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By the Committee on Regulated Industries; and Senator Burgess

580-03183-25 2025408c1

A bill to be entitled An act relating to thoroughbred permitholders; amending s. 550.01215, F.S.; requiring certain thoroughbred permitholders to conduct a full schedule of live racing until such permitholders provide notice to the Florida Gaming Control Commission with certain information; providing that such notice is not valid unless it is delivered to the commission on or after a specified date; conforming provisions to changes made by the act; amending s. 550.0951, F.S.; revising the criteria for certain thoroughbred permitholders to pay the tax on handle for intertrack wagering; amending s. 551.104, F.S.; conforming provisions to changes made by the act; amending s. 849.086, F.S.; deleting certain criteria a thoroughbred permitholder must meet as part of its pari-mutuel annual license application in order to have its cardroom license renewed; conforming provisions to changes made by the act; reenacting ss. 550.3551(3) and 550.615(2), F.S., relating to the transmission of racing and jai alai information and commingling of pari-mutuel pools and intertrack wagering, respectively, to incorporate the amendment made to s. 550.01215, F.S., in references thereto; reenacting ss. 550.09515(5), 550.09511(3)(a), and 550.6305(9)(a), F.S., relating to thoroughbred horse taxes and abandoned interest in a permit for nonpayment of taxes; jai alai taxes and abandoned interest in a permit for nonpayment of taxes; and intertrack wagering, guest track payments, and

580-03183-25 2025408c1

accounting rules, respectively, to incorporate the amendment made to s. 550.0951, F.S., in references thereto; providing an effective date.

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

Section 1. Paragraph (b) of subsection (1) of section 550.01215, Florida Statutes, is amended to read:

550.01215 License application; periods of operation; license fees; bond.—

- (1) Each permitholder shall annually, during the period between January 15 and February 4, file in writing with the commission its application for an operating license for a parimutuel facility for the conduct of pari-mutuel wagering during the next state fiscal year, including intertrack and simulcast race wagering. Each application for live performances must specify the number, dates, and starting times of all live performances that the permitholder intends to conduct. It must also specify which performances will be conducted as charity or scholarship performances.
- (b) 1. A greyhound permitholder may not conduct live racing. A jai alai permitholder, harness horse racing permitholder, or quarter horse racing permitholder may elect not to conduct live racing or games. A thoroughbred permitholder must conduct live racing pursuant to subparagraph 2. A greyhound permitholder, jai alai permitholder, harness horse racing permitholder, or quarter horse racing permitholder, or thoroughbred permitholder pursuant to subparagraph 2. that does not conduct live racing or games retains its permit; is a pari-mutuel facility as defined in s.

580-03183-25 2025408c1

550.002(23); if such permitholder has been issued a slot machine license, the facility where such permit is located remains an eligible facility as defined in s. 551.102(4), continues to be eligible for a slot machine license pursuant to s. 551.104(3), and is exempt from ss. 551.104(10) and 551.114(2) ss. 551.104(4)(c) and (10) and 551.114(2); is eligible, but not required, to be a guest track and, if the permitholder is a harness horse racing permitholder or a thoroughbred permitholder pursuant to subparagraph 2., to be a host track for purposes of intertrack wagering and simulcasting pursuant to ss. 550.3551, 550.615, 550.625, and 550.6305; and remains eligible for a cardroom license.

- 2. A thoroughbred permitholder who operates a slot machine facility or cardroom shall conduct a full schedule of live racing until such permitholder notifies the commission that it will no longer conduct live racing. Notice under this subparagraph is not valid unless it is delivered to the commission on or after July 1, 2028, and contains the date on which the permitholder will no longer conduct live racing, which may not be earlier than 4 years after the date of the notice.
- 3.2. 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 commission may deny, suspend, or revoke any permit or license under this chapter if a permitholder or licensee conducts live greyhound racing or dogracing in violation of this subparagraph. In addition to, or in lieu of, denial, suspension, or revocation of such permit or license, the commission may impose a civil penalty of up to \$5,000 against the permitholder or licensee for

580-03183-25 2025408c1

a violation of this subparagraph. All penalties imposed and collected must be deposited with the Chief Financial Officer to the credit of the General Revenue Fund.

Section 2. Paragraph (c) of subsection (3) of section 550.0951, Florida Statutes, is amended to read:

550.0951 Payment of daily license fee and taxes; penalties.—

- (3) TAX ON HANDLE.—Each permitholder shall pay a tax on contributions to pari-mutuel pools, the aggregate of which is hereinafter 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.
- (c)1. The tax on handle for intertrack wagering is 2.0 percent of the handle if the host track is a horse track, 3.3 percent if the host track is a harness track, 5.5 percent if the host track is a dog track, and 7.1 percent if the host track is a jai alai fronton. The tax on handle for intertrack wagering is 0.5 percent if the host track and the guest track are thoroughbred permitholders or if the guest track is located outside the market area of the host track and within the market area of a thoroughbred permitholder that conducted a full schedule of live racing the preceding fiscal year currently conducting a live race meet. The tax on handle for intertrack wagering on rebroadcasts of simulcast thoroughbred horseraces is 2.4 percent of the handle and 1.5 percent of the handle for intertrack wagering on rebroadcasts of simulcast harness

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580-03183-25 2025408c1

horseraces. The tax shall be deposited into the Pari-mutuel Wagering Trust Fund.

