</sup>

If the applicant establishes that she or he is of good moral character, has been rehabilitated, and the crime is not related to pari-mutuel wagering and is not a capital offense, the restrictions excluding offenders may be waived by the **director** of the Commission.

### Horseracing Integrity and Safety Act

The federal Horseracing Integrity and Safety Act of 2020 (Act) requires the Horseracing Integrity and Safety Authority (HISA) to develop and implement uniform safety and integrity rules applicable to every thoroughbred racing participant and racetrack facility in the U.S. HISA is required to develop rules related to horseracing, including anti-doping, medication control and racetrack safety. The Federal Trade Commission (FTC) is given oversight over the Authority.<sup>52</sup>

HISA began implementing its Racetrack Safety Program on July 1, 2022, and its Anti-Doping and Medication Control Program on May 22, 2023. This established a national, uniform set of integrity and safety rules.<sup>53</sup> Every thoroughbred that races in the U.S. is required to be registered in a centralized database. More than 32,000 Covered Persons and 48,000 Covered Horses have been registered with HISA. In accordance with HISA's rules, every thoroughbred is required to have a pre-race veterinary inspection every time it races, at any track. Veterinarians across the country have conducted more than 33,400 pre-race inspections since July 1, 2022.<sup>54</sup>

Violations of the Act include the following:<sup>55</sup>

- With respect to a covered horse, strict liability for covered trainers for the:
  - Presence of a prohibited substance or method in a sample or the use of a prohibited substance or method;
  - Presence of a permitted substance in a sample in excess of the amount allowed by the horseracing anti-doping and medication control program; and
  - Use of a permitted method in violation of the applicable limitations established under the horseracing anti-doping and medication control program.
- Attempted use of a prohibited substance or method on a covered horse.
- Possession of any prohibited substance or method.
- Attempted possession of any prohibited substance or method.
- Administration or attempted administration of any prohibited substance or method on a covered horse.
- Refusal or failure, without compelling justification, to submit a covered horse for sample collection.
- Failure to cooperate with the Authority or an agent of the Authority during any investigation.
- Failure to respond truthfully, to the best of a covered person's knowledge, to a question of the Authority or an agent of the Authority with respect to any matter under the jurisdiction of the Authority.
- Tampering or attempted tampering with the application of the safety, performance, or anti-doping and medication control rules or process adopted by the Authority, including:

---

<sup>51</sup> S. 550.105(5)(c), F.S.

<sup>52</sup> See 15 U.S.C., § 3051–3060.

<sup>53</sup> Horseracing Integrity and Safety Authority (HISA), *Overseeing national, uniform integrity and safety rules for Thoroughbred racing in the U.S.*, <https://hisaus.org/> (last visited Jan. 20, 2024).

<sup>54</sup> *Id.*

<sup>55</sup> 15 U.S.C., § 3057(a)(2).

- Intentional interference, or an attempt to interfere, with an official or agent of the Authority;
- Procurement or the provision of fraudulent information to the Authority or agent; and
- Intimidation of, or an attempt to intimidate, a potential witness.

The Act requires HISA to establish uniform rules imposing civil sanctions against covered persons or covered horses for safety, performance, and anti-doping and medication control rule violations. Civil sanctions may include:<sup>56</sup>

- Lifetime bans from horseracing, disgorgement of purses, monetary fines and penalties, and changes to the order of finish in covered races; and
- With respect to anti-doping and medication control rule violators, an opportunity to reduce the applicable civil sanctions that is comparable to the opportunity provided by the Protocol for Olympic Movement Testing of the United States Anti-Doping Agency.

In addition to these civil sanctions, the Act authorizes HISA to commence a civil action against a covered person or racetrack that has engaged, is engaged, or is about to engage, in acts or practices constituting a violation in the proper federal district court:<sup>57</sup>

- To enjoin such acts or practices;
- To enforce any civil sanctions imposed; and
- For all other relief to which HISA is entitled.

Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.<sup>58</sup>

According to the Commission, HISA is authorized to suspend people from Florida racetracks for violations associated with the track safety and anti-doping programs. However, the Commission provides that it does not have reciprocity to take action on those individuals' licenses.

