

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 909 Pari-mutuel Permitholders

**SPONSOR(S):** Commerce Committee, Esposito

**TIED BILLS:** IDEN./SIM. BILLS: SB 778

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Regulatory Reform & Economic Development Subcommittee	12 Y, 1 N	Thompson	Anstead
2) State Administration & Technology Appropriations Subcommittee	12 Y, 1 N	Helpling	Topp
3) Commerce Committee	17 Y, 1 N, As CS	Thompson	Hamon

### 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, 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 filing timeframe for pari-mutuel operating license, and thoroughbred racing, applications for licensure from December 15 - January 4, to January 15 - February 4, the issuance date from March 15 to April 15, and the application amendment date from February 28 to March 28.
- Authorizes the Commission to approve minor changes in performance dates for pari-mutuel wagering permitholders, removes the standards related to permitholders objecting 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.
- 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 in certain circumstances.
- Allows certain pari-mutuel lease agreements between certain types of permitholders.
- Effective upon becoming law, clarifies that certain horse racetracks in the state may continue to receive broadcasts of horseraces conducted at horse racetracks outside of Florida.

The bill does not appear to have a 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.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **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*

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<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, 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

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<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. 27, 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>

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<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).

## Pari-mutuel Wagering License Restrictions

The Act generally requires that any transfer or assignment of a permit receive prior approval<sup>30</sup> by the Commission, which must determine the eligibility<sup>31</sup> of persons and entities to hold a permit. Similarly, if a permit is held by a corporation or business entity other than an individual, the transfer of ten percent or more of the stock or other evidence of ownership or equity in the permitholder may not be made without the prior approval of the transferee by the Commission.<sup>32</sup>

The Act provides restrictions on which persons and entities (including but not limited to employees, officers and directors, partners, and owners of the permitholder) may hold permits, based on whether they are of “good moral character,” or have been convicted of a disqualifying felony<sup>33</sup> or for bookmaking.<sup>34</sup>

The Act restricts pari-mutuel permitholders **from being issued an operating license** to conduct pari-mutuel wagering, slot machine gaming, or the operation of a cardroom if the permitholder did not hold an operating license for the conduct of pari-mutuel wagering for Fiscal Year 2020-2021.<sup>35</sup>

The Act restricts pari-mutuel permitholders **from holding a permit** to conduct pari-mutuel wagering and associated cardroom or slot machine licenses<sup>36</sup> unless the permitholder, other than a limited thoroughbred permitholder, held an operating license for the conduct of pari-mutuel wagering for Fiscal year 2020-2021.<sup>37</sup>

The Act specifies that permits held on January 1, 2021 are deemed valid,<sup>38</sup> but new permits for pari-mutuel wagering may not be approved or issued.<sup>39</sup>

The Commission is required to revoke the permit of any permitholder, other than a limited thoroughbred permitholder, who did not hold an operating license for the conduct of pari-mutuel wagering for fiscal year 2020-2021. A permit revoked under this provision is void and may not be reissued.<sup>40</sup>

Certain permitholders may relocate the location listed in their permit to **a new location within 30 miles**. Greyhound and jai alai permitholders operating in counties where they are the only permitholder of that class may relocate.<sup>41</sup> Greyhound permitholders that converted their permit from a jai alai permit may relocate, and a greyhound permitholder in a county where it is the only permitholder who operates at a leased facility may also relocate.<sup>42</sup>

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<sup>30</sup> There is one exception to the prior-approval requirement in s. 550.054(11)(a), F.S., which is that the holder of a permit converted to a jai alai permit “may lease or build anywhere within the county in which its permit is located.” As of 2021, such conversions are prohibited. *See* s. 550.054(15)(d), F.S.

<sup>31</sup> *See* s. 550.1815, F.S.

<sup>32</sup> S. 550.054(11)(b), F.S.

<sup>33</sup> Pursuant to s. 550.1815(1)(b), F.S., the following are disqualifying felonies: (1) a felony in Florida; (2) any felony in any other state which would be a felony if committed in Florida under the laws of this state; (3) any felony under the laws of the United States; or (4) a felony under the laws of another state if related to gambling which would be a felony under Florida law if the offense was committed in Florida.