- 2. The tax on handle for intertrack wagers accepted by any dog track located in an area of the state in which there are only three permitholders, all of which are greyhound permitholders, located in three contiguous counties, from any greyhound permitholder also located within such area or any dog track or jai alai fronton located as specified in s. 550.615(6) or (9), on races or games received from the same class of permitholder located within the same market area is 3.9 percent if the host facility is a greyhound permitholder and, if the host facility is a jai alai permitholder, the rate shall be 6.1 percent except that it shall be 2.3 percent on handle at such time as the total tax on intertrack handle paid to the commission by the permitholder during the current state fiscal year exceeds the total tax on intertrack handle paid to the commission by the permitholder during the 1992-1993 state fiscal year.
- Section 3. Paragraph (a) of subsection (10) of section 551.104, Florida Statutes, is amended to read:
 - 551.104 License to conduct slot machine gaming.-
- (10) (a) 1. Until a thoroughbred permitholder is no longer conducting live racing pursuant to s. 550.01215(1)(b) 2., a no slot machine license or renewal thereof may not shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of thoroughbred racing unless the applicant has on file with the commission a binding written agreement between the applicant and the Florida Horsemen's Benevolent and Protective Association, Inc., governing the

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580-03183-25 2025408c1

payment of purses on live thoroughbred races conducted at the licensee's pari-mutuel facility. In addition, a no slot machine license or renewal thereof may not $\frac{\text{shall}}{\text{shall}}$ be issued to such an applicant unless the applicant has on file with the commission a binding written agreement between the applicant and the Florida Thoroughbred Breeders' Association, Inc., governing the payment of breeders', stallion, and special racing awards on live thoroughbred races conducted at the licensee's pari-mutuel facility. The agreement governing purses and the agreement governing awards may direct the payment of such purses and awards from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses and awards are shall be subject to the terms of chapter 550. All sums for breeders', stallion, and special racing awards are shall be remitted monthly to the Florida Thoroughbred Breeders' Association, Inc., for the payment of awards subject to the administrative fee authorized in s. 550.2625(3).

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

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580-03183-25 2025408c1

purses are shall be subject to the terms of chapter 550.

Section 4. Paragraph (c) of subsection (5) and paragraph (d) of subsection (13) of section 849.086, Florida Statutes, are amended to read:

849.086 Cardrooms authorized.

- (5) LICENSE REQUIRED; APPLICATION; FEES.—No person may operate a cardroom in this state unless such person holds a valid cardroom license issued pursuant to this section.
- (c) Notwithstanding any other provision of law, a parimutuel permitholder, other than a permitholder issued a permit pursuant to s. 550.3345 or a purchaser, transferee, or assignee holding a valid permit for the conduct of pari-mutuel wagering approved pursuant to s. 550.054(15)(a), may not be issued a license for 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. In order for an initial cardroom license to be issued to a thoroughbred permitholder issued a permit pursuant to s. 550.3345, the applicant must have requested, as part of its pari-mutuel annual license application, to conduct at least a full schedule of live racing. In order for a cardroom license to be renewed by a thoroughbred permitholder, the applicant must have requested, as part of its pari-mutuel annual license application, to conduct at least 90 percent of the total number of live performances conducted by such permitholder during either the state fiscal year in which its initial cardroom license was issued or the state fiscal year immediately prior thereto if the permitholder ran at least a full schedule of live racing or games in the prior year.
 - (13) TAXES AND OTHER PAYMENTS.-

580-03183-25 2025408c1

(d)1. Each jai alai permitholder that conducts live performances and operates a cardroom facility shall use at least 4 percent of such permitholder's cardroom monthly gross receipts to supplement jai alai prize money during the permitholder's next ensuing pari-mutuel meet.

- 2. Until a thoroughbred permitholder is no longer conducting live racing pursuant to s. 550.01215(1)(b)2., each thoroughbred permitholder or harness horse racing permitholder that conducts live performances and operates a cardroom facility shall use at least 50 percent of such permitholder's cardroom monthly net proceeds as follows: 47 percent to supplement purses and 3 percent to supplement breeders' awards during the permitholder's next ensuing racing meet.
- 3. A No cardroom license or renewal thereof may not shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of quarter horse racing and conducting live performances unless the applicant has on file with the commission a binding written agreement between the applicant and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the applicant's eligible facility, governing the payment of purses on live quarter horse races conducted at the licensee's pari-mutuel facility. The agreement governing purses may direct the payment of such purses from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses are shall be subject to the terms of chapter 550.
- Section 5. For the purpose of incorporating the amendment made by this act to section 550.01215, Florida Statutes, in a

580-03183-25 2025408c1

reference thereto, subsection (3) of section 550.3551, Florida Statutes, is reenacted to read:

