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## Finance and Tax Committee

Monday, February 29, 2016

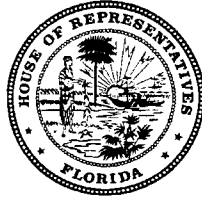
2:00 p.m. – 5:00 p.m.

Morris Hall

MEETING PACKET

# The Florida House of Representatives

## Finance and Tax Committee



**Steve Crisafulli**  
Speaker

**Matt Gaetz**  
Chair

### AGENDA

February 29, 2016  
2:00 p.m. – 5:00 p.m.  
Morris Hall

- I. Call to Order/Roll Call
- II. Chair's Opening Remarks
- III. **Consideration of the following bill(s):**  
HB 1019 Tax-and-surcharge-free Cigarettes by Goodson  
HJR 7113 Voter Control of Gambling Expansion in Florida by Regulatory Affairs Committee,  
Diaz, J.
- IV. **Consideration of the following proposed committee substitute(s):**  
PCS for HB 7109 -- Gaming
- I. Closing Remarks and Adjournment

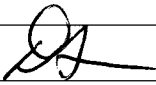


## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 1019 Tax-and-surcharge-free Cigarettes

**SPONSOR(S):** Goodson

**TIED BILLS:** IDEN./SIM. BILLS: SB 1558

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Professions Subcommittee	9 Y, 0 N	Butler	Anstead
2) Finance & Tax Committee		Dugan <i>RD</i>	Langston 
3) Regulatory Affairs Committee			

### SUMMARY ANALYSIS

Prior to 2009, recognized Indian tribes in Florida were permitted to sell tax-free cigarettes to tribal and nontribal members on reservations in Florida. When the \$1 per package surcharge was added in Florida in 2009, the tax free tribe program was discontinued and replaced with a process whereby tribes were provided coupons to sell tax-free cigarettes to tribal members only. Currently, a tribe receives "Indian tax-and-surcharge-exemption coupons" in an amount that is based on the probable demand of the tribal members and calculated by multiplying the number of tribal members times five packs of cigarettes times 365.

The bill provides that tribes may use excess "Indian-tax-and-surcharge-exemption coupons," beyond the number of cigarettes demanded by tribal members, for the sale of tax-and-surcharge-free cigarettes to nontribal members for purchases made on the reservation.

The number of Indian-tax-and-surcharge-exemption coupons given to a tribe is not increased by this bill, and thus, the number of Indian-tax-and-surcharge-free cigarettes sold by tribes is still limited by the number of exemption coupons currently being provided to the tribes.

The Revenue Estimating Conference determined the bill is not expected to have a fiscal impact to state or local governments.

The bill has an effective date of July 1, 2016.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Current Situation**

The Department of Business and Professional Regulation (Department) licenses and regulates certain businesses and professionals in Florida. It is structured to include separate divisions and various professional boards responsible for carrying out the Department's mission to license efficiently and regulate fairly. The Division of Alcoholic Beverage and Tobacco (Division) within the Department is responsible for the enforcement of ch. 569, F.S., regulating tobacco products.

The Division oversees the collection of excise taxes from the sale of cigarettes and other tobacco products. Part I, ch. 210, F.S., consisting of ss. 210.01-210.22, F.S., provides for the taxation of cigarettes. Part II, ch. 210, F.S., consisting of ss. 210.25-210.75, F.S., provides for the taxation of tobacco products other than cigarettes and cigars.

##### **Cigarette Excise Tax and Surcharge Collection**

In Florida, a cigarette surcharge is levied on each cigarette and pack of cigarettes; the surcharge varies based on the weight and length of the cigarettes or the quantity of cigarettes in a package.<sup>1</sup> This surcharge ranges from 50 cents to \$4 per pack, with a \$1 surcharge assessed on the most common pack of cigarettes (packs containing more than 10 but less than 20 cigarettes).<sup>2</sup>

Florida also charges an excise tax, which varies based on the weight and length of the cigarettes or the quantity of cigarettes in a package. This tax ranges from 16.95-cents to 135.6-cents per pack, with a 33.9-cent tax on the standard 20-cigarette pack.

A tax stamp must be affixed to the cigarette package, as evidence that the excise tax has been paid, before the cigarettes can be offered for sale in this state.<sup>3</sup> Dealers and manufacturers who are authorized by the Division to affix the stamps to packages will purchase the stamps at the value of the tax and surcharge, and pass along the cost to vendors.<sup>4</sup> If a stamped cigarette is sold and shipped to another state, or is damaged and unfit for sale, the manufacturer or dealer may receive a refund of the tax and surcharge.<sup>5</sup>

##### **Exemption from Cigarette Taxes for Recognized Indian Tribes**

In 1979 the Legislature granted to the Seminole Tribe of Florida the authority to sell tax-free cigarettes on reservations to the public from reservation cigarette sellers. At that time, there was only a \$0.339 excise tax. When the \$1 surcharge was added by Chapter 2009-79, Laws of Florida, the tax-free tribe program was discontinued, and instead, another process was established whereby recognized tribes<sup>6</sup> in Florida were provided a coupon for tax-free cigarettes to sell to their tribal members only.<sup>7</sup>

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<sup>1</sup> s. 210.011, F.S.

<sup>2</sup> *Id.*

<sup>3</sup> ss. 210.05 & 210.06, F.S.

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

<sup>5</sup> s. 210.11, F.S.

<sup>6</sup> Currently, the state recognized the Seminole and Miccosukee Tribes

<sup>7</sup> Ch. 2009-79, Laws of Fla.

The Division provides "Indian tax-and-surcharge-exemption coupons" (coupons) to each recognized tribe in Florida in an amount that is based on the probable demand of the tribal members and calculated by multiplying the number of members of the tribe times five packs of cigarettes times 365.<sup>8</sup>

The state provides the tribe with coupons quarterly, and the tribe's governing body distributes the coupons to reservation cigarette sellers.<sup>9</sup> The reservation cigarette sellers present the coupons to a wholesale dealer in order to purchase tax-exempt cigarettes. Wholesale dealers are required to submit documentation to the Division to claim a refund on any taxes paid for tax-exempt cigarettes sold to tribes.<sup>10</sup> A tribal member may purchase exempt cigarettes from a reservation cigarette seller if such cigarettes have an affixed cigarette-tax-and-surcharge stamp.<sup>11</sup>

Currently a nontribal member is not exempt from paying the cigarette tax or surcharge when purchasing within the state, regardless of whether the purchase is made on a reservation.

### **Effect of the Bill**

The bill provides that a tribe may use excess coupons for the sale of tax-and-surcharge-free cigarettes to nontribal members in purchases made on the reservation. The bill does not provide a method for determining the number of excess coupons.

The bill does not increase the number of coupons given to the governing body of a tribe, and thus, the number of tax-and-surcharge-free cigarettes sold by a tribe is limited by the number of coupons already being provided to the tribe.

The bill has an effective date of July 1, 2016.

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

**Section 1** Amends s. 210.1801, F.S., to provide that excess Indian-tax-and-surcharge-exemption coupons may be used by a recognized Indian tribe when selling cigarettes to nontribal members on the reservation.

**Section 2** Provides an effective date.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

None.

#### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

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<sup>8</sup> s. 210.1801, F.S. Currently there are approximately 4,000 members of the Seminole Tribe, which places the number of coupons provided to the Seminole Tribe of Florida's governing body at approximately 7,300,000 coupons. The approximate retail value of these coupons is \$9,774,700.

<sup>9</sup> s. 210.1801, F.S.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The amount of the cigarette tax and surcharge in Florida is currently approximately \$1.34 per pack. Thus, the bill would allow nontribal members to obtain a pack of cigarettes for at least \$1.34 less than the price at retail outlets not located on a reservation. Whether nontribal members will modify purchasing behavior to direct purchases to reservation retail outlets is unknown, and consequently, potential revenue impacts for other private sector retail outlets is unknown.

D. FISCAL COMMENTS:

None.

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The bill does not provide a method for determining excess coupons, or whether this determination should be done quarterly or annually. If the excess is determined on a quarterly basis and the tribe sells the excess to nontribal members in earlier quarters, it is possible that the tribe will not have enough cigarettes for tribal members in later quarters.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

None.

1                                   A bill to be entitled  
 2           An act relating to tax-and-surcharge-free cigarettes;  
 3           amending s. 210.1801, F.S.; authorizing recognized  
 4           Indian tribes to use excess Indian-tax-and-surcharge-  
 5           exemption coupons when selling cigarettes to nontribal  
 6           members on the reservation; providing an effective  
 7           date.

8  
 9   Be It Enacted by the Legislature of the State of Florida:

10  
 11           Section 1. Subsection (1), paragraph (a) of subsection  
 12           (3), and subsection (4) of section 210.1801, Florida Statutes,  
 13           are amended to read:

14           210.1801 Exempt cigarettes for members of recognized  
 15           Indian tribes.—

16           (1) Notwithstanding any provision of this chapter to the  
 17           contrary, a member of an Indian tribe recognized in this state  
 18           who purchases cigarettes on an Indian reservation for his or her  
 19           own use is exempt from paying a cigarette tax and surcharge.  
 20           However, such member purchasing cigarettes outside of an Indian  
 21           reservation or a nontribal member purchasing cigarettes on an  
 22           Indian reservation is not exempt from paying the cigarette tax  
 23           or surcharge when purchasing cigarettes within this state,  
 24           unless the nontribal member purchases cigarettes on an Indian  
 25           reservation as set forth in paragraph (3)(a). Accordingly, the  
 26           tax and surcharge shall apply to all cigarettes sold on an



27 Indian reservation to a nontribal member, and evidence of such  
28 tax or surcharge shall be by means of an affixed cigarette tax  
29 and surcharge stamp.

30 (3) Indian-tax-and-surcharge-exemption coupons shall be  
31 provided to the recognized governing body of each Indian tribe  
32 to ensure that each Indian tribe can obtain cigarettes that are  
33 exempt from the tax and surcharge which are for the use of the  
34 tribe or its members. The Indian-tax-and-surcharge-exemption  
35 coupons shall be provided to the Indian tribes quarterly. It is  
36 intended that each Indian tribe will distribute the Indian-tax-  
37 and-surcharge-exemption coupons to reservation cigarette sellers  
38 on such tribe's reservation. Only Indian tribes or reservation  
39 cigarette sellers on their reservations may redeem such Indian-  
40 tax-and-surcharge-exemption coupons pursuant to this section.

41 (a) The number of Indian-tax-and-surcharge-exemption  
42 coupons to be given to the recognized governing body of each  
43 Indian tribe shall be based upon the probable demand of the  
44 tribal members on the tribe's reservation plus the number needed  
45 for official tribal use. The annual total number of Indian-tax-  
46 and-surcharge-exemption coupons to be given to the recognized  
47 governing body of each Indian tribe shall be calculated by  
48 multiplying the number of members of the tribe times five packs  
49 of cigarettes times 365. If, based on probable demand, the  
50 number of tax-and-surcharge-exemption coupons given to the  
51 governing body of a recognized Indian tribe exceeds the actual  
52 demand of the tribal members plus the number needed for official

53 tribal use, the tribe may use the excess coupons to sell tax-  
 54 and-surcharge-free cigarettes to nontribal members on the  
 55 reservation.

