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1 A bill to be entitled
2 An act relating to pari-mutuel permitholders; amending s.
3 550.002, F.S.; revising the definition of the term "full
4 schedule of live racing or games" in reference to quarter
5 horse permitholders; amending s. 550.334, F.S.; revising
6 provisions for permits to conduct quarter horse race
7 meetings; removing provisions for application to the
8 Division of Pari-mutuel Wagering for a permit to conduct
9 quarter horse race meetings; removing provisions for
10 granting a license to conduct quarter horse racing;
11 removing a provision for governance and control of quarter
12 horse racing; revising authorization to substitute races
13 of other breeds of horses; providing for an exception to a
14 prohibition against the transfer or conversion of a
15 quarter horse permit; providing requirements for a quarter
16 horse racing permitholder to be eligible to conduct
17 intertrack wagering; providing requirements for a quarter
18 horse racing permitholder to be eligible to operate a
19 cardroom; removing certain provisions restricting
20 intertrack wagering; creating s. 550.3345, F.S.; providing
21 for the transfer of a quarter horse racing permit to a
22 not-for-profit corporation; providing for membership and
23 purpose of such corporation; providing for conversion of
24 such permit to a limited thoroughbred permit; requiring
25 net revenues derived by the not-for-profit corporation to
26 be used for certain purposes relating to the thoroughbred
27 horse racing industry; prohibiting live racing in certain
28 locations during certain times; providing licensure

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29 requirements; providing for a change in location of the
 30 permit; prohibiting transfer of the converted permit;
 31 providing for application of state law to the permit and
 32 the corporation; providing an exception to certain
 33 provisions for failure to pay tax on handle; amending s.
 34 551.106, F.S.; revising the license fee and tax rate for
 35 slot machine licensees; providing for minimum tax revenue
 36 from operation of slot machines; amending s. 849.086,
 37 F.S.; revising requirements for initial issuance of a
 38 cardroom license; requiring the permitholder to be
 39 licensed to conduct a full schedule of live racing or
 40 games during the state fiscal year in which the initial
 41 cardroom license is issued; permitting cardroom operators
 42 to operate 24 hours per day; increasing certain wager and
 43 buy-in limits; permitting charity tournaments under
 44 certain conditions; providing effective dates, including a
 45 contingent effective date.

46
 47 Be It Enacted by the Legislature of the State of Florida:

48
 49 Section 1. Subsection (11) of section 550.002, Florida
 50 Statutes, is amended to read:

51 550.002 Definitions.--As used in this chapter, the term:

52 (11) "Full schedule of live racing or games" means, for a
 53 greyhound or jai alai permitholder, the conduct of a combination
 54 of at least 100 live evening or matinee performances during the
 55 preceding year; for a permitholder who has a converted permit or
 56 filed an application on or before June 1, 1990, for a converted

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57 | permit, the conduct of a combination of at least 100 live
58 | evening and matinee wagering performances during either of the 2
59 | preceding years; for a jai alai permitholder who does not
60 | operate slot machines in its pari-mutuel facility, who has
61 | conducted at least 100 live performances per year for at least
62 | 10 years after December 31, 1992, and whose handle on live jai
63 | alai games conducted at its pari-mutuel facility has been less
64 | than \$4 million per state fiscal year for at least 2 consecutive
65 | years after June 30, 1992, the conduct of a combination of at
66 | least 40 live evening or matinee performances during the
67 | preceding year; for a jai alai permitholder who operates slot
68 | machines in its pari-mutuel facility, the conduct of a
69 | combination of at least 150 performances during the preceding
70 | year; for a harness permitholder, the conduct of at least 100
71 | live regular wagering performances during the preceding year;
72 | for a quarter horse permitholder conducting live regular
73 | wagering performances at its facility, the conduct of at least
74 | 20 live regular wagering performances in state fiscal year 2010-
75 | 2011, the conduct of at least 30 live regular wagering
76 | performances in state fiscal year 2011-2012 and in state fiscal
77 | year 2012-2013, and the conduct of at least 40 live regular
78 | wagering performances in state fiscal year 2013-2014 and every
79 | state fiscal year thereafter, or for a quarter horse
80 | permitholder conducting live regular wagering performances at
81 | its facility, an alternative schedule of at least 20 live
82 | regular wagering performances may be substituted if agreed to by
83 | the permitholder and either the Florida Quarter Horse Racing
84 | Association or the horsemen's association representing the