The rules of HISA preempt any provision of State law or regulation with respect to matters within the jurisdiction of HISA.<sup>59</sup>

According to the Commission, effective May 22, 2023, HISA preempts the Commission from investigating and adjudicating prohibited substance violations in equines, which includes testing equine samples at a commission laboratory.

### Proposed Changes

The bill authorizes the Commission to do the following, if the state racing commission or racing authority of such other state or jurisdiction extends to the commission reciprocal courtesy to maintain the disciplinary control:

- Deny a license to, or revoke, suspend, or place conditions upon or restrictions on a license of any person who has been subject to a provisional suspension or period of ineligibility by HISA or any other such authority designated by the FTC;
- Deny, suspend, or place conditions on a license of any person who is subject to a provisional suspension or period of ineligibility under HISA related to the finding of a prohibited substance in an animal's hair or bodily fluids. Any such suspension expires on the date that the provisional suspension or period of ineligibility imposed by HISA expires.

The bill removes the provision that only allows such actions if the state racing commission or racing authority of such other state or jurisdiction extends to the commission reciprocal courtesy to maintain the disciplinary control.

---

<sup>56</sup> 15 U.S.C., § 3057(d).

<sup>57</sup> 15 U.S.C., § 3054(j).

<sup>58</sup> *Id.*

<sup>59</sup> 15 U.S.C., § 3054(b).

The bill also requires, if an occupational license is summarily suspended under this provision, the Commission to offer the licensee a postsuspension hearing within 72 hours after commencement of the suspension.

The bill requires the occupational licensee to have the burden of proving by clear and convincing evidence that she or he is not subject to a provisional suspension or period of ineligibility imposed by HISA. The standard of review for the Commission is whether the commission's action was an abuse of its discretion.

## **Pari-mutuel Wagering Audit Reports**

### Present Situation

Currently, each permitholder that conducts race meetings or jai alai exhibitions is required to keep records that clearly show the:<sup>60</sup>

- Total number of admissions and the total amount of money contributed to each pari-mutuel pool on each race or exhibition separately; and
- Amount of money received daily from admission fees.

Within 120 days after the end of the fiscal year, such permitholders are required to submit to the Commission a complete annual report of its accounts, audited by a certified public accountant licensed to practice in the state.<sup>61</sup>

### Proposed Changes

The bill establishes a single audit and reporting requirement for pari-mutuel and slot machine permitholders that clarifies what is required in the report, and requires the deadline for the report to be 120 days after the end of the fiscal year. The bill:

- Removes the requirement for each permitholder issued a pari-mutuel operating license to include the total number of admissions in the report.
- Requires the records to include cardroom gross receipts, and slot machine revenues.
- Removes the requirement that the records be on each pari-mutuel pool on each race or exhibition separately and the amount of money received daily from admission fees.
- Retains the requirement that within 120 days after the end of its fiscal year, each permitholder submit to the Commission a complete annual report of its accounts, audited by a certified public accountant licensed to practice in the state.

## **Greyhound Permitholders Unclaimed Tickets**

### Present Situation

Current law requires all money or other property represented by any unclaimed, uncashed, or abandoned pari-mutuel ticket which has remained in the custody of or under the control of any greyhound permitholder authorized to conduct pari-mutuel wagering in this state for a period of 1 year after the date the pari-mutuel ticket was issued, if the rightful owner or owners thereof have made no claim or demand for such money or other property within that period of time, to be remitted to the state pursuant to s. 550.1645, F.S.<sup>62</sup>

Such permitholder is entitled to a credit in each state fiscal year in an amount equal to the actual amount remitted in the prior state fiscal year which may be applied against any taxes imposed pursuant to this chapter. In addition, each permitholder is required to pay, from any source, an amount not less

---

<sup>60</sup> S. 550.125(2)(a), F.S.