<sup>34</sup> The term “bookmaking” is defined in s. 849.25, F.S., to mean “the act of taking or receiving, while engaged in the business or profession of gambling, any bet or wager upon the result of any trial or contest of skill, speed, power, or endurance of human, beast, fowl, motor vehicle, or mechanical apparatus or upon the result of any chance, casualty, unknown, or contingent event whatsoever.”

<sup>35</sup> S. 550.01215(1)(d), F.S.

<sup>36</sup> Under s. 551.114(4), F.S., designated slot machine gaming areas must be located at the address specified in the licensed permitholder's slot machine license issued for Fiscal Year 2020-2021.

<sup>37</sup> S. 550.054(15)(a), F.S.

<sup>38</sup> S. 550.054(15)(b), F.S.

<sup>39</sup> S. 550.054(15)(c), F.S.

<sup>40</sup> S. 550.054(9)(c), F.S.

<sup>41</sup> S. 550.0555, F.S.

<sup>42</sup> S. 550.054, F.S.

In each of these cases, **the relocation must not cross county boundaries and must be approved under the local zoning regulations.** Approval by the Division is required for these relocations.

A permit to conduct pari-mutuel wagering may not be converted to another class of permit.<sup>43</sup>

The Commission is required to issue each license no later than March 15, and each permitholder is required to operate all performances at the date and time specified on its license. However, the Commission is authorized to approve minor changes in racing dates after a license has been issued if there is no objection from any operating permitholder that is:<sup>44</sup>

- Conducting live racing or games; and
- Located within 50 miles of the permitholder requesting the changes in operating dates.

If a permitholder objects, the Commission is required to approve or disapprove the change in operating dates based upon the impact on operating permitholders located within 50 miles of the permitholder requesting the change in operating dates.<sup>45</sup>

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>46</sup>

## **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>47</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>48</sup>

On July 1, 2022, the Division was transferred out of DBPR and to the Commission.<sup>49</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>50</sup>

### Proposed Changes

The bill authorizes the Commission to deny an application for license, or to suspend or revoke a license if an applicant for a license or a licensee has falsely sworn to a material statement, including, but not limited to, the criminal history of the applicant or licensee. In addition, the bill provides that such applicants and licensees are subject to other penalties as provided by law.

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<sup>43</sup> S. 550.054(15)(d), F.S.

<sup>44</sup> S. 550.01215(3), F.S.

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> S. 559.791, F.S.

<sup>48</sup> *Id.*

<sup>49</sup> Ch. 2021-269, Laws of Fla.

<sup>50</sup> Florida Gaming Control Commission, Agency Package, Issue 1: False swearing on application; penalties.

## 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>51</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>52</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 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>53</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>54</sup>

If the licensee does not provide DBPR with proof of service, DBPR is required to:<sup>55</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.

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<sup>51</sup> S. 455.275(1), F.S.

<sup>52</sup> *Id.*

<sup>53</sup> S. 455.275(2), F.S.

<sup>54</sup> S. 455.275(3)(a), F.S.

<sup>55</sup> S. 455.275(3)(b), F.S.

- 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 permitholder 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>56</sup>

Permitholders may amend their applications through February 28.<sup>57</sup>

Each application for live performances must specify:<sup>58</sup>

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

Each application for an operating license also must include:<sup>59</sup>

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

The Commission is required to issue each license no later than March 15.<sup>60</sup>

### Proposed Changes

The bill extends:

- The filing timeframe for pari-mutuel operating license application dates from December 15 through January 4, to instead January 15 through February 4,
- The date the Commission is required to issue a license from March 15 to April 15, and
- The date permitholders may amend their applications from February 28 to March 28.

## **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 permitholder that is conducting live racing or games and that is located within 50 miles of the permitholder 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 permitholders located within 50 miles of the

<sup>56</sup> S. 550.01215(1), F.S.

<sup>57</sup> S. 550.01215(1)(c), F.S.

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

<sup>59</sup> *Id.*

<sup>60</sup> S. 550.01215(3), F.S.



permitholder 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>61</sup>

### Proposed Changes

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

The bill removes the standards related to impacted permitholders objecting 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.