56 (4) (a) An Indian tribe may purchase cigarettes for its own  
 57 official use from a wholesale dealer without payment of the  
 58 cigarette tax and surcharge to the extent that the Indian tribe  
 59 provides the wholesale dealer with Indian-tax-and-surcharge-  
 60 exemption coupons entitling the Indian tribe to purchase such  
 61 quantities of cigarettes as allowed by each Indian-tax-and-  
 62 surcharge-exemption coupon without paying the cigarette tax and  
 63 surcharge.

64 (b) A tribal member may purchase cigarettes for his or her  
 65 own use without payment of the cigarette tax and surcharge if  
 66 the tribal member makes such purchase on a qualified  
 67 reservation.

68 (c) A nontribal member may purchase cigarettes for his or  
 69 her own use without payment of the cigarette tax and surcharge  
 70 if the nontribal member makes the purchase on an Indian  
 71 reservation as set forth in paragraph (3) (a).

72 (d)(e) A reservation cigarette seller may purchase  
 73 cigarettes for resale without payment of the cigarette tax from  
 74 a wholesale dealer licensed pursuant to this chapter:

75 1. If the reservation cigarette seller brings the  
 76 cigarettes or causes them to be delivered onto a qualified  
 77 reservation for resale on the reservation;

78 2. To the extent that the reservation cigarette seller

79 provides the wholesale dealer with Indian-tax-and-surcharge-  
 80 exemption coupons entitling the reservation cigarette seller to  
 81 purchase such quantities of cigarettes as allowed on each  
 82 Indian-tax-and-surcharge-exemption coupon without paying the  
 83 cigarette tax and surcharge; and

84 3. If the cigarettes are affixed with a cigarette tax and  
 85 surcharge stamp.



86 (e)~~(d)~~ A wholesale dealer may not collect the cigarette  
 87 tax and surcharge from any purchaser if the purchaser gives the  
 88 dealer Indian-tax-and-surcharge-exemption coupons that entitle  
 89 the purchaser to purchase such quantities of cigarettes as  
 90 allowed on each such Indian-tax-and-surcharge-exemption coupon  
 91 without paying the cigarette tax and surcharge.

92 Section 2. This act shall take effect July 1, 2016.



## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HJR 7113      Voter Control of Gambling Expansion in Florida  
**SPONSOR(S):** Regulatory Affairs Committee, Diaz  
**TIED BILLS:**            **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Regulatory Affairs Committee	15 Y, 2 N	Anderson	Hamon
1) Finance & Tax Committee		Pewitt 	Langston 

### SUMMARY ANALYSIS

This joint resolution proposes to create article X, section 29 of the Florida Constitution, relating to voter control of gambling expansion. The joint resolution requires a constitutional amendment proposed by initiative petition to expand gambling in any fashion in the state.

Expansion of gambling is defined to include the introduction of any additional types of games or the introduction of gambling at any facility not conducting gambling as of January 1, 2016, or expressly authorized by statute during the current legislative session. Gambling is defined consistent with federal law, with certain exceptions.

The resolution does not alter the Legislature's ability to restrict, regulate, or tax gambling activity in Florida.

The resolution does not limit the State of Florida's ability to negotiate a state-tribal compact under the federal Indian Gaming Regulation Act or to enforce any current compact.

The joint resolution requires publication prior to the election. The required publication of the amendment would have an effect on expenditures. The Division of Elections within the Department of State estimated the full publication costs for advertising the proposed constitutional amendment to be approximately \$157,589.23.

**For the proposed constitutional amendment to be placed on the ballot, the Legislature must approve the joint resolution by a three-fifths vote of the membership of each house of the Legislature.**

**If the joint resolution is passed by a three-fifths vote of both houses of the Legislature, it will be submitted to the voters in the general election in November of 2016.**

**The Constitution requires 60 percent voter approval for passage of a proposed constitutional amendment. If approved by the voters, the proposed constitutional amendment would be effective January 3, 2017.**

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

Article X, section 7 of the Florida Constitution prohibits lotteries, other than pari-mutuel pools authorized by law on the effective date of the Florida Constitution, from being conducted in Florida by private citizens.

The Florida Supreme Court has found that "The Constitution of Florida is a limitation of power, and, while the Legislature cannot legalize any gambling device that would in effect amount to a lottery, it has inherent power to regulate or to prohibit any and all other forms of gambling; such distinction being well defined in the law."<sup>1</sup> The Court went on to limit the applicability of the constitutional provision to such legalized lotteries, "the primary test of which was whether or not the vice of it infected the whole community or country, rather than individual units of it. Any gambling device reaching such proportions would amount to a violation of the Constitution."<sup>2</sup> Thus, the Legislature may regulate keno,<sup>3</sup> bingo,<sup>4</sup> and slot machines.<sup>5</sup>

Pari-mutuel wagering on horseracing and greyhound racing was authorized by statute in 1931 and on jai alai in 1935.<sup>6</sup> Such activities are regulated by ch. 550, F.S., and overseen by the Division of Pari-mutuel Wagering (DMPW) within the Department of Business and Professional Regulation.

Article X, section 15 of the Florida Constitution authorizes the state to operate lotteries. The Legislature has implemented this provision through ch. 24, F.S., which establishes the Florida Lottery.

Article X, section 23 of the Florida Constitution authorizes slot machines at seven pari-mutuel facilities in Miami-Dade and Broward Counties that conducted pari-mutuel wagering on live events in 2002 and 2003, subject to local approval by countywide referendum. The Legislature has implemented this provision through ch. 551, F.S. The DPMW oversees such activities.

In 2010, the Legislature authorized slot machines at pari-mutuel wagering facilities in counties that meet the definition of s. 125.011, F.S., (currently Miami-Dade County), provided that such facilities have conducted pari-mutuel wagering on live racing for two years and meet other criteria.<sup>7</sup> Hialeah Park is the only facility that operates slot machines under this provision.

The Legislature also provided that pari-mutuel wagering facilities in other counties could gain eligibility to conduct slot machines if located in a county that has approved slot machines by a referendum which was held pursuant to a statutory or legislative grant of authority granted after July 1, 2010, provided that such facility had conducted live racing for two calendar years preceding its application and complies with other requirements for slot machine licensure.<sup>8</sup>

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<sup>1</sup> *Lee v. City of Miami*, 121 Fla. 93, 102 (1935).

<sup>2</sup> *Id.*

<sup>3</sup> *Overby v. State*, 18 Fla. 178, 183 (1881).

<sup>4</sup> *Greater Loretta Imp. Ass'n v. State ex rel. Boone*, 234 So.2d 665 (Fla. 1970).

<sup>5</sup> See *Lee v City of Miami*, 121 Fla. 93 (1935), and *Florida Gaming Centers v. Florida Dept. of Business and Professional Regulation*, 71 So.3d 226 (Fla. 1st DCA 2011).

<sup>6</sup> *Deregulation of Intertrack and Simulcast Wagering at Florida's Pari-Mutuel Facilities*, Interim Report No. 2006-145, Florida Senate Committee on Regulated Industries, September 2005.

<sup>7</sup> See Ch. 2010-29, Laws of Fla., and s. 551.102(4), F.S.

<sup>8</sup> See 2012-01 Fla. Op. Att'y Gen. (interpreting the slot machine eligibility provision as requiring additional statutory or constitutional authorization "to bring a referendum within the framework set out in the third clause of s. 551.102(4)").

Gambling on Indian lands is regulated by federal law, which requires the state negotiate in good faith for compacts governing the operation of certain types of games, if authorized for any person in the state.<sup>9</sup> Florida has negotiated such a compact with the Seminole Tribe of Florida.

### Proposed Changes

The joint resolution proposes creation of article X, section 29 of the Florida Constitution relating to voter control of gambling expansion. The joint resolution amends the Florida Constitution to require a constitutional amendment proposed by initiative petition to expand gambling in the state.

Expansion of gambling is defined in the joint resolution as the introduction of gambling at any facility or location in the state other than those facilities lawfully conducting gambling as of January 1, 2016, or expressly authorized by statute enacted during the 2016 regular session of the Legislature. The term includes the introduction of additional types or categories of gambling at any such location.

The joint resolution does not limit the Legislature's authority to restrict, regulate, or tax any gambling activity by general law.

With certain exceptions, gambling is defined consistent with federal law governing gambling on Indian lands.<sup>10</sup> The resolution cites the federal definition of class III gaming. Such games include:

- House banked or banking games such as baccarat, chemin de fer, blackjack (21), and pai gow;
- Casino games such as roulette, craps, and keno;
- Slot machines as defined in 15 U.S.C. s. 1171(a)(1);
- Electronic or electromechanical facsimiles of any game of chance;
- Sports betting and pari-mutuel wagering, including, but not limited to, wagering on horse racing, dog racing, or jai alai; and
- Lotteries, other than state-operated lotteries.

The resolution specifically includes the following in the definition of gambling, regardless of how those devices are defined under the federal law:

- Electronic gambling device,
- Internet sweepstakes device, and
- Video lottery terminal, other than a state-operated video lottery terminal.

The joint resolution does not limit the authority of the state to negotiate a tribal-state compact under the federal Indian Gaming Regulation Act or to enforce any existing tribal-state compact.

If the joint resolution is passed by a three-fifths vote of both houses of the Legislature, it will be submitted to the voters in the general election in November of 2016.

## B. SECTION DIRECTORY:

This is a joint resolution, which is not divided by sections.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

The joint resolution does not appear to have an impact on state government revenues.

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<sup>9</sup> See Indian Gaming Regulatory Act, 25 U.S.C. ss. 2701 et seq.

<sup>10</sup> Indian Gaming Regulatory Act, 25 U.S.C. ss. 2701 et seq.

2. Expenditures:

Article XI, section 5(d) of the Florida Constitution, requires proposed amendments or constitutional revisions to be published in a newspaper of general circulation in each county where a newspaper is published. The amendment or revision must be published once in the tenth week and again in the sixth week immediately preceding the week the election is held. The Division of Elections within the Department of State estimated the average cost per word to advertise a proposed amendment to the Florida Constitution to be approximately \$135.97 per word. The estimated total publishing cost for advertising the joint resolution would be approximately \$157,589.23.<sup>11</sup>

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The joint resolution does not appear to have an impact on local government revenues.

2. Expenditures:

The joint resolution does not appear to have an impact on local government expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This joint resolution does not appear to have an economic impact on the private sector.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This is not a general bill and is therefore not subject to the municipality/county mandates provision of article VII, section 18 of the Florida Constitution.