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85 majority of the horse owners and trainers at the facility and
 86 filed with the division with the permitholder's annual date
 87 application; for a quarter horse permitholder leasing another
 88 licensed racetrack, the conduct of 160 events at the leased
 89 facility ~~during the preceding year;~~ and for a thoroughbred
 90 permitholder, the conduct of at least 40 live regular wagering
 91 performances during the preceding year. For a permitholder which
 92 is restricted by statute to certain operating periods within the
 93 year when other members of its same class of permit are
 94 authorized to operate throughout the year, the specified number
 95 of live performances which constitute a full schedule of live
 96 racing or games shall be adjusted pro rata in accordance with
 97 the relationship between its authorized operating period and the
 98 full calendar year and the resulting specified number of live
 99 performances shall constitute the full schedule of live games
 100 for such permitholder and all other permitholders of the same
 101 class within 100 air miles of such permitholder. A live
 102 performance must consist of no fewer than eight races or games
 103 conducted live for each of a minimum of three performances each
 104 week at the permitholder's licensed facility under a single
 105 admission charge.

106 Section 2. Section 550.334, Florida Statutes, is amended
 107 to read:

108 550.334 Quarter horse racing; substitutions.--

109 ~~(1) Subject to all the applicable provisions of this~~
 110 ~~chapter, any person who possesses the qualifications prescribed~~
 111 ~~in this chapter may apply to the division for a permit to~~
 112 ~~conduct quarter horse race meetings and racing under this~~

113 ~~chapter. The applicant must demonstrate that the location or~~
 114 ~~locations where the permit will be used are available for such~~
 115 ~~use and that she or he has the financial ability to satisfy the~~
 116 ~~reasonably anticipated operational expenses of the first racing~~
 117 ~~year following final issuance of the permit. If the racing~~
 118 ~~facility is already built, the application must contain a~~
 119 ~~statement, with reasonable supporting evidence, that the permit~~
 120 ~~will be used for quarter horse racing within 1 year after the~~
 121 ~~date on which it is granted; if the facility is not already~~
 122 ~~built, the application must contain a statement, with reasonable~~
 123 ~~supporting evidence, that substantial construction will be~~
 124 ~~started within 1 year after the issuance of the permit. After~~
 125 ~~receipt of an application, the division shall convene to~~
 126 ~~consider and act upon permits applied for. The division shall~~
 127 ~~disapprove an application if it fails to meet the requirements~~
 128 ~~of this chapter. Upon each application filed and approved, a~~
 129 ~~permit shall be issued setting forth the name of the applicant~~
 130 ~~and a statement showing qualifications of the applicant to~~
 131 ~~conduct racing under this chapter. If a favorable referendum on~~
 132 ~~a pari-mutuel facility has not been held previously within the~~
 133 ~~county, then, before a quarter horse permit may be issued by the~~
 134 ~~division, a referendum ratified by a majority of the electors in~~
 135 ~~the county is required on the question of allowing quarter horse~~
 136 ~~races within that county.~~

137 ~~(2) After a quarter horse racing permit has been granted~~
 138 ~~by the division, the department shall grant to the lawful holder~~
 139 ~~of such permit, subject to the conditions of this section, a~~
 140 ~~license to conduct quarter horse racing under this chapter; and~~