550.3551 Transmission of racing and jai alai information; commingling of pari-mutuel pools.—

- (3) Any horse track licensed under this chapter may receive broadcasts of horseraces conducted at other horse racetracks located outside this state at the racetrack enclosure of the licensee, if the horse track conducted a full schedule of live racing during the preceding state fiscal year, or if the horse track does not conduct live racing as authorized under s. 550.01215.
- (a) All broadcasts of horseraces received from locations outside this state must comply with the provisions of the Interstate Horseracing Act of 1978, 92 Stat. 1811, 15 U.S.C. ss. 3001 et seq.
- (b) 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. Notwithstanding any contrary provisions of this chapter, if the horse track in this state elects to include wagers accepted on such races in the pari-mutuel pools of the out-of-state horse track that broadcasts the race, from the amount wagered by patrons at the horse track in this state and included in the pari-mutuel pools of the out-of-state horse track, the horse track in this state shall deduct as the takeout from the amount wagered by patrons at the horse track in this state and included in the pari-mutuel pools of the out-of-state horse track a percentage equal to the percentage deducted from the amount wagered at the out-of-state racetrack as is authorized by the

580-03183-25 2025408c1

laws of the jurisdiction exercising regulatory authority over the out-of-state horse track.

(c) All forms of pari-mutuel wagering are allowed on races broadcast under this section, and all money wagered by patrons on such races shall be computed as part of the total amount of money wagered at each racing performance for purposes of taxation under ss. 550.0951, 550.09512, and 550.09515. Section 550.2625(2)(a), (b), and (c) does not apply to any money wagered on races broadcast under this section. Similarly, the takeout shall be increased by breaks and uncashed tickets for wagers on races broadcast under this section, notwithstanding any contrary provision of this chapter.

Section 6. For the purpose of incorporating the amendment made by this act to section 550.01215, Florida Statutes, in a reference thereto, subsection (2) of section 550.615, Florida Statutes, is reenacted to read:

550.615 Intertrack wagering.-

(2) Except as provided in subsection (1), a pari-mutuel permitholder that has met the applicable requirement for that permitholder to conduct live racing or games under s. 550.01215(1)(b), if any, for fiscal year 2020-2021 is qualified to, at any time, receive broadcasts of any class of pari-mutuel race or game and accept wagers on such races or games conducted by any class of permitholders licensed under this chapter.

Section 7. For the purpose of incorporating the amendment made by this act to section 550.0951, Florida Statutes, in a reference thereto, subsection (5) of section 550.09515, Florida Statutes, is reenacted to read:

550.09515 Thoroughbred horse taxes; abandoned interest in a

580-03183-25 2025408c1

permit for nonpayment of taxes.-

(5) Notwithstanding the provisions of s. 550.0951(3)(c), the tax on handle for intertrack wagering on rebroadcasts of simulcast horseraces is 2.4 percent of the handle; provided however, that if the guest track is a thoroughbred track located more than 35 miles from the host track, the host track shall pay a tax of .5 percent of the handle, and additionally the host track shall pay to the guest track 1.9 percent of the handle to be used by the guest track solely for purses. The tax shall be deposited into the Pari-mutuel Wagering Trust Fund.

Section 8. For the purpose of incorporating the amendment made by this act to section 550.0951, Florida Statutes, in a reference thereto, paragraph (a) of subsection (3) of section 550.09511, Florida Statutes, is reenacted to read:

550.09511 Jai alai taxes; abandoned interest in a permit for nonpayment of taxes.—

(3) (a) Notwithstanding the provisions of subsection (2) and s. 550.0951(3)(c)1., any jai alai permitholder which is restricted under Florida law from operating live performances on a year-round basis is entitled to conduct wagering on live performances at a tax rate of 3.85 percent of live handle. Such permitholder is also entitled to conduct intertrack wagering as a host permitholder on live jai alai games at its fronton at a tax rate of 3.3 percent of handle at such time as the total tax on intertrack handle paid to the commission by the permitholder during the current state fiscal year exceeds the total tax on intertrack handle paid to the former Division of Pari-mutuel Wagering by the permitholder during the 1992-1993 state fiscal year.

580-03183-25 2025408c1

Section 9. For the purpose of incorporating the amendment made by this act to section 550.0951, Florida Statutes, in a reference thereto, paragraph (a) of subsection (9) of section 550.6305, Florida Statutes, is reenacted to read:

550.6305 Intertrack wagering; guest track payments; accounting rules.—

- (9) A host track that has contracted with an out-of-state horse track to broadcast live races conducted at such out-of-state horse track pursuant to s. 550.3551(5) may broadcast such out-of-state races to any guest track and accept wagers thereon in the same manner as is provided in s. 550.3551.
- (a) For purposes of this section, "net proceeds" means the amount of takeout remaining after the payment of state taxes, purses required pursuant to s. 550.0951(3)(c)1., the cost to the permitholder required to be paid to the out-of-state horse track, and breeders' awards paid to the Florida Thoroughbred Breeders' Association and the Florida Standardbred Breeders and Owners Association, to be used as set forth in s. 550.625(2)(a) and (b).

Section 10. This act shall take effect July 1, 2025.