2. Other:

The Legislature may propose amendments to the Florida Constitution by joint resolution approved by three-fifths of the membership of each house.<sup>12</sup> The amendment must be submitted to the electors at the next general election more than 90 days after the proposal has been filed with the Secretary of State's office, unless pursuant to law enacted by the a three-fourths vote of the membership of each house, and limited to a single amendment or revision, it is submitted at an earlier special election held more than ninety days after such filing.<sup>13</sup>

Article XI, section 5(e) of the Florida Constitution, requires approval by 60 percent of voters for a constitutional amendment to take effect. The amendment, if approved, becomes effective after the next general election or at an earlier special election specifically authorized by law for that purpose. Without an effective date, the amendment becomes effective on the first Tuesday after the first Monday in the January following the election, which will be January 3, 2017.

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<sup>11</sup> Department of State, Agency Analysis 2015 Bill HJR 1239 (Mar. 12, 2015).

<sup>12</sup> FLA. CONST. art. XI, s. 1.

<sup>13</sup> FLA. CONST. art. XI, s. 5.



B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

None.

House Joint Resolution

A joint resolution proposing the creation of Section 29 of Article X of the State Constitution to require that any expansion of gambling be authorized by a constitutional amendment proposed by initiative petition and approved by Florida voters and providing construction.

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

That the following creation of Section 29 of Article X of the State Constitution is agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

ARTICLE X

MISCELLANEOUS

SECTION 29. Voter control of gambling expansion.-

(a) PUBLIC POLICY.-The power to authorize the expansion of gambling in this state is reserved to the people. No expansion of gambling is authorized except by a constitutional amendment proposed by initiative petition pursuant to Section 3 of Article XI and approved by the electors pursuant to Section 5 of Article XI.

(b) DEFINITIONS.-As used in this section, the term:

26       (1) "Expansion of gambling" means the introduction of  
 27 gambling at a facility or location other than a facility or  
 28 location that lawfully conducts gambling as of January 1, 2016,  
 29 or is expressly authorized to conduct gambling by legislation  
 30 enacted during the 2016 regular session of the legislature.  
 31 The term "expansion of gambling" includes the introduction of  
 32 additional types or categories of gambling at any such facility  
 33 or location.

34       (2) "Gambling" means any of the types of games that are  
 35 within the definition of class III gaming in the federal Indian  
 36 Gaming Regulatory Act, 25 U.S.C. ss. 2701 et seq., and in 25  
 37 C.F.R. s. 502.4, as of the effective date of this section. The  
 38 term "gambling" includes, but is not limited to, any banking  
 39 game, including, but not limited to, card games such as  
 40 baccarat, chemin de fer, blackjack or 21, and pai gow; casino  
 41 games such as roulette, craps, and keno; slot machines as  
 42 defined in 15 U.S.C. s. 1171(a)(1); electronic or  
 43 electromechanical facsimiles of any game of chance; sports  
 44 betting and pari-mutuel wagering, including, but not limited to,  
 45 wagering on horseracing, dog racing, or jai alai exhibitions;  
 46 and lotteries other than state-operated lotteries. The term  
 47 "gambling" also includes the use of any electronic gambling  
 48 device, Internet sweepstakes device, or video lottery terminal  
 49 other than a state-operated video lottery terminal, regardless  
 50 of how those devices are defined under the federal Indian Gaming  
 51 Regulatory Act.

52        (c) LEGISLATIVE AUTHORITY RETAINED.—This section does not  
 53        limit the right of the legislature to exercise its authority  
 54        through general law to restrict, regulate, or tax any gambling  
 55        activity.

56        (d) TRIBAL-STATE COMPACTING AUTHORITY UNAFFECTED.—This  
 57        section does not limit the authority of the state to negotiate a  
 58        tribal-state compact under the federal Indian Gaming Regulatory  
 59        Act or affect any existing tribal-state compact.

60                BE IT FURTHER RESOLVED that the following statement be  
 61        placed on the ballot:

62                                CONSTITUTIONAL AMENDMENT

63                                ARTICLE X, SECTION 29

64                VOTER CONTROL OF GAMBLING EXPANSION IN FLORIDA.—Proposing  
 65        an amendment to the State Constitution to provide that the power  
 66        to authorize the expansion of gambling in Florida is reserved to  
 67        the people; prohibit the expansion of gambling unless proposed  
 68        and approved as a constitutional amendment by initiative  
 69        petition; define "expansion of gambling" and "gambling"; and  
 70        clarify that this amendment does not affect the right of the  
 71        Legislature to exercise its authority through general law or the  
 72        state's authority regarding tribal-state compacts.

73                BE IT FURTHER RESOLVED that the following statement be  
 74        placed on the ballot if a court declares the preceding statement  
 75        defective and the decision of the court is not reversed:

76                                CONSTITUTIONAL AMENDMENT

77                                ARTICLE X, SECTION 29

78 VOTER CONTROL OF GAMBLING EXPANSION IN FLORIDA.—This  
 79 proposed amendment to the State Constitution provides that the  
 80 power to authorize the expansion of gambling in Florida is  
 81 reserved to the people. The proposed amendment prohibits the  
 82 expansion of gambling unless proposed and approved as a  
 83 constitutional amendment by initiative petition. By providing  
 84 that an initiative petition is the exclusive means of amending  
 85 the State Constitution to authorize the expansion of gambling,  
 86 the proposed amendment affects Article XI of the State  
 87 Constitution.

88 For purposes of the proposed amendment, the term "gambling"  
 89 means any of the types of games that are defined as class III  
 90 gaming under the federal Indian Gaming Regulatory Act, including  
 91 banking games, casino games, sports betting and pari-mutuel  
 92 wagering, and non-state-operated lotteries. The term "gambling"  
 93 also includes the use of any electronic gambling device,  
 94 Internet sweepstakes device, or video lottery terminal other  
 95 than a state-operated video lottery terminal, regardless of how  
 96 those devices are defined under the federal Indian Gaming  
 97 Regulatory Act.

98 For purposes of the proposed amendment, the term "expansion  
 99 of gambling" means the introduction of gambling at a facility or  
 100 location other than those facilities and locations: (1) lawfully  
 101 conducting gambling as of January 1, 2016; or (2) expressly  
 102 authorized to conduct gambling by legislation adopted during the  
 103 2016 regular session of the Legislature. The term "expansion of

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104 gambling" also includes the introduction of additional types or  
 105 categories of gambling at any such facility or location.

106 The proposed amendment does not affect the right of the  
 107 Legislature to exercise its authority through general law to  
 108 restrict, regulate, or tax any gambling activity. The proposed  
 109 amendment does not affect or limit the authority of the State of  
 110 Florida to negotiate a tribal-state compact under the federal  
 111 Indian Gaming Regulatory Act or affect any existing tribal-state  
 112 compact.

113 BE IT FURTHER RESOLVED that the following statement be  
 114 placed on the ballot if a court declares the preceding  
 115 statements defective and the decision of the court is not  
 116 reversed:

117 CONSTITUTIONAL AMENDMENT

118 ARTICLE X, SECTION 29

119 VOTER CONTROL OF GAMBLING EXPANSION IN FLORIDA.—Proposing  
 120 the following amendment to the State Constitution:

121 ARTICLE X

122 MISCELLANEOUS

123 SECTION 29. Voter control of gambling expansion.—

124 (a) PUBLIC POLICY.—The power to authorize the expansion of  
 125 gambling in this state is reserved to the people. No expansion  
 126 of gambling is authorized except by a constitutional amendment  
 127 proposed by initiative petition pursuant to Section 3 of Article  
 128 XI and approved by the electors pursuant to Section 5 of Article  
 129 XI.

130        (b) DEFINITIONS.—As used in this section, the term:  
 131        (1) "Expansion of gambling" means the introduction of  
 132 gambling at a facility or location other than a facility or  
 133 location that lawfully conducts gambling as of January 1, 2016,  
 134 or is expressly authorized to conduct gambling by legislation  
 135 enacted during the 2016 regular session of the legislature.  
 136 The term "expansion of gambling" includes the introduction of  
 137 additional types or categories of gambling at any such facility  
 138 or location.

139        (2) "Gambling" means any of the types of games that are  
 140 within the definition of class III gaming in the federal Indian  
 141 Gaming Regulatory Act, 25 U.S.C. ss. 2701 et seq., and in 25  
 142 C.F.R. s. 502.4, as of the effective date of this section. The  
 143 term "gambling" includes, but is not limited to, any banking  
 144 game, including, but not limited to, card games such as  
 145 baccarat, chemin de fer, blackjack or 21, and pai gow; casino  
 146 games such as roulette, craps, and keno; slot machines as  
 147 defined in 15 U.S.C. s. 1171(a)(1); electronic or  
 148 electromechanical facsimiles of any game of chance; sports  
 149 betting and pari-mutuel wagering, including, but not limited to,  
 150 wagering on horseracing, dog racing, or jai alai exhibitions;  
 151 and lotteries other than state-operated lotteries. The term  
 152 "gambling" also includes the use of any electronic gambling  
 153 device, Internet sweepstakes device, or video lottery terminal  
 154 other than a state-operated video lottery terminal, regardless

155 | of how those devices are defined under the federal Indian Gaming  
 156 | Regulatory Act.

157 | (c) LEGISLATIVE AUTHORITY RETAINED.—This section does not  
 158 | limit the right of the legislature to exercise its authority  
 159 | through general law to restrict, regulate, or tax any gambling  
 160 | activity.



161 | (d) TRIBAL-STATE COMPACTING AUTHORITY UNAFFECTED.—This  
 162 | section does not limit the authority of the state to negotiate a  
 163 | tribal-state compact under the federal Indian Gaming Regulatory  
 164 | Act or affect any existing tribal-state compact.





## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** PCS for HB 7109 Gaming  
**SPONSOR(S):** Finance & Tax Committee  
**TIED BILLS:** IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Finance & Tax Committee		Pewitt 	Langston 

### SUMMARY ANALYSIS

The bill ratifies and approves the Gaming Compact between the Tribe and the State of Florida, which was executed by Governor Rick Scott and the Tribe on December 7, 2015 (the 2015 Compact), contingent upon renegotiation. The 2015 Compact permits the Tribe to offer the banked card games (such as blackjack), slot machines, raffles and drawings, live table games (such as craps and roulette), and any other game authorized in Florida. In exchange, the Tribe will make revenue sharing payments totaling at least \$3 billion to the State during the first 7 years of the Compact. The Tribe may stop or reduce revenue sharing payments if the state authorizes specified gaming in violation of the Tribe's exclusivity rights as set forth in the 2015 Compact.