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141 ~~the division shall fix annually the time when, place where, and~~
 142 ~~number of days upon which racing may be conducted by such~~
 143 ~~quarter horse racing permitholder. After the first license has~~
 144 ~~been issued to the holder of a permit for quarter horse racing,~~
 145 ~~all subsequent annual applications for a license by a~~
 146 ~~permitholder must be accompanied by proof, in such form as the~~
 147 ~~division requires, that the permitholder still possesses all the~~
 148 ~~qualifications prescribed by this chapter. The division may~~
 149 ~~revoke any permit or license issued under this section upon the~~
 150 ~~willful violation by the licensee of any provision of this~~
 151 ~~chapter or any rule adopted by the division under this chapter.~~
 152 ~~The division shall revoke any quarter horse permit under which~~
 153 ~~no live racing has ever been conducted before July 7, 1990, for~~
 154 ~~failure to conduct a horse meet pursuant to the license issued~~
 155 ~~where a full schedule of horseracing has not been conducted for~~
 156 ~~a period of 18 months commencing on October 1, 1990, unless the~~
 157 ~~permitholder has commenced construction on a facility at which a~~
 158 ~~full schedule of live racing could be conducted as approved by~~
 159 ~~the division. "Commenced construction" means initiation of and~~
 160 ~~continuous activities beyond site preparation associated with~~
 161 ~~erecting or modifying a horseracing facility, including~~
 162 ~~procurement of a building permit applying the use of approved~~
 163 ~~construction documents, proof of an executed owner/contractor~~
 164 ~~agreement or an irrevocable or binding forced account, and~~
 165 ~~actual undertaking of foundation forming with steel installation~~
 166 ~~and concrete placing. The 18-month period shall be extended by~~
 167 ~~the division, to the extent that the applicant demonstrates to~~
 168 ~~the satisfaction of the division that good faith commencement of~~

169 ~~the construction of the facility is being delayed by litigation~~
 170 ~~or by governmental action or inaction with respect to~~
 171 ~~regulations or permitting precluding commencement of the~~
 172 ~~construction of the facility.~~

173 (1)~~(3)~~ The operator of any licensed racetrack is
 174 authorized to lease such track to any quarter horse racing
 175 permitholder for the conduct of quarter horse racing under this
 176 chapter.

177 ~~(4) Section 550.054 is inapplicable to quarter horse~~
 178 ~~racing as permitted under this section. All other provisions of~~
 179 ~~this chapter apply to, govern, and control such racing, and the~~
 180 ~~same must be conducted in compliance therewith.~~

181 (2)~~(5)~~ Quarter horses participating in such races must be
 182 duly registered by the American Quarter Horse Association, and
 183 before each race such horses must be examined and declared in
 184 fit condition by a qualified person designated by the division.

185 (3)~~(6)~~ Any quarter horse racing days permitted under this
 186 chapter are in addition to any other racing permitted under the
 187 license issued the track where such quarter horse racing is
 188 conducted.

189 (4)~~(7)~~~~(a)~~ Any quarter horse racing permitholder operating
 190 under a valid permit issued by the division is authorized to
 191 substitute races of other breeds of horses, ~~except~~
 192 ~~thoroughbreds,~~ which are, respectively, registered with the
 193 American Paint Horse Association, Appaloosa Horse Club, Arabian
 194 Horse Registry of America, Palomino Horse Breeders of America,
 195 or United States Trotting Association, or ~~for no more than 50~~
 196 ~~percent of the quarter horse races daily, and may substitute~~

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197 ~~races of thoroughbreds registered with the Jockey Club for no~~
 198 ~~more than 50 percent of the quarter horse races during its meet~~
 199 ~~daily with the written consent of all greyhound, harness, and~~
 200 ~~thoroughbred permit holders whose pari-mutuel facilities are~~
 201 ~~located within 50 air miles of such quarter horse racing~~
 202 ~~permit holder's pari-mutuel facility.~~

203 ~~(b) Any permittee operating within an area of 50 air miles~~
 204 ~~of a licensed thoroughbred track may not substitute thoroughbred~~
 205 ~~races under this section while a thoroughbred horse race meet is~~
 206 ~~in progress within that 50 miles. Any permittee operating within~~
 207 ~~an area of 125 air miles of a licensed thoroughbred track may~~
 208 ~~not substitute live thoroughbred races under this section while~~
 209 ~~a thoroughbred permittee who pays taxes under s. 550.09515(2) (a)~~
 210 ~~is conducting a thoroughbred meet within that 125 miles. These~~
 211 ~~mileage restrictions do not apply to any permittee that holds a~~
 212 ~~nonwagering permit issued pursuant to s. 550.505.~~