<sup>61</sup> *Id.*

<sup>62</sup> S. 550.1647, F.S.

than 10 percent of the amount of the credit provided by this section to any bona fide organization that promotes or encourages the adoption of greyhounds.<sup>63</sup>

### Proposed Changes

The bill repeals this section of law.

## **Nonwagering Permits**

### Present Situation

Current law authorizes the Commission to issue permits for the conduct of horseracing meets without pari-mutuel wagering or any other form of wagering being conducted in conjunction. Such permits are known as nonwagering permits and may be issued only for horseracing meets. A horseracing permitholder need not obtain an additional permit from the Commission to conduct nonwagering racing, but must apply to the Commission for the issuance of a license. The holder of a nonwagering permit is prohibited from conducting pari-mutuel wagering or any other form of wagering in conjunction with racing conducted under the permit.<sup>64</sup>

The holder of a nonwagering permit is exempt from the occupational license requirements in s. 550.105, F.S., and from the imposition of daily license fees and admission tax.<sup>65</sup>

Upon receipt of a nonwagering permit, the permitholder is required to apply to the Commission before June 1 of each year for an annual nonwagering license for the next succeeding calendar year. Such application must set forth the days and locations at which the permitholder will conduct nonwagering horseracing and must indicate any changes in ownership or management of the permitholder occurring since the date of application for the prior license.<sup>66</sup>

On or before August 1 of each year, the Commission is required to issue a license authorizing the nonwagering permitholder to conduct nonwagering horseracing during the succeeding calendar year during the period and for the number of days set forth in the application.<sup>67</sup>

The commission is authorized to conduct an eligibility investigation to determine the qualifications of any new ownership or management interest in the permit.<sup>68</sup>

### Proposed Changes

The bill:

- Changes the application and issuance deadlines of nonwagering licenses from a calendar year basis to a fiscal year.
- Revises the nonwagering license application deadline to be consistent with the live operating dates license applications, during the period of January 15 through February 4 annually, and extends the date the Commission must issue a license from August 1 to April 15.
- Authorizes the Commission to extend a nonwagering license from calendar year 2024 to state fiscal year 2024-2025 upon application by the non-wagering license holder.
- Removes the authority of the Commission to conduct an eligibility investigation to determine the qualifications of any new ownership or management interest in the permit.

---

<sup>63</sup> *Id.*, As used in this chapter, the term “bona fide organization that promotes or encourages the adoption of greyhounds” means any organization that provides evidence of compliance with chapter 496 and possesses a valid exemption from federal taxation issued by the Internal Revenue Service. Such bona fide organization, as a condition of adoption, must provide sterilization of greyhounds by a licensed veterinarian before relinquishing custody of the greyhound to the adopter. The fee for sterilization may be included in the cost of adoption.

<sup>64</sup> S. 550.505(1)(b), F.S.

<sup>65</sup> S. 550.505(1)(c), F.S.

<sup>66</sup> S. 550.505(3)(a), F.S.

<sup>67</sup> S. 550.505(3)(b), F.S.

<sup>68</sup> S. 550.505(3)(c), F.S.

## License to Conduct Slot Machine Gaming

### Present Situation

Upon application and a finding by the Commission after investigation that the application is complete and the applicant is qualified and payment of the initial license fee, the Commission is authorized to issue a license to conduct slot machine gaming in the designated slot machine gaming area of the eligible facility.<sup>69</sup>

An application may be approved by the Commission only after the voters of the county where the applicant's facility is located have authorized by referendum slot machines within pari-mutuel facilities in that county as specified in s. 23, Art. X of the State Constitution.<sup>70</sup>

Slot machine licenses are only allowed to be issued to licensed pari-mutuel permit holders, and slot machine gaming may be conducted only at the eligible facility at which the permit holder is authorized under its valid pari-mutuel wagering permit to conduct pari-mutuel wagering activities.<sup>71</sup>

As a condition of licensure and to maintain continued authority for the conduct of slot machine gaming, the slot machine licensee is required to continue to be in compliance with the chapter of law governing slot machines and the chapter of law governing pari-mutuel wagering.<sup>72</sup>