The bill makes amendments to Florida's pari-mutuel wagering, slot machines, and gambling laws, including:

- Permitting greyhound, harness, quarterhorse, and certain thoroughbred and jai alai permitholders to conduct pari-mutuel wagering, cardrooms, and slots without the requirement of live races;
- Providing for the revocation of dormant permit, under certain conditions;
- Permitting slot machine licenses in any county, with some exceptions, which holds a successful referendum authorizing slot machines before January 1, 2017.
- Providing for a new slot machine permitholder to be selected pursuant to specified criteria;
- Prohibiting the issuance of new or additional permits, and prohibiting the conversion of permits;
- Prohibiting the transfer or relocation of most pari-mutuel permits or licenses;
- Prohibiting the issuance of additional summer jai alai permits;
- Removing tax credits for greyhound permitholders and revising the tax on handle for live greyhound racing and intertrack wagering from 5.5% to 1.28%;
- Removing provisions that allow for reissuance of permits after they escheat to the state;
- Repealing tax credits for unclaimed greyhound racing wagers;
- Revising the requirements for a greyhound permitholder to provide a greyhound adoption booth at its facility and requiring sterilization of greyhounds before adoption;
- Requiring injuries to racing greyhounds be reported;
- Extending weekday hours of operation for all slot machine and cardroom licensees from 18 to 24 hours;
- Streamlining the slot machines chapter and revising the issuance of slot machine licenses;
- Providing that free alcoholic beverages may be served to persons playing slot machines;
- Providing that an automated teller machine may be located in a slot machine licensees' facility;
- Regulating fantasy contests;
- Authorizing, regulating, and taxing multijurisdictional simulcast and wagering (i.e., "advance deposit wagering");
- Authorizing blackjack at certain facilities with slot machine licenses;
- Creating a thoroughbred purse pool program
- Limiting the number of slot machines that may be available at new facilities and statewide;
- Providing guaranteed minimum tax revenues from new slot machine licensees

The bill is expected to have a fiscal impact on state funds; see *FISCAL COMMENTS*.

The bill provides most provisions are contingent upon the 2015 Gaming Compact becoming effective. Such provisions are effective July 1, 2016, or upon the 2015 Compact becoming effective, whichever is later.

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

STORAGE NAME: pcs7109.FTC.DOCX

DATE: 2/24/2016

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

##### **General Overview of Gaming in Florida**

In general, gambling is illegal in Florida.<sup>1</sup> Chapter 849, F.S., prohibits keeping a gambling house,<sup>2</sup> running a lottery,<sup>3</sup> or the manufacture, sale, lease, play, or possession of slot machines.<sup>4</sup> Certain exceptions have been authorized, with restrictions on permitted locations, operators, and prizes, including penny-ante games,<sup>5</sup> bingo,<sup>6</sup> cardrooms,<sup>7</sup> charitable drawings,<sup>8</sup> game promotions (sweepstakes),<sup>9</sup> and bowling tournaments.<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 prize 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 law and prevent the expansion of casino-style gambling. The Legislature clarified 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>

##### *Lotteries*

Lotteries are prohibited by the Florida Constitution.<sup>13</sup> The constitutional prohibition is codified in statute at s. 849.09, F.S. Other than the statement in the Florida Constitution that indicates that the term "lottery" does not include "types of pari-mutuel pools authorized by law as of the effective date of this constitution," the term "lottery" is not defined by the Florida Constitution or statute. Generally, a lottery is a scheme which contains three elements: consideration, chance, and prize. As to consideration, while most states view consideration narrowly as a tangible asset, such as money, Florida views consideration broadly, as the conferring of any benefit.<sup>14</sup> Thus, even if players do not pay to participate in a game where they have a chance to win a prize, it may be an illegal lottery.

In 1986, Florida voters approved an amendment to the Florida Constitution to allow the state to operate a lottery. This lottery is known as the Florida Education Lotteries and directs proceeds to the State Education Lotteries Trust Fund.

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<sup>1</sup> s. 849.08, F.S.

<sup>2</sup> s. 849.01, F.S.

<sup>3</sup> s. 849.09, F.S.

<sup>4</sup> s. 849.16, F.S.

<sup>5</sup> s. 849.085, F.S.

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

<sup>7</sup> s. 849.086, F.S.

<sup>8</sup> s. 849.0935, F.S.

<sup>9</sup> s. 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.

<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.

<sup>13</sup> Article X, s. 7, Fla. Const. *But, see*, Article X, s. 15, Fla. Const., authorizing lotteries operated by the state.

<sup>14</sup> *Little River Theatre Corp. v. State ex rel. Hodge*, 135 Fla. 854 (1939).

To allow activities that would otherwise be illegal lotteries, the Legislature has carved out several narrow exceptions to the statutory lottery prohibition. Statutory exceptions are provided for charitable bingo, charitable drawings, and game promotions. Charities use drawings or raffles as a fundraising tool. Organizations suggest a donation, collect entries, and randomly select an entry to win a prize. Under s. 849.0935, F.S., qualified organizations may conduct drawings by chance, provided the organization has complied with all applicable provisions of ch. 496, F.S. Game promotions, often called sweepstakes, are advertising tools by which businesses promote their goods or services. As they contain the three elements of a lottery: consideration, chance, and prize, they are generally prohibited by Florida law unless they meet a statutory exception.<sup>15</sup>

Section 7 of Article X of the 1968 State Constitution provides, "Lotteries, other than the types of pari-mutuel pools authorized by law as of the effective date of this constitution, are hereby prohibited in this state."<sup>16</sup>

Section 15 of Article X of the State Constitution (adopted by the electors in 1986) provides for state operated lotteries:

Lotteries may be operated by the state.... On the effective date of this amendment, the lotteries shall be known as the Florida Education Lotteries. Net proceeds derived from the lotteries shall be deposited to a state trust fund, to be designated The State Education Lotteries Trust Fund, to be appropriated by the Legislature. The schedule may be amended by general law.<sup>17</sup>

### *Slot Machines*

Slot machines have been generally prohibited in Florida since 1937.<sup>18</sup> Section 849.16, F.S., defines a slot machine as a machine or device that requires the insertion of a piece of money, coin, account number, code, or other object or information to operate and allows the user, whether by application of skill or by reason of any element of chance or of any other outcome of such operation unpredictable by him or her, to receive money, credit, allowance, or thing of value, or secure additional chances or rights to use such machine, apparatus, or device. Slot machines are authorized at certain facilities in Broward and Miami-Dade counties by constitutional amendment or statute and are regulated under ch. 551, F.S.<sup>19</sup> Except for the Seminole casinos authorized in the gaming compact with the Seminole Tribe of Florida (the "2010 Compact"), free-standing, commercial casinos are not authorized, and gaming activity, other than what is expressly authorized, is illegal.

Section 23 of Article X of the State Constitution (adopted by the electors in 2004) provides for slot machines in Miami-Dade and Broward Counties:

After voter approval of this constitutional amendment, the governing bodies of Miami-Dade and Broward Counties each may hold a county-wide referendum in their respective counties on whether to authorize slot machines within existing, licensed pari-mutuel facilities (thoroughbred and harness racing, greyhound racing, and jai-alai) that have conducted live racing or games in that county during each of the last two calendar years before the effective date of this amendment. If the voters of such county approve the referendum question by majority vote, slot machines shall be authorized in such pari-mutuel facilities. If the voters of such county by majority vote disapprove the referendum

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<sup>15</sup> *Little River Theatre Corp.*, *supra* at 868.

<sup>16</sup> The pari-mutuel pools that were authorized by law on the effective date of the Florida Constitution, as revised in 1968, include horseracing, greyhound racing, and jai alai games. The revision was ratified by the electorate on November 5, 1968.

<sup>17</sup> The Department of the Lottery is authorized by s. 15, Art. X, Florida Constitution. Chapter 24, F.S., was enacted by ch. 87-65, L.O.F., to establish the state lottery. Section 24.102, F.S., creates the Department of the Lottery and states the Legislature's intent that it be self-supporting and revenue-producing and function as an entrepreneurial business enterprise.

<sup>18</sup> s. 849.15, F.S., originally enacted by s. 1, ch. 18143, L.O.F. (1937).

<sup>19</sup> See Article X, Section 23, Florida Constitution; ch. 2010-29, L.O.F. and chapter 551, F.S.

question, slot machines shall not be so authorized, and the question shall not be presented in another referendum in that county for at least two years.

### *Pari-mutuel Wagering*

The Division of Pari-mutuel Wagering (Division) within the Department of Business and Professional Regulation (DBPR) regulates and oversees pari-mutuel facilities in Florida. Its purpose is to ensure the health, safety, and welfare of the public, racing animals, and licensees through efficient, and fair regulation of the pari-mutuel industry in Florida.<sup>20</sup> The Division collects revenue in the form of taxes and fees from permitholders for the conduct of gaming.

Chapter 550, F.S., authorizes pari-mutuel wagering at licensed tracks and frontons and provides for state regulation. Pari-mutuel is defined 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."<sup>21</sup>

Chapter 551, F.S., authorizes slot machine gaming at the location of certain licensed pari-mutuel locations in Miami-Dade County or Broward County and provides for state regulation. Chapter 849, F.S., authorizes cardrooms at certain pari-mutuel facilities.<sup>22</sup> A license to offer pari-mutuel wagering, slot machine gambling, or a cardroom at a pari-mutuel facility is a privilege granted by the state.<sup>23</sup>

The Division currently makes an annual report to the Governor showing its actions, money received under Chapter 550, F. S., the practical effects of Chapter 550, and any suggestions for more effective accomplishment of the goals of the chapter.<sup>24</sup>

### **Current Situation: Seminole Gaming Compact**

#### **Indian Gaming in Florida**

Gambling on Indian lands is subject to federal law, with limited state involvement. The Indian Gaming and Regulatory Act (IGRA), codified at 25 USCA §§ 2701-2721, was enacted in 1988 in response to the United State Supreme Court decision in *California v. Cabazon Band of Mission Indians*, 480 U.S. 202 (1987). The act provides for "a system for joint regulation by tribes and the Federal Government of class II gaming on Indian lands and a system for compacts between tribes and States for regulation of class III gaming."<sup>25</sup> In so doing, IGRA seeks to balance the competing interests of two sovereigns: the interests of the Tribe in engaging in economic activities for the benefit of its members and the interest of the state in either prohibiting or regulating gaming activities within its borders.<sup>26</sup>

IGRA separates gaming activities into three categories:

- Class I games are "social games solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as a part of, or in connection with, tribal ceremonies or celebrations."<sup>27</sup> Class I games are within the exclusive jurisdiction of the Indian tribes.<sup>28</sup>

<sup>20</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 DBPR, and, in 1993, the Department of Business Regulation became the DBPR.

<sup>21</sup> s. 550.002(22), F.S.

<sup>22</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 charges a fee for participation by the operator of such facility.

<sup>23</sup> See s. 550.1625(1), F.S., "...legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state."

<sup>24</sup> s. 550.0251(1), F.S.