213 ~~(5)(8) Except as provided in s. 550.3345, a quarter horse~~
 214 ~~permit issued pursuant to this section is not eligible for~~
 215 ~~transfer or conversion to another type of pari-mutuel operation.~~

216 ~~(6)(9) Any nonprofit corporation, including, but not~~
 217 ~~limited to, an agricultural cooperative marketing association,~~
 218 ~~organized and incorporated under the laws of this state may~~
 219 ~~apply for a quarter horse racing permit and operate racing meets~~
 220 ~~under such permit, provided all pari-mutuel taxes and fees~~
 221 ~~applicable to such racing are paid by the corporation. However,~~
 222 ~~insofar as its pari-mutuel operations are concerned, the~~
 223 ~~corporation shall be considered to be a corporation for profit~~

224 and is subject to taxation on all property used and profits
 225 earned in connection with its pari-mutuel operations.

226 (7) To be eligible to conduct intertrack wagering, a
 227 quarter horse racing permitholder must have conducted a full
 228 schedule of live racing in the preceding year and, to operate a
 229 cardroom, a quarter horse racing permitholder must be licensed
 230 to conduct a full schedule of live racing in the initial year of
 231 cardroom licensure.

232 ~~(10) Intertrack wagering shall not be authorized for any~~
 233 ~~quarter horse permitholder without the written consent of all~~
 234 ~~greyhound, harness, and thoroughbred permitholders whose pari-~~
 235 ~~mutuel facilities are located within 50 air miles of such~~
 236 ~~quarter horse permitholder's pari-mutuel facility.~~

237 Section 3. Section 550.3345, Florida Statutes, is created
 238 to read:

239 550.3345 Conversion of quarter horse permit to a limited
 240 thoroughbred permit.--

241 (1) In recognition of the important and long-standing
 242 economic contribution of the thoroughbred horse breeding
 243 industry to this state and the state's vested interest in
 244 promoting the continued viability of this agricultural activity,
 245 the state intends to provide a limited opportunity for the
 246 conduct of live thoroughbred horse racing with the net revenues
 247 from such racing dedicated to the enhancement of thoroughbred
 248 purses and breeders', stallion, and special racing awards under
 249 this chapter; the general promotion of the thoroughbred horse
 250 breeding industry; and the care in this state of thoroughbred
 251 horses retired from racing.

252 (2) Notwithstanding any other provision of law, the holder
 253 of a quarter horse racing permit issued under s. 550.334 may,
 254 within 1 year after the effective date of this section, apply to
 255 the division for a transfer of the quarter horse racing permit
 256 to a not-for-profit corporation formed under state law to serve
 257 the purposes of the state as provided in subsection (1). The
 258 board of directors of the not-for-profit corporation must be
 259 comprised of 11 members, 4 of whom shall be designated by the
 260 applicant, 4 of whom shall be designated by the Florida
 261 Thoroughbred Breeders' Association, and 3 of whom shall be
 262 designated by the other 8 directors, with at least 1 of these 3
 263 members being an authorized representative of another
 264 thoroughbred permitholder in this state. The not-for-profit
 265 corporation shall submit an application to the division for
 266 review and approval of the transfer in accordance with s.
 267 550.054. Upon approval of the transfer by the division, and
 268 notwithstanding any other provision of law to the contrary, the
 269 not-for-profit corporation may, within 1 year after its receipt
 270 of the permit, request that the division convert the quarter
 271 horse racing permit to a permit authorizing the holder to
 272 conduct pari-mutuel wagering meets of thoroughbred racing.
 273 Neither the transfer of the quarter horse racing permit nor its
 274 conversion to thoroughbred racing shall be subject to the
 275 mileage limitation set forth in s. 550.054(2) or to a
 276 ratification election under s. 550.0651. Upon receipt of the
 277 request for such conversion, the division shall timely issue a
 278 converted permit. The converted permit and the not-for-profit
 279 corporation shall be subject to the following requirements:

280 (a) All net revenues derived by the not-for-profit
 281 corporation under the thoroughbred horse racing permit, after
 282 the funding of operating expenses and capital improvements,
 283 shall be dedicated to the enhancement of thoroughbred purses and
 284 breeders', stallion, and special racing awards under this
 285 chapter; the general promotion of the thoroughbred horse
 286 breeding industry; and the care in this state of thoroughbred
 287 horses retired from racing.

