

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

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

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Prepared By: The Professional Staff of the Committee on Regulated Industries

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BILL: CS/SB 622

INTRODUCER: Regulated Industries Committee and Senators Rodriguez and Calatayud

SUBJECT: Jai Alai Permit Holders

DATE: March 27, 2025

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

|    | ANALYST      | STAFF DIRECTOR | REFERENCE  | ACTION        |
|----|--------------|----------------|------------|---------------|
| 1. | <u>Baird</u> | <u>Imhof</u>   | <u>RI</u>  | <u>Fav/CS</u> |
| 2. | _____        | _____          | <u>AEG</u> | _____         |
| 3. | _____        | _____          | <u>FP</u>  | _____         |

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

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/SB 622 provides that holders of a valid pari-mutuel permit are entitled to lease any of their facilities to any jai alai permitholder within a 35-mile radius. This changes the current requirement that only allows holders of valid pari-mutuel permits lease their facilities to any other holder of a same class valid pari-mutuel wearing.

The bill provides an effective date of July 1, 2025.

**II. Present Situation:**

**Pari-Mutuel Wagering in Florida**

Since approximately 1931, pari-mutuel wagering (PMW) activities have been authorized in Florida for jai alai, greyhound racing, and horseracing. PMW is a system of betting where all bets are placed into a pool and the payout is *then* distributed among the winners, proportionally to their wagers, after deducting a percentage for the house.

These activities are overseen and regulated<sup>1</sup> by the Division of Pari-Mutuel Wagering (division) within the Florida Gaming Control Commission (commission), which is housed for

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<sup>1</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 the Department of Business and Professional Regulation.

administrative purposes within the Department of Legal Affairs, Office of the Attorney General.<sup>2</sup> The commission issues permits and operating licenses for PMW activities. Only pari-mutuel wagering permitholders under certain conditions are authorized to conduct other gaming activities like operating a cardroom or operating slot machines at their facilities.

Those pari-mutuel permits approved under ch. 550, F.S., are issued to the specific location in the permit application and for a specific type of pari-mutuel activity. Authorized pari-mutuel permit types include: greyhound racing, jai alai, thoroughbred racing, quarter horse racing, and harness horse racing.

### **Leasing of Pari-Mutuel Facilities**

Florida allows holders of pari-mutuel permits to lease any and all of their facilities to any other holder of a same class valid pari-mutuel permit.<sup>3</sup> There is a requirement that the facility be located within a 35-mile radius of the lessee.<sup>4</sup> Once a lease agreement is in place, 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 premise.<sup>5</sup>

Florida defines the same class of races, games or permit as:

With respect to a jai alai permitholder, jai alai games or other jai alai permitholders; with respect to a greyhound permitholder, other greyhound permitholders conducting pari-mutuel wagering; with respect to a thoroughbred permitholder, thoroughbred races or other thoroughbred permitholders; with respect to a harness permitholder, harness races or other harness permitholders; with respect to a quarter horse permitholder, quarter horse races or other quarter horse permitholders.<sup>6</sup>

During Fiscal Year 2024-2025, approximately 6 pari-mutuel operating licenses are operating by lease at another same class pari-mutuel permitholder's permitted facility under s. 550.475, F.S.<sup>7</sup>

### **Jai Alai**

Jai alai is a fast-paced sport involving players hurling a ball against a wall, that can be configured in various ways, typically involving single players, teams of two, or in modern leagues, teams of six. Beginning in the early 20<sup>th</sup> century in Florida, jai alai experienced great popularity but has since seen a decline in popularity throughout the 21<sup>st</sup> century.

There are approximately 10 jai alai operating licenses operating at 7 permitted facilities.<sup>8</sup> During Fiscal Year 2023-2024, jai alai permitholders brought in less than \$1,000,000 in revenue from

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<sup>2</sup> See ss. 16.71-16.716, F.S.

<sup>3</sup> Section 550.475, F.S.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> Section 550.002(31), F.S.

<sup>7</sup> See Florida Gaming Control Commission, *2025 Agency Legislative Bill Analysis for SB 622* (March 4, 2025) (on file with the Senate Committee on Regulated Industries).

<sup>8</sup> See Florida Gaming Control Commission, *Annual Report Fiscal Year 2023-2024* (Annual Report), <https://flgaming.gov/pmw/annual-reports/docs/2023-2024-FGCC-Annual-Report.pdf> (last visited March 24, 2025).

the pari-mutuel handle.<sup>9</sup> In Fiscal Year 2023-2024, only Dania Jai Alai and Magic City Jai Alai were conducting live jai alai games.

### III. Effect of Proposed Changes:

**Section 1** of the bill would allow a pari-mutuel permit holder to lease their facilities to *any* jai alai permitholder.

This amends the current law to allow a pari-mutuel permit holder to lease their facilities to jai alai permitholders, even if the jai alai permitholder *is not* in the same class as the pari-mutuel holder, (i.e., thoroughbred permit holder could lease their premises to a jai alai permitholder).

**Sections 2 and 3** of the bill are reenacted for the purpose of incorporating the amendments being made by the bill.

**Section 4** of the bill provides an effective date of July 1, 2025.

### IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

### V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

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<sup>9</sup> *Id.*

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

As currently enacted, s. 550.475, F.S., provides that a lessee that holds the same class pari-mutuel permit as the lessor is entitled to “a *permit* and license to conduct intertrack wagering and operate its race meet or jai alai games at the leased premises.”

With the removal of the “same class” limitation for jai alai permitholders, the bill, as currently drafted, could be interpreted as allowing jai alai permitholders to obtain a new jai alai permit at the leased premises or to relocate a jai alai permit to the leased premises where a jai alai permit does not currently exist.

**VIII. Statutes Affected:**

This bill substantially amends section 550.475 of the Florida Statutes.

**IX. Additional Information:**

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Regulated Industries on March 25, 2025:**

The committee substitute provides that a holder of a valid pari-mutuel permit may lease their pari-mutuel permitted facilities to any other holder of a same class valid or to any jai alai permitholder.

Additionally, the committee substitute provides that such lessee may apply (as opposed to being entitled) for a license to conduct intertrack wagering and operate its race meet or jai alai games at the leased premise.

B. Amendments:

None.