<sup>25</sup> United States Senate Report No. 100-446, Aug. 3, 1988.

<sup>26</sup> *Id.*

<sup>27</sup> 25 U.S.C. 2703(6).

<sup>28</sup> 25 U.S.C. 2710(a)(1).

- Class II games are bingo and card games that are explicitly authorized or are not explicitly prohibited by the laws of the State.<sup>29</sup> The tribes may offer Class II card games “only if such card games are played in conformity with those laws and regulations (if any) of the State regarding hours or periods of operation of such card games or limitations on wagers or pot sizes in such card games.” Class II gaming does not include “any banking card games, including baccarat, chemin de fer, or blackjack (21), or electronic or electromechanical facsimiles of any game of chance or slot machines of any kind.”<sup>30</sup> Class II games are also within the jurisdiction of the Indian tribes, but are also subject to the provisions of IGRA.<sup>31</sup>
- Class III games are defined as any games that are not Class I or Class II. Class III games include slot machine and banked card games such as blackjack, baccarat and chemin de fir.<sup>32</sup>

A tribe can qualify to offer Class III games in the following ways:

- If the state authorizes Class III games for any purpose to any person, organization, or entity, the tribe must:
  - Authorize the games by an ordinance or resolution adopted by the governing body of the Indian tribe, approved by the Chairman of the National Indian Gaming Commission, and in compliance with IGRA; and
  - Conduct the games in conformance with a Tribal-State compact entered into between the tribe and the State.<sup>33</sup>
- If the state does NOT authorize Class III gaming for any purpose by any person, organization, or entity, the tribe must request negotiations for a tribal-state compact governing gaming activities on tribal lands. Upon receiving such a request, the state may be obligated to negotiate with the Indian tribe in good faith.<sup>34</sup> Under IGRA, a tribe is not entitled to a compact.

When the negotiations fail to produce a compact, a tribe may file suit against the state in federal court and seek a determination of whether the state negotiated in good faith. If the court finds the state negotiated in good faith, the tribe's proposal fails. On a finding of lack of good faith, however, the court may order negotiation, then mediation. If the state ultimately rejects a court-appointed mediator's proposal, the Secretary “shall prescribe, in consultation with the Indian tribe, procedures... under which class III gaming may be conducted.”<sup>35</sup>

Generally, in accordance with IGRA a compact may include the following provisions:

- The application of the criminal and civil laws and regulations of the Indian tribe or the State that are directly related to, and necessary for, the licensing and regulation of gaming;
- The allocation of criminal and civil jurisdiction between the State and the Indian tribe necessary for the enforcement of laws and regulations;
- An assessment in an amount necessary to defray the costs of regulation;
- Revenue sharing by the Indian tribe for permitted activities;
- Remedies for breach of contract;
- Standards for the operation of gaming and gaming facilities, including licensing; and
- Any other subjects that are directly related to the operation of gaming activities.<sup>36</sup>

<sup>29</sup> 25 U.S.C. 2703(7)(A).

<sup>30</sup> 25 U.S.C. 2703(7)(B).

<sup>31</sup> 25 U.S.C. 2710(a)(2) and (b).

<sup>32</sup> 25 U.S.C. 2703 and 25 C.F.R. § 502.4.

<sup>33</sup> 25 U.S.C. 2710(d)(1).

<sup>34</sup> 25 U.S.C. 2710 (d)(3)(A).

<sup>35</sup> 25 U.S.C. 2710(d)(7). This option is addressed in *Seminole Tribe of Florida v. Florida*, 517 U.S. 44 (1996), which brought into question whether a tribe has the ability to enforce the provisions of IGRA against a state. The Department of Interior adopted rules to provide a remedy for the tribes. The validity of the rules were also brought into question in *Texas v. United States*, 497 F.3d 491, (5th Cir. 2007).

<sup>36</sup> 25 U.S.C. 2710 (d)(3)(C).

Any compact that is entered into by a tribe and a state will take effect when approval by the Secretary of the Interior is published in the Federal Register.<sup>37</sup> Upon receipt of a proposed compact, the Secretary has 45 days to approve or disapprove the compact.<sup>38</sup> A compact will be considered approved if the Secretary fails to act within the 45-day period. A compact that has not been validly “entered into” by a state and a tribe, e.g. execution of a compact by a state officer who lacks the authority to bind the state, cannot be put “into effect”, even if the Secretary of the Interior publishes the compact in the Federal Register.<sup>39</sup>

There is no explicit provision under IGRA that authorizes revenue sharing. IGRA specifically states:

[N]othing in this section shall be interpreted as conferring upon a State or any of its political subdivisions authority to impose any tax, fee, charge, or other assessment upon an Indian tribe or upon any other person or entity authorized by an Indian tribe to engage in a class III activity. No State may refuse to enter into the negotiations described in paragraph (3) (A) based upon the lack of authority in such State, or its political subdivisions, to impose such a tax, fee, charge, or other assessment.<sup>40</sup>

Notwithstanding this restriction, revenue sharing has been permitted when the State has provided a valuable economic benefit to, usually in the form of substantial exclusivity in game offerings or geographic monopoly or a right to conduct such offerings on more favorable terms than non-Indians.<sup>41</sup>

### *The 2010 Compact*

Chapter 285, F.S., ratified the 2010 Compact. It provides that it is not a crime for a person to participate in raffles, drawings, slot machine gaming, or banked card games (e.g., blackjack or baccarat) at a tribal facility operating under the compact.<sup>42</sup> The 2010 Compact provides for revenue sharing. For the exclusive authority to offer banked card games on tribal lands at five locations and to offer slot machine gaming outside Miami-Dade and Broward Counties, the Seminole Tribe pays the State of Florida a share of “net win” (approximately \$240 million per year). Section 285.710(1)(f), F.S., designates the Division within DBPR as the “state compliance agency” having authority to carry out the state’s oversight responsibilities under the 2010 Compact. The 2010 Compact took effect when published in the Federal Register on July 6, 2010 and lasts for 20 years, expiring July 31, 2030, unless renewed. The 2010 Compact required the Seminole Tribe to share revenue with the state in the amount of \$1 billion over five years.

The 2010 Compact provides consequences for the expansion of gaming in Miami-Dade and Broward counties:

- If new forms of Class III gaming and casino-style gaming are authorized for the eight licensed pari-mutuel facilities located in Miami-Dade and Broward counties (which may not relocate) and the net win from the Tribe’s Broward facilities drops for the year after the new gaming begins, then the Tribe may reduce the payments from its Broward facilities by 50 percent of the amount of the reduction in net win.
- If new forms of Class III gaming and other casino-style gaming are authorized for other locations in Miami-Dade and Broward counties, then the Tribe may exclude the net win from their Broward facilities from their net win calculations when the new games begin to be played.<sup>43</sup>

<sup>37</sup> 25 U.S.C. 2710(d)(3)(B).

<sup>38</sup> 25 U.S.C. 2710(d)(8)(C).

<sup>39</sup> See *Pueblo of Santa Ana v. Kelly*, 104 F.3d 1546, (10th Cir. 1997), cert. denied, 522 U.S. 807 (1997).

<sup>40</sup> 25 U.S.C. 2710(d)(4).

<sup>41</sup> See generally *In re Indian Gaming Related Cases*, 331 F.3d 1094 (9th Cir. 2003)(upholding revenue sharing where revenues were apportioned to non-gaming tribes); see also Letter From Gale A. Norton, Secretary of the Department of Interior, to Cyrus Schindler, President of the Seneca Nation of Indians, dated November 12, 2002.

<sup>42</sup> s. 285.710, F.S.

<sup>43</sup> The Tribe would automatically be authorized to conduct the same games authorized for any other person at any location.

Revenue sharing payments cease if:

- The state authorizes new forms of Class III gaming or other casino-style gaming after February 1, 2010, or authorizes Class III gaming or other casino-style gaming at any location outside of Miami-Dade and Broward counties that was not authorized for such games before February 1, 2010; and
- The new gaming begins to be offered for private or public use.

*The 2015 Compact*

A new compact was executed by the Governor and the Tribe on December 7, 2015 (the "2015 Compact"), but must be ratified by the Legislature and approved by the United States Secretary of the Interior to become effective. If the 2015 Compact is ratified and approved, the 2010 Compact will be nullified, and the provisions of the 2015 Compact will provide the Tribe exclusivity to operate certain games, with certain exceptions. The 2015 Compact will provide the Tribe exclusivity to operate certain games, with certain exceptions. In exchange, the Tribe will share revenue with the state with a Guaranteed Minimum Compact Term Payment of \$3 billion over 7 years.

The 2015 Compact differs from the 2010 Compact in several key ways. The table below outlines the specific provisions that differ between the two compacts:

	<b>2015 Compact</b>	<b>2010 Compact</b>
<b>Revenue Sharing</b>	Revenue sharing, providing for minimum guaranteed payments by the Seminole Tribe to the State of \$3 billion dollars over seven years.	Revenue sharing, providing for minimum guaranteed payments of \$1 billion dollars over the first five years.  (The minimum guaranteed payments ended on July 1, 2015)
<b>Class III Gaming Authorizations</b>	All seven Seminole Casinos may offer slot machines, banked card games, raffles and drawings, live table games, and any new game authorized in Florida.	All seven Seminole Casinos may offer slot machines, raffles and drawings, and any new game authorized in Florida.  Banked card games may be offered at five of the Seminole Casinos (excluding the Brighton and Big Cypress facilities).
<b>Banked Card Game Exclusivity</b>	No facility in Florida may offer banked or banking card games or live table games, except for certain facilities in Miami-Dade and Broward Counties which may offer blackjack under certain circumstances. <sup>44</sup>	No facility in Florida may offer banked card games.
<b>Slot Machine Exclusivity</b>	No facility except for specifically authorized facilities in Miami-Dade, Broward, or Palm Beach County may offer slot machines. <sup>45</sup>	No facility except for specifically authorized PMW facilities in Miami-Dade or Broward County may offer slot machines.

<sup>44</sup> Blackjack must be authorized by state law before it may be offered at any facility in Broward or Miami-Dade.

<sup>45</sup> The 2015 Compact allows the Legislature to authorize two additional facilities, one located in Miami-Dade County and one located in Palm Beach County, which may offer slot machines or video race terminals without violating the exclusivity provisions under certain circumstances.



<b>Compulsive Gambling Exclusivity Payment</b>	Tribe will make annual \$1,750,000 donation to the Florida Council on Compulsive Gambling and maintain a voluntary exclusion list, so long as exclusivity is maintained.	Tribe will make annual \$250,000 donation per Facility (\$1,750,000 total) to the Florida Council on Compulsive Gambling and maintain a voluntary exclusion list, so long as exclusivity is maintained.
<b>Class III Gaming is authorized in non-specified facilities within Miami-Dade, Palm Beach, or Broward County</b>	Guaranteed minimum payments and revenue sharing payments cease.	Guaranteed minimum payments cease and revenue sharing payments are calculated excluding Broward County facilities.
<b>Class III Gaming is authorized <u>outside</u> of Miami-Dade, Palm Beach, or Broward County</b>	All payments under the Compact cease.	All payments under the Compact cease.