288 (b) From December 1 through April 30, no live thoroughbred
 289 racing may be conducted under the permit on any day during which
 290 another thoroughbred permitholder is conducting live
 291 thoroughbred racing within 125 air miles of the not-for-profit
 292 corporation's pari-mutuel facility unless the other thoroughbred
 293 permitholder gives its written consent.

294 (c) After the conversion of the quarter horse racing
 295 permit and the issuance of its initial license to conduct pari-
 296 mutuel wagering meets of thoroughbred racing, the not-for-profit
 297 corporation shall annually apply to the division for a license
 298 pursuant to s. 550.5251(2)-(5).

299 (d) Racing under the permit may take place only at the
 300 location for which the original quarter horse racing permit was
 301 issued, which may be leased by the not-for-profit corporation
 302 for that purpose; however, the not-for-profit corporation may,
 303 without the conduct of any ratification election pursuant to ss.
 304 550.054(13) or 550.0651, move the location of the permit to
 305 another location in the same county provided that such
 306 relocation is approved under the zoning and land use regulations
 307 of the applicable county or municipality.

308 (e) No permit converted under this section is eligible for
 309 transfer to another person or entity.

310 (3) Unless otherwise provided in this section, after
 311 conversion, the permit and the not-for-profit corporation shall
 312 be treated under the laws of this state as a thoroughbred permit
 313 and as a thoroughbred permitholder, respectively, with the
 314 exception of s. 550.09515(3).

315 Section 4. Paragraph (a) of subsection (1) and paragraph
 316 (a) of subsection (2) of section 551.106, Florida Statutes, are
 317 amended to read:

318 551.106 License fee; tax rate; penalties.--

319 (1) LICENSE FEE.--

320 (a) Upon submission of the initial application for a slot
 321 machine license and annually thereafter, on the anniversary date
 322 of the issuance of the initial license, the licensee must pay to
 323 the division a nonrefundable license fee of \$2 ~~\$3~~ million for
 324 the succeeding 12 months of licensure. The license fee shall be
 325 deposited into the Pari-mutuel Wagering Trust Fund of the
 326 Department of Business and Professional Regulation to be used by
 327 the division and the Department of Law Enforcement for
 328 investigations, regulation of slot machine gaming, and
 329 enforcement of slot machine gaming provisions under this
 330 chapter. These payments shall be accounted for separately from
 331 taxes or fees paid pursuant to the provisions of chapter 550.

332 (2) TAX ON SLOT MACHINE REVENUES.--

333 (a) The tax rate on slot machine revenues at each facility
 334 shall be two times the percentage rate specified in that section
 335 of a gaming compact between the Seminole Tribe of Florida and

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336 the State of Florida applicable to tribal gaming revenues for
 337 the purpose of determining the annual revenue share that the
 338 Seminole Tribe of Florida is obligated to pay to the state
 339 pursuant to such gaming compact that has been ratified by the
 340 Legislature and has been approved by either the Secretary of the
 341 United States Department of the Interior or by operation of
 342 federal law. If, at the end of any fiscal year, the aggregate
 343 amount of slot machine revenues paid to the state by all
 344 operating slot machine licensees in Broward and Miami-Dade
 345 Counties under this paragraph is less than \$140 million, each
 346 slot machine licensee shall pay to the state within 45 days
 347 after the end of the fiscal year a surcharge equal to its pro
 348 rata share of the difference. Each pro rata share shall be an
 349 amount proportional to the number of facilities licensed to
 350 operate slot machines, regardless of whether the facility is
 351 operating such machines. ~~The tax rate on slot machine revenues~~
 352 at each facility shall be 50 percent.

353 Section 5. Paragraph (a) of subsection (5), paragraph (b)
 354 of subsection (7), and subsection (8) of section 849.086,
 355 Florida Statutes, are amended to read:

356 849.086 Cardrooms authorized.--

357 (5) LICENSE REQUIRED; APPLICATION; FEES.--No person may
 358 operate a cardroom in this state unless such person holds a
 359 valid cardroom license issued pursuant to this section.