Notwithstanding any contrary provision of law and in order to expedite the operation of slot machines at eligible facilities, any eligible facility is entitled within 60 days after the effective date of this act to amend its 2006-2007 pari-mutuel wagering operating license issued by the Commission under ss. 550.0115 and 550.01215, F.S. The Commission must issue a new license to the eligible facility to effectuate any approved change.<sup>73</sup>

### Proposed Changes

The bill:

- Establishes a single audit and reporting requirement that clarifies what is required in the report and requires the deadline for the report to be 120 days after the end of the fiscal year.
- Removes the provision that allows an eligible facility within 60 days after the effective date of this act to amend its 2006-2007 pari-mutuel wagering operating license issued by the Commission under ss. 550.0115 and 550.01215, F.S.
- Specifies that the certified public accountant that the audit must be provided by must be licensed under ch. 473, F.S.

## Slot Machine Occupational License

### Present Situation

Current law requires the following slot machine occupational licenses to be issued to persons or entities that, by virtue of the positions they hold, might be granted access to slot machine gaming areas or to any other person or entity in one of the following categories:<sup>74</sup>

- **General occupational licenses** for general employees, including food service, maintenance, and other similar service and support employees having access to the slot machine gaming area.

---

<sup>69</sup> S. 551.104(1), F.S.

<sup>70</sup> S. 551.104(2), F.S.

<sup>71</sup> S. 551.104(3), F.S.

<sup>72</sup> S. 551.104(4), F.S.

<sup>73</sup> *Id.*

<sup>74</sup> S. 551.107(2)(a), F.S.

- **Professional occupational licenses** for any person, proprietorship, partnership, corporation, or other entity that is authorized by a slot machine licensee to manage, oversee, or otherwise control daily operations as a slot machine manager, a floor supervisor, security personnel, or any other similar position of oversight of gaming operations, or any person who is not an employee of the slot machine licensee and who provides maintenance, repair, or upgrades or otherwise services a slot machine or other slot machine equipment.
- **Business occupational licenses** for any slot machine management company or company associated with slot machine gaming, any person who manufactures, distributes, or sells slot machines, slot machine paraphernalia, or other associated equipment to slot machine licensees, or any company that sells or provides goods or services associated with slot machine gaming to slot machine licensees.

The commission is authorized to deny, suspend, revoke, or refuse to renew any slot machine license if the applicant has:<sup>75</sup>

- Violated the provisions of this chapter or the rules of the Commission governing the conduct of persons connected with slot machine gaming.
- Been convicted in this state, in any other state, or under the laws of the United States of a capital felony, a felony, or an offense in any other state that would be a felony under the laws of this state involving:
  - Arson;
  - Trafficking in, conspiracy to traffic in, smuggling, importing, conspiracy to smuggle or import, or delivery, sale, or distribution of a controlled substance;
  - Racketeering; or
  - A crime involving a lack of good moral character, or has had a gaming license revoked by this state or any other jurisdiction for any gaming-related offense.
- Been convicted of a felony or misdemeanor in this state, in any other state, or under the laws of the United States if such felony or misdemeanor is related to gambling or bookmaking as described in s. 849.25.

This provision does not appear to allow the Commission to issue a waiver for certain disqualifying offenses.

### Proposed Changes

The bill authorizes the Commission to waive the restrictions for slot machine occupational licensee applicants if the applicant establishes that she or he:

- Is of good moral character,
- Has been rehabilitated, and
- The crime is not related to slot machine gaming and is not a capital offense.

### **Reenactments**

The bill reenacts ss. 212.04(2)(c), 550.0351(4), 550.09511(2), 550.09512(4), 550.09514(1) and (2)(e), 550.09516(3), 550.135(1), 550.1625(2), 550.3551(2)(b), (3)(c), and (4), 550.26352(3)-(6), and 550.375(4), F.S., relating to admissions taxes and rates, charity racing days, jail alai taxes, harness horse taxes, greyhound dog racing taxes and purse requirements, thoroughbred horse taxes, daily licensing fees collected from pari-mutuel racing, dogracing taxes, transmitting racing and jai alai information and commingling pari-mutuel pools, authorizing Breeders' Cup Meet pools, and operating certain harness tracks, respectively, to incorporate the amendment made to s. 550.0951, F.S.