The 2015 Compact contains "internet/online gaming" and "new games" provisions similar to the 2010 Compact. If state law is amended to permit "internet/on-line gaming," the Tribe will no longer be required to make payments to the state based on the Guaranteed Minimum Compact Term Payments, but will be required to continue make Revenue Share Payments. Internet gaming is not defined in the 2015 Compact.

The 2015 Compact also defines two new types of gaming, as they would relate to the Compact, "video race terminals" and "designated player games." These games could possibly be considered types of Class III gaming; however, the 2015 Compact specifically excludes both types from violating the exclusivity provisions of the 2015 Compact, in certain situations.

The 2015 Compact defines a video race terminal as, "an individual race terminal linked to a central server as part of a network-based video game, where terminals allow pari-mutuel wagering by players on the results of previously conducted horse races, but only if the game is certified in advance by an independent testing laboratory licensed or contracted by the Division as complying with" a number of provisions.

#### *Obligations of the 2015 Compact*

The ratification of the 2015 Compact permits the Tribe to offer the following games, termed "covered games," at all seven of its tribal casinos:

- Banked card games, including blackjack, chemin de fer, and baccarat;
- Slot machines;
- Raffles and drawings;
- Live table games, including craps and roulette; and
- Any other game authorized for any person for any purpose, except for a compact with a qualifying Indian Tribe.

The ratification of the 2015 Compact provides that "[a]ny of the facilities existing on Indian Lands... may be relocated, expanded, or replaced by another facility on the same Indian Lands with advance notice of sixty (60) calendar days."

The ratification of the 2015 Compact places a cap on the number of slot machines, banking or banked card games, and live table games that may be offered by the Tribe.

The 2015 Compact has a term of 20 years.

### *Payments to the State for the 2015 Compact*

The 2015 Compact establishes a guarantee minimum payment period that is defined as the seven year period beginning July 1, 2017, and ending June 30, 2024. During the guarantee minimum payment period, the Tribe will make payments as specified, to total \$3 billion over seven years. The payments shall be paid by the Tribe to the state as follows:

- During the initial period (from the effective date to June 30, 2017), the Tribe makes payments based on a variable percentage of net win similar to the percentage payments in the 2010 Compact.
- During the guarantee minimum payment period from July 1, 2017 to June 30, 2024, the Tribe pays a total of \$3 billion over seven years.
- At the end of the guarantee minimum payment period, if the percentage payments (that range from 13 percent of net win up to \$2 billion, to 25 percent of net win greater than \$4.5 billion) would have amounted to more than the guaranteed minimum payments, the Tribe must pay the difference.
- The Tribe's guaranteed minimum revenue sharing payments are:
  - \$325 million – 1<sup>st</sup> year;
  - \$350 million – 2<sup>nd</sup> year;
  - \$375 million – 3<sup>rd</sup> year;
  - \$425 million – 4<sup>th</sup> year;
  - \$475 million – 5<sup>th</sup> year;
  - \$500 million – 6<sup>th</sup> year; and
  - \$550 million – 7<sup>th</sup> year.
- The percentage payments include a 1 percent increase on amounts up to \$2 billion, and a 2.5 percent increase on amounts greater than \$2 billion, up to and including \$3 billion, as compared to the 2010 Compact.
- After the first seven years, the Tribe will continue to make percentage payments to the state without a guaranteed minimum payment.

### *Exclusivity Requirements of the 2015 Compact*

Revenue sharing payments may be affected if the state permits:

- New forms of Class III gaming or other casino-style gaming after July 1, 2015, or Class III gaming or other casino-style gaming at any location not authorized for such games before July 1, 2015;
- Licensed pari-mutuel wagering entities other than the Tribe to offer banked card games;
- Class III gaming at other locations in Miami-Dade, Broward, or Palm Beach counties, except the legislature may add one location in Miami-Dade County with 750 slot machines and 750 video race terminals, if approved by a county-wide referendum, and similarly one location in Palm Beach County;
- Class III gaming to be offered outside of Miami-Dade, Broward, and Palm Beach Counties.

Licensed pari-mutuel wagering entities may not increase the number of slot machines they offer or relocate their facility. If they do so, the guaranteed minimum payments from the Tribe to the state cease and the percentage payments are calculated excluding the Tribe facilities located in Broward County.

The 2015 Compact indicates that internet gaming is not currently permitted in Florida. If the legislature authorizes internet gaming, the guaranteed minimum payments cease, but the percentage payments continue. If the Tribe offers internet gaming to patrons, then the guaranteed minimum payments continue.

## *Exceptions to Violations of the 2015 Compact Exclusivity Provisions*

The 2015 Compact provides that the legislature may authorize non-tribe pari-mutuel wagering entities to conduct the following actions without affecting revenue sharing:

- Licensed pari-mutuel wagering facilities in Miami-Dade and Broward Counties may offer blackjack, subject to limitations;
- One new location in Miami-Dade County may offer slot machines and video race terminals, subject to limitations, if approved by a county-wide referendum;
- One new location in Palm Beach may offer slot machines and video race terminals, subject to limitations, if approved by a county-wide referendum;

Slot machines and video race terminals at the above locations do not violate the 2015 Compact so long as a maximum of 500 slot machines and 250 video race terminals are offered before October 1, 2018, and a maximum of 750 slot machines and 750 video race terminals are offered after October 1, 2018.

## **Effect of the Bill: Seminole Gaming Compact**

### **Indian Gaming in Florida**

#### *Ratification of the 2015 Compact*

The bill ratifies and approves the 2015 Compact between the Tribe and the State of Florida, contingent on the Governor and the Tribe amending the 2015 Compact to include the following provisions:

- All amendments to chapters 285, 546, 550, 551, and 849 made by the bill are authorized by the Compact, do not affect the Tribe's revenue sharing agreement, violate the Tribe's exclusivity, or authorize the Tribe to conduct online gaming;
- The Tribe will have exclusive authority to operate slot machines in Glades, Hendry, and Collier Counties and within 100 miles of the Seminole Hard Rock Hotel and Casino-Tampa;
- The Tribe will have exclusive authority to operate banked card games, including blackjack, baccarat, and chemin de fer in Glades, Hendry, Collier, and Hillsborough Counties;
- The Tribe will have exclusive authority to operate dice games, such as craps and sic-bo, and wheel games, such as roulette and big six, in Broward, Glades, Hendry, Collier, and Hillsborough Counties;
- The cumulative total of slot machines offered by pari-mutuel facilities in Florida may not exceed 16,000, and any facility authorized to offer slot machines after the effective date of the act may not offer more than 1,500 slot machines;
- No facility may be licensed to offer slot machines unless it is outside the area where the Tribe is granted exclusive rights to offer slot machines.
- Any relocation of a facility on Tribal lands is limited to relocation to a contiguous parcel;
- The live table games which the Tribe are permitted to offer are limited to craps, sic-bo, roulette, bix six, and similar variations of big six.

If ratified, the 2015 Compact will supersede the 2010 Compact, and will become effective after approval by the U.S. Secretary of the Interior. Furthermore, the bill requires Governor Scott to cooperate with the Tribe in seeking approval of the 2015 Compact from the United States Secretary of the Interior.

## **Current Situation: Fantasy Contests**

### *Background of fantasy contest industry*

A fantasy contest (also called a fantasy sport or fantasy game) is a type of contest where participants assemble, own, and manage imaginary teams made up of actual professional sports players. The

teams compete based on the statistical performance generated by the actual players in an actual sports game. The players' performances are converted into points that are compiled according to the participant's team roster. In fantasy contests, participants draft, trade, and cut players similar to a real team owner.

The online fantasy contest industry is a \$4 billion dollar industry in the United States.<sup>46</sup> Fantasy NFL football is the most popular fantasy contest, and in 2015 an estimated 56.8 million people competed in fantasy contests in the United States and Canada.<sup>47</sup>

Although fantasy contests began as a contest played amongst friends or co-workers, new technology in the mid-1990s allowed for broader access to the public to pursue fantasy contests because statistics could be easily and quickly compiled online. Additionally, news and information about players was more readily available through growing access to the Internet.

Daily fantasy contests are an accelerated version of fantasy contests, which are played across a shorter period of time. For example, daily fantasy contests may be played over a single week in a season, rather than the entire season. Daily fantasy contests typically require an entry fee. The fee funds an advertised prize pool from which the servicer takes a percentage of fees collected as revenue.<sup>48</sup>

The legality of daily fantasy contests has been challenged nationwide with critics arguing that the contests more closely resemble proposition wagering on athlete performance than traditional fantasy contests.

#### *Fantasy contests in Florida*

The Florida Constitution, Florida Statutes, and Florida courts have not specifically addressed fantasy contests. Regardless of whether fantasy contests are games of skill or games of chance, they may be subject to the state's gambling laws and anti-bookmaking statute. Section 849.14, F.S., provides that a stake, bet, or wager of money or another thing of value placed "upon the result of any trial or contest of skill, speed, power, or endurance of human or beast" is unlawful. Receiving money or acting as the custodian or depository of money as part of such a stake, bet, or wager is also unlawful.

Section 849.25, F.S., Florida's anti-bookmaking statute, defines bookmaking as "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." The statute includes factors that are to be considered evidence of bookmaking, including charging a percentage on accepted wagers, receiving more than five wagers in a day, and receiving over \$500 in total wagers in a single day or over \$1500 in a single week.<sup>49</sup>

On January 8<sup>th</sup>, 1991, Florida Attorney General Robert A. Butterworth provided an advisory legal opinion<sup>50</sup> regarding whether participation in a fantasy sports league violated Florida's gambling laws. Butterworth concluded that the operation of a fantasy league would violate s. 849.14, F.S. Butterworth concluded that since the fantasy sports league's entry fee was used to make up the prizes, it qualified as a "stake, bet, or wager" under Florida law.<sup>51</sup> He stated that, "while the skill of the individual

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<sup>46</sup> FANTASY SPORTS TRADE ASSOCIATION, <http://fsta.org/about> (last visited January 8, 2016).

<sup>47</sup> FANTASY SPORTS TRADE ASSOCIATION, <http://fsta.org/research/industry-demographics/> (last visited January 8, 2016).

<sup>48</sup> THE WASHINGTON POST, *Daily fantasy sports Web sites find riches in Internet gaming law loophole*, [https://www.washingtonpost.com/sports/daily-fantasy-sports-web-sites-find-riches-in-internet-gaming-law-loophole/2015/03/27/92988444-d172-11e4-a62f-ee745911a4ff\\_story.html](https://www.washingtonpost.com/sports/daily-fantasy-sports-web-sites-find-riches-in-internet-gaming-law-loophole/2015/03/27/92988444-d172-11e4-a62f-ee745911a4ff_story.html) (last visited January 8, 2016).