## **Failure to Operate Performances and Abandonment of Performances**

### Present Situation

In the event that a permitholder fails to operate all performances specified on its license at the date and time specified, the Commission is required to hold a hearing to determine whether to fine or suspend the permitholder's license, unless such failure was the direct result of fire, strike, war, hurricane, pandemic, or other disaster or event beyond the ability of the permitholder to control. Financial hardship to the permitholder shall not, in and of itself, constitute just cause for failure to operate all performances on the dates and at the times specified.<sup>62</sup>

In the event that performances licensed to be operated by a permitholder are vacated, abandoned, or will not be used for any reason, any permitholder is entitled, pursuant to rules adopted by the Commission, to apply to conduct performances on the dates for which the performances have been abandoned. The Commission is required to issue an amended license for all such replacement performances which have been requested in compliance with ch. 550, F.S., and Commission rules.<sup>63</sup>

### Proposed Changes

The bill removes the requirement that the Commission hold a hearing prior to issuing a fine or suspension to determine whether to fine or suspend a permitholder's license for failure to operate performances.

The bill removes the entire provision regarding vacated or abandoned 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>64</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.<sup>65</sup>

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

<sup>62</sup> S. 550.01215(4), F.S.

<sup>63</sup> S. 550.01215(5), F.S.

<sup>64</sup> S. 550.0951(1)(a), F.S.

<sup>65</sup> *Id.*

Prior to July 1, 2012, such payments were required to be remitted by 3 p.m. Wednesday of each week for taxes imposed and collected for the preceding week ending on Sunday.<sup>66</sup>

Since July 1, 2012, such payments are required to be remitted by 3 p.m. on the 5th day of each calendar month for taxes imposed and collected for the preceding calendar month.<sup>67</sup>

### Proposed Changes

The bill removes the outdated provision and clarifies when certain tax payments must be remitted.

## **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 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 outdated 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>68</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>69</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

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<sup>66</sup> S. 550.0951(5), F.S.

<sup>67</sup> *Id.*

<sup>68</sup> S. 550.105(1), F.S.

<sup>69</sup> S. 550.105(2)(a), F.S.

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>70</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>71</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;
- 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>72</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>73</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>74</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>75</sup>

Violations of the Act include the following:<sup>76</sup>

- With respect to a covered horse, strict liability for covered trainers for the:

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<sup>70</sup> *Id.*

<sup>71</sup> S. 550.105(5)(a), F.S.

<sup>72</sup> S. 550.105(5)(c), F.S.

<sup>73</sup> See 15 U.S.C., § 3051–3060.

<sup>74</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>75</sup> *Id.*

<sup>76</sup> 15 U.S.C., § 3057(a)(2).

- 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:
  - 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>77</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>78</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>79</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>80</sup>

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<sup>77</sup> 15 U.S.C., § 3057(d).

<sup>78</sup> 15 U.S.C., § 3054(j).

<sup>79</sup> *Id.*

<sup>80</sup> 15 U.S.C., § 3054(b).

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 provides that the Commission may 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 the authority, or another such authority as may be designated by the FTC.

Similarly, as to the Commission's authority under current law to deny, suspend, or place conditions on a license of any person who is under suspension or has unpaid fines in another jurisdiction, the bill allows such actions by the Commission against the license of any person who is subject to a provisional suspension or period of ineligibility under HISA that is related to the finding of a prohibited substance in an animal's hair or bodily fluids. The bill provides that any such suspension expires on the same date that the HISA-imposed provisional suspension or period of ineligibility expires.

The bill requires, if an occupational license is summarily suspended, the Commission to offer the licensee a post-suspension hearing within 72 hours after commencement of the suspension. The occupational licensee has 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 is whether the Commission's action was an abuse of its discretion.

The bill includes technical drafting changes to re-order language and eliminate obsolete references in this provision.

## **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>81</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>82</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 pari-mutuel pools, 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.

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<sup>81</sup> S. 550.125(2)(a), F.S.

<sup>82</sup> *Id.*

## **Broadcasts of Horseraces**

### Present Situation

Currently, any horse track licensed under ch. 550, F.S., is authorized to receive broadcasts of horseraces conducted at other horse racetracks located outside this state at the racetrack enclosure of the licensee during its racing meet. Such broadcasts must meet the following requirements:<sup>83</sup>

- Must comply with the provisions of the Interstate Horseracing Act of 1978, 92 Stat. 1811, 15 U.S.C. ss. 3001 et seq.
- Wagers accepted at the horse track in this state may be, but are not required to be, included in the pari-mutuel pools of the out-of-state horse track that broadcasts the race, under certain conditions.
- All forms of pari-mutuel wagering are allowed on such races, and all money wagered by patrons on such races must be computed as part of the total amount of money wagered at each racing performance for purposes of certain taxation requirements as provided in law.