### **B. SECTION DIRECTORY:**

Section 1: Creates s. 16.717, F.S., relating to Florida Gaming Control Commission; penalties for false oath or affirmation of applicants for licensure; licensees.

- Section 2: Creates s. 16.718, F.S., relating to Florida Gaming Control Commission; notification of applicants' or licensees' addresses and place of employment; service.
- Section 3: Amends s. 550.01215, F.S., relating to license application; periods of operation; license fees; bond.
- Section 4: Amends s. 550.0951, F.S., relating to payment of daily license fee and taxes; penalties.
- Section 5: Amends s. 550.09515, F.S., relating to thoroughbred horse taxes; abandoned interest in a permit for nonpayment of taxes.
- Section 6: Amends s. 550.105, F.S., relating to occupational licenses of racetrack employees; fees; denial, suspension, and revocation of license; penalties and fines.
- Section 7: Amends s. 550.125, F.S., relating to uniform reporting system; bond requirement.
- Section 8: Repeals s. 550.1647, F.S., relating to greyhound permitholders; unclaimed tickets; breaks.
- Section 9: Amends s. 550.505, F.S., relating to nonwagering permits.
- Section 10: Amends s. 551.104, F.S., relating to license to conduct slot machine gaming.
- Section 11: Amends s. 551.107, F.S., relating to slot machine occupational license; findings; application; fee.
- Section 12: Amends s. 212.04, F.S., relating to admissions tax; rate, procedure, enforcement.
- Section 13: Reenacts s. 550.0351, F.S., relating to charity racing days.
- Section 14: Reenacts s. 550.09511, F.S., relating to jai alai taxes; abandoned interest in a permit for nonpayment of taxes.
- Section 15: Reenacts s. 550.09512, F.S., relating to harness horse taxes; abandoned interest in a permit for nonpayment of taxes.
- Section 16: Reenacts s. 550.09514, F.S., relating to greyhound dogracing taxes; purse requirements.
- Section 17: Reenacts s. 550.09516, F.S., relating to credit for eligible permitholders conducting thoroughbred racing.
- Section 18: Reenacts s. 550.135, F.S., relating to division of moneys derived under this law.
- Section 19: Reenacts s. 550.1625, F.S., relating to dogracing; taxes.
- Section 10: Reenacts s. 550.3551, F.S., relating to transmission of racing and jai alai information; commingling of pari-mutuel pools.
- Section 21: Reenacts s. 550.26352, F.S., relating to Breeders' Cup Meet; pools authorized; conflicts; taxes; credits; transmission of races; rules; application.
- Section 22: Reenacts s. 550.375, F.S., relating to operation of certain harness tracks.
- Section 23: Provides an effective date of July 1, 2024.



## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Insignificant. According to the Commission, there will be a “minimal decrease in expenditures due to expected decrease in use of certified mail, posting notices in local newspapers, and manhours for hand service of official communication, documents, final orders, and final agency action of the commission.”<sup>76</sup>

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Extending pari-mutuel wagering operating license application dates may reduce costs for permit holders and the Commission related to complying with the earlier deadlines.

Consolidating pari-mutuel wagering and slot machine license audit reporting requirements and timeframes may reduce redundancy and related costs to the licensees and the Commission.

Authorizing the Commission to waive restrictions for disqualifying offenses for slot machine occupational licensee applicants may result in additional applicants and a positive fiscal impact to the individuals that gain employment, and businesses that want to hire them.

### D. FISCAL COMMENTS:

None.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None

### B. RULE-MAKING AUTHORITY:

---

<sup>76</sup> Florida Gaming Control Commission, Agency Analysis of HB 907, p. 6 (Jan. 11, 2024).

According to the Commission, it “may need to update rules in chapter 75 of the Florida Administrative Code as a result of the bill becoming law.”<sup>77</sup>

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**

---

<sup>77</sup> *Id.*, at 6.