<sup>49</sup> s. 849.25(1)(b), F.S.

<sup>50</sup> 91-03 Fla. Op. Att'y Gen. (1991).

<sup>51</sup> *Creash v. State*, 131 Fla. 111, 118 (Fla. 1938).

contestant picking the members of the fantasy team is involved, the prizes are paid to the contestants based upon the performance of the individual professional football players in actual games."<sup>52</sup>

Butterworth concluded that contests, in which the skill of the contestant predominates over the element of chance, such as in certain sports contests, are not prohibited lotteries. As an example, he noted that golf and bowling tournaments were contests of skill and were not prohibited. He considered that "it might well be argued that skill is involved in the selection of a successful fantasy team by requiring knowledge of the varying abilities and skills of the professional football players who will be selected to make up the fantasy team."<sup>53</sup>

Fantasy contests may be subject to Florida's anti-lottery laws. Players in daily fantasy contests are competing for a distribution of a prize that may be made from a pool of funds that are made up of players' contributions. It is unknown whether all fantasy contest operators conduct fantasy contests similarly. Numerous types of contests are currently being offered, including, but not limited to, cash games, guaranteed prize pool games, double-up or 50/50 games, and head-to-head games. Most prizes appear to be based on the accumulation of entry fees and contests have been cancelled when the number of required participants has not been met and operators reserve the right to cancel contests at their discretion.<sup>54</sup>

These types of games may be considered pool betting or pari-mutuel betting. The Attorney General of Nevada has determined that daily fantasy contests constitute sports pools.<sup>55</sup> Daily fantasy contest sites may apply to the Nevada Gaming Control Board for a license to operate a sports pool in the state. Internationally, some daily fantasy contest sites are licensed for pool betting.<sup>56</sup> The Florida Constitution<sup>57</sup> prohibits lotteries other than pari-mutuel pools authorized by law as of the effective date of the 1968 Constitution.

#### *Fantasy contests in the United States*

The federal Unlawful Internet Gambling Enforcement Act of 2006<sup>58</sup> ("UIGEA") prohibits the processing of certain online financial wagering to prevent payment systems from being used in illegal online gambling. The UIGEA prohibits gambling businesses from knowingly accepting payments in connection with a "bet or wager" that involves the use of the Internet and that is unlawful under any federal or state law.

The UIGEA expressly states that participation in fantasy or simulation sports contests is not included in the definition of "bet or wager"<sup>59</sup> when certain conditions are met. For purposes of the UIGEA, participation in a fantasy or simulation sports contest is not a bet or wager when:

- Prizes and awards offered to winning participants are established and made known in advance of the game or contest and the value is not determined by the number of participants or amount of fees paid by the participants.
- Winning outcomes reflect the relative knowledge and skill of the participants and are determined predominantly by accumulated statistical results of the performance of individuals.

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<sup>52</sup> 91-03 Fla. Op. Att'y Gen. (1991).

<sup>53</sup> *Id.*

<sup>54</sup> FANDUEL, Terms of Use, <https://www.fanduel.com/terms> (last visited January 16, 2016).

<sup>55</sup> 2015-102 Nev. Op. Att'y Gen. 8 (2015).

<sup>56</sup> DraftKings, Inc. is licensed for Pool Betting and Gambling Software by the UK Gambling Commission.

<https://secure.gamblingcommission.gov.uk/gccustomweb/PublicRegister/PRAccountDetails.aspx?accountNo=42475> (last visited January 6, 2015).

<sup>57</sup> FLA. CONST. art. X, s. 7.

<sup>58</sup> 31 U.S.C. § 5361-5366 (2006).

<sup>59</sup> 31 U.S.C. § 5362(1) (2006).

- Winning outcomes are not based on the score, point spread, or any performance of any single sports team or combination of such teams or solely on a single performance of an individual athlete in a single sporting event.

Contest operators argue that they are legal under the UIGEA. In *Humphrey v. Viacom, Inc.*, the district court determined that because the entry fee was paid "unconditionally," the owner did not participate, and the prizes were guaranteed and determined in advance, the fantasy contest entry fees were not "wagers" under the act.<sup>60</sup> However, although the UIGEA exempts fantasy and simulation sports contests from the application of the UIGEA, it does not make such contests legal generally. The UIGEA does not change or preempt any other federal or state law. As expressed in the Rule of Construction in the UIGEA, "no provision of this subchapter shall be construed as altering, limiting, or extending any federal or state law or tribal-state compact prohibiting, permitting, or regulating gambling within the United States."<sup>61</sup> Therefore, any other state or federal law could apply.

The federal Professional and Amateur Sports Protection Act of 1992 ("PASPA") states that it is unlawful for a governmental entity or person to operate or promote any gambling that is based directly or indirectly on one or more competitive sports games or on the performance of an amateur or professional athlete in a competitive sports game.<sup>62</sup> States are prohibited from authorizing or licensing sports betting not already legal as of 1992.<sup>63</sup> A professional or amateur sports organization whose competitive game is alleged to be the basis of a violation of PASPA has standing to bring a civil action in federal district court to enjoin a violation. Currently, the NCAA and others are suing the state of New Jersey for attempting to repeal an anti-sports betting statute.<sup>64</sup>

Because many fantasy contests are operated in partnership with a professional sports league, it may be unlikely that such contests would face legal challenge under PASPA.<sup>65</sup> However, the National Collegiate Athletic Association has historically been fearful of online gambling, so college-related fantasy contests may be open to a higher risk of a legal challenge under PASPA.<sup>66</sup> Additionally, contests that offer the opportunity for users to bet on game results rather than player performance are at an elevated risk of a legal challenge due to PASPA language that provides that it is unlawful to operate or promote gambling indirectly on a sports game or performance.<sup>67</sup> PASPA prohibits betting, gambling, or wagering on one or more performances of professional or amateur athletes in a competitive game.<sup>68</sup>

The federal Illegal Gambling Business Act of 1970 ("IGBA")<sup>69</sup> defines an "illegal gambling business" as a gambling business that is in violation of the law of the state in which it is conducted, involves five or more persons who conduct or manage all or part of such business, and that has been in continuous operation for a period of more than 30 days or has a gross revenue of \$2000 in a single day. The IGBA specifically exempts savings promotion raffles and bingo games, lotteries, or other games of chance operated by certain non-profit corporations.<sup>70</sup> An employee or company that has violated the IGBA is subject to penalties including fines, forfeiture of profits and assets, and imprisonment for up to 5 years.

<sup>60</sup> *Humphrey v. Viacom, Inc.*, 2007 WL 1797648 (D.N.J. June 20, 2007).

<sup>61</sup> 31 U.S.C. § 5361(b) (2006).

<sup>62</sup> 28 U.S.C. § 3702 (1992).

<sup>63</sup> Nevada, Delaware, Montana, and Oregon allowed sports betting in 1992 and met the criteria under the law.

<sup>64</sup> *NCAA v. Governor of the State of N.J.*, 730 F.3d 208 (3d Cir. Sept. 17, 2013). The Court determined that New Jersey's law violated PASPA because it authorizes sports gambling, but has since granted a re-hearing of the case which vacates the original decision.

<sup>65</sup> Marc Edelman, *Navigating the Legal Risks of Daily Fantasy Sports: A Detailed Primer in Federal and State Gambling Law*, U. Ill. L. Rev. (accepted for publication in January 2016 edition).

<sup>66</sup> See Marissa Lankester, *Time to Fight against Sports Gambling*, Star Ledger (Newark, NJ), May 29, 2014, at 17.

<sup>67</sup> *Edelman* at 34.

<sup>68</sup> SPORTS LAW BLOG, *No Question, PASPA Applies to Daily Fantasy Sports*, <http://sports-law.blogspot.com/2016/01/no-question-paspa-applies-to-daily.html> (last visited Jan. 14, 2016).

<sup>69</sup> 18 U.S.C. § 1995 (1970).

<sup>70</sup> See 26 U.S.C. § 501.

Several states, including Arizona, Iowa, Louisiana, Montana, and Washington have current laws that have been interpreted to make fantasy contests illegal in their jurisdictions, though some of those states have recently proposed legislation to legalize and regulate fantasy contests.<sup>71</sup> Several other states, including California, Illinois, Massachusetts, and Pennsylvania, have proposed legislation to clarify and regulate fantasy contests.<sup>72</sup> Proposed legislation in Florida, Illinois, Louisiana, Missouri, Pennsylvania, and Washington uses language from the UIGEA to legalize and regulate fantasy contests. The proposed Illinois legislation is similar to the Florida bill.<sup>73</sup> Maryland and Kansas expressly legalized fantasy contests in 2012 and 2015, respectively. Currently, there is not a regulatory framework for fantasy contests in the State of Florida.

### **Effect of the Bill: Fantasy Contests**

The bill creates s. 546.11-546.19, F.S., known as the "Fantasy Contest Amusement Act," to regulate fantasy contests. The bill provides requirements for fantasy contest operators, including registration requirements, and outlines penalties for violations of the provisions.

The bill defines the term "fantasy contest" to mean a fantasy or simulated sports game or contest where the contest participant manages and owns a fantasy or simulated sports team made up of human athletes or players that are members of an amateur or professional sports organization and that meets the following conditions:

- The value of all prizes and awards offered to winning players must be established and made known in advance of contest, and the value of such prizes may not be based on the number of contest participants or the amount of entry fees paid;
- Winning outcomes must reflect the relative knowledge and skill of the players and are determined by accumulated statistical results of the performance of human athletes or players;
- Winning outcomes may not be based on the score, point spread, or any performance of any single sports team or combination of such teams or solely on a single performance of a single human athlete or player in a single sporting event;
- Fantasy contests may not be based on the results of college or high school sports teams, athletes, or players; and
- Membership of a fantasy or simulation sports team may not be based on the current membership, or a majority of membership, of an actual team that is a member of a professional sports organization.

This definition generally follows the exception provided in the federal UIGEA.<sup>74</sup>

The bill defines the term "fantasy contest operator" to mean a person or entity other than a non-commercial contest operator that offers fantasy contests requiring an entry fee for a cash prize to members of the general public. A fantasy contest operator must register with the Division of Regulation within the Department of Business and Professional Regulation to offer fantasy contests in the state and pay an initial registration fee. The initial registration fee is the lesser of:

- \$500,000; or
- Ten percent of the applicant's net revenue in the first year of operation, where net revenue is defined as the difference between the total amount of entry fees collected from contest participants in this state and the total amount of cash or equivalent prizes awarded to contest participants in this state.

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<sup>71</sup> Iowa, Louisiana, and Montana brought forth unsuccessful legislation to clarify and regulate fantasy contests in 2015. Washington held a committee hearing on a bill to be introduced in the 2016 session.