360 (a) Only those persons holding a valid cardroom license
 361 issued by the division may operate a cardroom. A cardroom
 362 license may only be issued to a licensed pari-mutuel
 363 permitholder and an authorized cardroom may only be operated at

364 the same facility at which the permitholder is authorized under
 365 its valid pari-mutuel wagering permit to conduct pari-mutuel
 366 wagering activities. An initial cardroom license shall only be
 367 issued to a pari-mutuel permitholder if the permitholder is
 368 licensed to conduct a full schedule of live racing or games as
 369 defined in s. 550.002(11) during the state fiscal year in which
 370 the initial cardroom license is issued.

371 (7) CONDITIONS FOR OPERATING A CARDROOM.--

372 (b) Any horserace, greyhound race, or jai alai
 373 permitholder licensed under this section may operate a cardroom
 374 at the pari-mutuel facility for 24 hours per day ~~on any day for~~
 375 ~~a cumulative amount of 12 hours~~ if the permitholder meets the
 376 requirements under paragraph (5) (b).

377 (8) METHOD OF WAGERS; LIMITATION.--

378 (a) No wagering may be conducted using money or other
 379 negotiable currency. Games may only be played utilizing a
 380 wagering system whereby all players' money is first converted by
 381 the house to tokens or chips which shall be used for wagering
 382 only at that specific cardroom.

383 (b) The cardroom operator may limit the amount wagered in
 384 any game or series of games, but the maximum bet may not exceed
 385 \$50 ~~\$5~~ in value. There may not be more than three raises in any
 386 round of betting. The fee charged by the cardroom for
 387 participation in the game shall not be included in the
 388 calculation of the limitation on the bet amount provided in this
 389 paragraph. However, a cardroom operator may conduct games of
 390 Texas Hold-em without a betting limit if the required player
 391 buy-in is no more than \$1,000 ~~\$100~~.

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392 (c) A tournament shall consist of a series of games. The
393 entry fee for a tournament, including any re-buys, may not
394 exceed the maximum amount that could be wagered by a participant
395 in 10 like-kind, nontournament games under paragraph (b).
396 Tournaments may be played only with tournament chips that are
397 provided to all participants in exchange for an entry fee and
398 any subsequent re-buys. All players must receive an equal number
399 of tournament chips for their entry fee. Tournament chips have
400 no cash value and represent tournament points only. There is no
401 limitation on the number of tournament chips that may be used
402 for a bet except as otherwise determined by the cardroom
403 operator. Tournament chips may never be redeemed for cash or for
404 any other thing of value. The distribution of prizes and cash
405 awards must be determined by the cardroom operator before entry
406 fees are accepted. For purposes of tournament play only, the
407 term "gross receipts" means the total amount received by the
408 cardroom operator for all entry fees, player re-buys, and fees
409 for participating in the tournament less the total amount paid
410 to the winners or others as prizes.

411 (d) In each of its facilities, a cardroom operator may
412 hold up to two celebrity or charity poker tournaments per year
413 that are not subject to the limitations and restrictions imposed
414 by this section, provided that 100 percent of the gross
415 receipts, as defined in paragraph (c), from each poker
416 tournament are donated to a charitable organization organized
417 pursuant to s. 501(c)(3) of the Internal Revenue Code. Such
418 celebrity or charity poker tournament may not be played over
419 more than 8 calendar days. The payments made to charitable

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420 organizations pursuant to this paragraph shall not be calculated
421 as gross receipts for the purpose of calculating tax payments
422 due to the state under paragraph (13) (a).

423 Section 6. This act shall take effect July 1, 2009, except
424 that the amendments to section 551.106, Florida Statutes, made
425 by this act shall take effect only upon the date that the
426 Legislature ratifies an Indian gaming compact between the State
427 and the Seminole Tribe of Florida and is approved or deemed
428 approved by the Secretary of the United States Department of the
429 Interior as evidenced by publication of the executed compact in
430 the Federal Register.