### Proposed Changes

Effective upon becoming law, the bill authorizes licensed horse tracks that conduct a full schedule of live racing during the preceding state fiscal year, or are not required to conduct a full schedule of live racing under current law, to continue to receive broadcasts of horseraces conducted at horse racetracks outside of Florida.

## **Lease of Pari-mutuel Facilities**

### Present Situation

Holders of valid pari-mutuel permits for the conduct of any pari-mutuel wagering in this state are entitled to lease any and all of their facilities, as follows:<sup>84</sup>

- The lease may only be to another holder of a same class valid pari-mutuel permit;
- The permitholders must be located within a 35-mile radius of each other; and
- The lessee is entitled to a permit and license to conduct intertrack wagering and operate its race meet or jai alai games at the leased premises.

### Proposed Changes

The bill changes references to “racing” dates to instead reference “performance” dates.

The bill provides that lease agreements may be between holders of the same class of permit or may be between jai alai permitholders and permitholders of any type, while maintaining the requirement that such permitholders be within 35 miles of each other.

## **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

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<sup>83</sup> S. 550.3551, F.S.

<sup>84</sup> S. 550.475, F.S.

prohibited from conducting pari-mutuel wagering or any other form of wagering in conjunction with racing conducted under the permit.<sup>85</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>86</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>87</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>88</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>89</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.

## **Thoroughbred Racing Application Dates**

### Present Situation

Currently, each thoroughbred permitholder is required to annually, between December 15 and January 4, file in writing with the Commission its application to conduct one or more thoroughbred racing meetings during the thoroughbred racing season commencing on the following July 1, as follows:<sup>90</sup>

- Each application must specify the number and dates of all performances that the permitholder intends to conduct during that thoroughbred racing season.
- On or before March 15 of each year, the Commission is required to issue a license authorizing each permitholder to conduct performances on the dates specified in its application.
- Up to February 28 of each year, each permitholder is authorized to request and must be granted changes in its authorized performances; but thereafter, as a condition precedent to the validity of its license and its right to retain its permit, each permitholder must operate the full number of days authorized on each of the dates set forth in its license.

### Proposed Changes

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<sup>85</sup> S. 550.505(1)(b), F.S.

<sup>86</sup> S. 550.505(1)(c), F.S.

<sup>87</sup> S. 550.505(3)(a), F.S.

<sup>88</sup> S. 550.505(3)(b), F.S.

<sup>89</sup> S. 550.505(3)(c), F.S.

<sup>90</sup> S. 550.5251(1), F.S.

The bill extends:

- The filing timeframe from December 15 through January 4, to January 15 through February 4;
- The date the Commission is required to issue a license from March 15 to April 15; and
- The date permit holders may request and be granted changes authorized performances from February 28 to March 28.
  - The bill also revises the reference to authorized performances to instead refer to application to conduct performances.

## **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>91</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>92</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>93</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>94</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>95</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 slot machine licensee's fiscal year.
- Removes the outdated 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

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<sup>91</sup> S. 551.104(1), F.S.

<sup>92</sup> S. 551.104(2), F.S.

<sup>93</sup> S. 551.104(3), F.S.

<sup>94</sup> S. 551.104(4), F.S.

<sup>95</sup> *Id.*



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>96</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.
- **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>97</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.

### **Racing Dates**

The bill revises references to the term “racing” dates to instead reference the term “performance” dates. This is a technical revision to allow changes in operating dates for the conduct of jai alai games. Current law allows changes to racing dates, which is applicable only to horse racing.

### **Reenactments**

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<sup>96</sup> S. 551.107(2)(a), F.S.

<sup>97</sup> S. 551.107(6), F.S.

The bill reenacts the following provisions of current law, to incorporate the amendments made by the bill to s. 550.0951, F.S., relating to the payment of daily license fees and taxes on horse races and jai alai games:

- S. 212.04(2)(c), F.S., relating to admissions taxes and rates;
- S. 550.0351(4), F.S., relating to charity racing days;
- S. 550.09511(2), F.S., relating to jai alai taxes;
- S. 550.09512(4), F.S., relating to harness horse taxes;
- S. 550.09514(1) and (2)(e), F.S., relating to greyhound dogracing taxes and purse requirements;
- S. 550.09516(3), F.S., relating to thoroughbred racing permitholders;
- S. 550.135(1), F.S., relating to the distribution of daily licensing fees from pari-mutuel racing;
- S. 550.1625(2), F.S., relating to dogracing taxes;
- S. 550.3551(2)(b), (3)(c), and (4), F.S., relating to transmission of racing and jai alai information and the commingling of pari-mutuel pools;
- S. 550.26352(3)-(6), F.S., relating to authorizing Breeders' Cup Meet pools; and
- S. 550.375(4), F.S., F.S., relating to the operation of certain harness tracks.

### **Effective Date**

The bill provides that except as otherwise expressly provided in this act and except for this section, which shall take effect upon this act becoming a law, this act shall take effect July 1, 2024.

### **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. 550.0351, F.S., relating to charity racing days.
- Section 5: Amends s. 550.054, F.S., relating to application for permit to conduct pari-mutuel wagering.
- Section 6: Amends s. 550.0951, F.S., relating to payment of daily license fee and taxes; penalties.
- Section 7: Amends s. 550.09515, F.S., relating to thoroughbred horse taxes; abandoned interest in a permit for nonpayment of taxes.
- Section 8: Amends s. 550.105, F.S., relating to occupational licenses of racetrack employees; fees; denial, suspension, and revocation of license; penalties and fines.
- Section 9: Amends s. 550.125, F.S., relating to uniform reporting system; bond requirement.
- Section 10: Amends and reenacts s. 550.3551, F.S., relating to transmission of racing and jai alai information; commingling of pari-mutuel pools.
- Section 11: Amends s. 550.475, F.S., relating to lease of pari-mutuel facilities by pari-mutuel permitholders.
- Section 12: Amends s. 550.505, F.S., relating to nonwagering permits.

- Section 13: Amends s. 550.5251, F.S., relating to Florida thoroughbred racing; certain permits; operating days.
- Section 14: Amends s. 551.104, F.S., relating to license to conduct slot machine gaming.
- Section 15: Amends s. 551.107, F.S., relating to slot machine occupational license; findings; application; fee.
- Section 16: Amends s. 212.04, F.S., relating to admissions tax; rate, procedure, enforcement.
- Section 17: Reenacts s. 550.0351, F.S., relating to charity racing days.
- Section 18: Reenacts s. 550.09511, F.S., relating to jai alai taxes; abandoned interest in a permit for nonpayment of taxes.
- Section 19: Reenacts s. 550.09512, F.S., relating to harness horse taxes; abandoned interest in a permit for nonpayment of taxes.
- Section 20: Reenacts s. 550.09514, F.S., relating to greyhound dogracing taxes; purse requirements.
- Section 21: Reenacts s. 550.09516, F.S., relating to credit for eligible permitholders conducting thoroughbred racing.
- Section 22: Reenacts s. 550.135, F.S., relating to division of moneys derived under this law.
- Section 23: Reenacts s. 550.1625, F.S., relating to dogracing; taxes.
- Section 24: Reenacts s. 550.26352, F.S., relating to Breeders' Cup Meet; pools authorized; conflicts; taxes; credits; transmission of races; rules; application.
- Section 25: Reenacts s. 550.375, F.S., relating to operation of certain harness tracks.
- Section 26: Provides an effective date.

## 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>98</sup>

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Allowing the lease of pari-mutuel facilities to jai alai permitholders may have a positive fiscal impact on these businesses.

Extending pari-mutuel wagering operating license application dates may reduce costs for permitholders 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:

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>99</sup>

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On February 22, 2024, the Commerce Committee adopted one amendment and reported the bill favorably as a committee substitute. The amendment:

- Added the substance of CS/SB 804 to the bill, which, in part:
  - Authorizes the Gaming Control Commission (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.

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<sup>99</sup> *Id.*, at 6.

- 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 outdated provision that allows certain facilities to amend their 2006-2007 operating license.
- Removes an outdated provision relating to thoroughbred permitholder performances.
- Revises the restriction that pari-mutuel lease agreements be between holders of the same class permit to also allow leasing to jai alai permitholders, regardless of the type of license the lessor holds.
- Effective upon becoming law, authorizes licensed horse tracks that conduct a full schedule of live racing during the preceding state fiscal year, or are not required to conduct a full schedule of live racing under current law, to continue to receive broadcasts of horseraces conducted at horse racetracks outside of Florida.

This analysis is drafted to the committee substitute as passed by the Commerce Committee.