<sup>72</sup> See LEGAL SPORTS REPORT, <http://www.legalsportsreport.com/dfs-bill-tracker/> (last visited Jan. 6, 2016).

<sup>73</sup> HB 4323 (IL 2016).

<sup>74</sup> 31 U.S.C. § 5362(1)(E)(ix)(1).

At the time of application, a contest operator must provide an estimate of its application fee based on its expected net revenue during the first year, and must provide written evidence to the division justifying the estimate. It must also include a payment equal to the estimated amount before any license may be granted.

The annual license renewal fee is the lesser of:

- \$100,000; or
- Ten percent of the contest operator's net revenue in the year after the license is renewed.

Upon applying for renewal of licensure, the contest operator must provide an estimate of its renewal fee based on its expected net revenue during the upcoming year, and must provide written evidence to the division justifying the estimate. It must also remit a payment in an amount equal to its estimated renewal fee, plus the difference between its actual application or renewal fee for the previous year and the estimated fee it paid at the time of licensure or renewal the previous year.

The bill requires that the division grant or deny a license within 120 days of receiving an application. If no action has been taken after 120 days, the application is deemed to be approved. The bill provides requirements for the contents of the application, including:

- The full name of the applicant;
- The names and addresses of officers, directors, and owners of 5% or greater equity;
- The names and addresses of the ultimate equitable owners if different than those listed above;
- The estimated number of fantasy contests to be held annually;
- A statement of the assets and liabilities of the applicant;
- The names and addresses of officers and directors of any debtor of the applicant, if the division requires;
- A complete set of fingerprints for each officer and director of the applicant, which must be submitted to the Federal Bureau of Investigation.

A contest operator may not be licensed if the applicant or any officer or director of the applicant has been convicted of a felony in this state, or of a crime in another state which is a felony in this state, or if the division finds them not to be of good moral character. The contest operator must provide proof of a surety bond, payable to the state, in the amount of \$1 million. The division is authorized to suspend, revoke, or deny the license of any contest operator found to be in violation of the act or any rules promulgated therefrom.

A fantasy contest operator is required to implement the following consumer protection procedures:

- Restrict employees of the fantasy contest operator and certain relatives of such employees from competing in fantasy contests open to the public.
- Restrict fantasy contest operators from being a contest participant in the contest offered by the operator.
- Prevent employees of the contest operator from sharing confidential information that could affect fantasy contest play.
- Verify that contest players are 18 years of age or older.
- Restrict a person from entering a fantasy contest that is determined on the accumulated statistical results of a team of individuals in which the person is a player, game official, coach, owner or other participant.
- Allow a person to restrict or prevent his or her own access to a fantasy contest upon request.
- Disclose the number of entries that a fantasy contest player may submit to a fantasy contest and provide steps to prevent players from submitting more than the allowable number.
- Separate contest players' funds from operational funds and maintain a reserve.



- Contract with a third party to perform an annual independent audit to ensure compliance with this section and submit the results to the division.
- Offer training to employees on responsible play and work with and fund a compulsive or addictive behavior prevention program using 7.5% of the proceeds from application and renewal fees.
- Prevent fantasy contests involving horseracing.

The division is authorized to adopt rules to enforce the provisions of the act, including the creation of recordkeeping and reporting requirements. It is also authorized to:

- Conduct investigations of fantasy contests;
- Review the books, accounts, and records of contest operators;
- Take testimony, issue summons and subpoenas; and
- Monitor and ensure safeguarding of fantasy contest entry fees.

The bill provides recordkeeping requirements for contest operators, including that such records be maintained for a minimum of 3 years, and that they contain sufficient detail for the division to determine whether the contest operator is in compliance with the law. The contest operator must make such records available for inspection by the division. It must also submit a quarterly report to the division containing such information as the division requires.

The bill provides that a contest operator or employee or agent thereof who violates the provisions in this bill is subject to a civil penalty not to exceed \$5,000 per violation, up to a cap of \$100,000, which shall accrue to the state and may be recovered through civil action brought by the division or the Department of Legal Affairs.

The bill provides that fantasy contests, as defined in the bill, which are conducted by a licensed contest operator or a noncommercial contest operator would be exempt from the provisions of:

- 849.01, F.S., relating to the keeping of gambling houses;
- 849.08, F.S., relating to gambling;
- 849.09, F.S., relating to the prohibition of lotteries;
- 849.11, F.S., relating to games of chance by lot;
- 849.14, F.S., relating to bets on contests of skill; and
- 849.25, F.S., relating to bookmaking.

It provides that any contest operator who applies for licensure within 90 days of the act becoming law and who is granted a license within 240 days of the act becoming law shall not be subject to the penalties established in 546.18 for offering fantasy contests prior to 240 days after the effective date of the act.

## **Current Situation: Pari-mutuel Wagering**

### **Licensed Pari-mutuel Wagering in Florida**

In Florida, pari-mutuel wagering is authorized on jai alai, greyhound racing and various forms of horseracing and overseen by the Division. Chapter 550, F.S., provides specific licensing requirements, taxation provisions, and regulations for the conduct of the industry.

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. Permitholders apply for an operating license annually to conduct pari-mutuel wagering activities,<sup>75</sup> cardrooms,<sup>76</sup> and slot machines.<sup>77</sup>

<sup>75</sup> s. 550.0115, F.S.

<sup>76</sup> s. 849.086, F.S.

Horse racing was authorized in the state in 1931. The state authorizes three forms of horse racing classes for betting: thoroughbred, harness, and quarter horse racing. Thoroughbred racing involves only horses specially bred and registered by certain bloodlines. The thoroughbred industry is highly regulated and specifically overseen by national and international governing bodies. Harness racing uses standard bred horses, which are a "pacing or trotting horse...that has been registered as a standardbred by the United States Trotting Association" or by a foreign registry whose stud book is recognized by the USTA.<sup>78</sup> Quarter horse racing involves horses developed in the western United States which are capable of high speed for a short distance.<sup>79</sup> They are registered with the American Quarter Horse Association.

### *Permit Applications*

The Division approves pari-mutuel wagering permits. Generally, as long as the applicant meets statutory minimum requirements, the Division issues the permit. There is no application fee. While the Division is authorized to charge applicants for its investigation, it has not done so in recent years. It determines eligibility using existing resources.

The Division has issued 50 pari-mutuel wagering permits, and 5 non-wagering permits. There are 35 pari-mutuel permit holders currently operating at 29 facilities throughout Florida.<sup>80</sup> Currently, 24 pari-mutuel facilities are operating cardrooms. There are eight pari-mutuel facilities that have been licensed to operate slot machines. Several locations have multiple permits that operate at a single facility. The breakdown by permit type is as follows:

- 19 Greyhound permits
- 5 Thoroughbred permits
- 1 Harness permit
- 5 Quarter Horse permits
- 8 Jai-Alai permits
- 1 track offering limited intertrack wagering and horse sales

### *Permit Revocation*

Under certain circumstances in statute, a permit holder may lose his or her permit to conduct pari-mutuel wagering. If a permit holder has failed to complete construction of at least 50 percent of the facilities necessary to conduct pari-mutuel wagering within 12 months after approval by the voters of the permit, the Division shall revoke the permit after giving adequate notice to the permit holder.<sup>81</sup> The Division may grant one extension of 12 months upon a showing of good cause by the permit holder.

If a permit holder fails to pay tax on handle for live thoroughbred horse performances for a full schedule of live races for two consecutive years, his or her permit is void and escheats back to the state, unless the failure of payment was due to events beyond the control of the permit holder.<sup>82</sup> Financial hardship to the permit holder does not, in and of itself, constitute just cause for the failure to pay taxes in this section. There is a similar requirement for harness racing permit holders in s. 550.9512(3)(a), F.S. In the case of failure to pay taxes, the permit escheats to the state and may be reissued.

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<sup>77</sup> s. 551.104, F.S.

<sup>78</sup> s. 550.002(33), F.S.

<sup>79</sup> s. 550.002(28), F.S.

<sup>80</sup> Florida Department of Business & Professional Regulation, Division of Pari-Mutuel Wagering, *Pari-Mutuel Permit Holders with 2015-2016 Operating Licenses*, available at <http://www.myfloridalicense.com/dbpr/pmw/documents/MAP-Permit Holders--WITH--2015-2016-OperatingLicenses.pdf>

<sup>81</sup> s. 550.054(10), F.S.

<sup>82</sup> s. 550.09515(3)(a), F.S.

### *Permit Relocation*

Certain permit holders may relocate the location listed in their permit to a new location within 30 miles. Greyhound and jai alai permit holders operating in counties where they are the only permit holder of that class may relocate under s. 550.0555, F.S. Greyhound permit holders that converted their permit from a jai alai permit under s. 550.054, F.S., may relocate under that statute. A greyhound permit holder in a county where it is the only permit holder who operates at a leased facility may also relocate under 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. In relocation under s. 550.054, F.S., the Division is required to grant the application for relocation once the permit holder fulfills the requirements of the statute. Approval by the Division is required for relocations under s. 550.0555, F.S.

### *Permit Conversion*

Certain permit holders may convert their permits, for instance, a permit for pari-mutuel wagering on jai alai may be converted to greyhound racing if the permit holder meets certain criteria.<sup>83</sup> In the past, quarter horse permits have been converted to limited thoroughbred permits,<sup>84</sup> jai alai to greyhound racing,<sup>85</sup> etc.

Permit holders may also convert to conduct summer jai alai, in certain circumstances.<sup>86</sup> This provision, enacted in 1980, has been subject to competing interpretations.<sup>87</sup> The bill enacting the provision included in a whereas clause a finding that "it would be to the best interests of the state to permit summer jai alai so long as there is no increase in the number of permittees authorized to operate within any specified county." The provision provides:

If a permit holder that is eligible under this section to convert a permit chooses not to convert, a new permit is made available in that permit holder's county to conduct summer jai alai games as provided by this section, notwithstanding mileage and permit ratification requirements. If a permit holder converts a quarter horse racing permit pursuant to this section, this section does not prohibit the permit holder from obtaining another quarter horse racing permit.

If the provision is interpreted to provide for the issuance of a new permit, it could be used to issue new permits as often as every two years.

### *Intertrack Wagering*

Wagering on races hosted at remote tracks is called intertrack (when both tracks are in Florida) or simulcast (when one track is out of state) wagering. In-state 'host tracks' conduct live or receive broadcasts of simulcast races that are then broadcast to 'guest tracks,' which accept wagers on behalf of the host. To conduct intertrack or simulcast wagering, permit holders must conduct a full schedule of live racing and meet other requirements.<sup>88</sup>

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<sup>83</sup> s. 550.054(14), F.S., ruled an unconstitutional act by *Debary Real Estate Holdings, LLC v. State, Dept. of Business and Professional Regulation, Div. of Pari-Mutuel Wagering*, 112 So.3d 157, 168 (Fla. 1st DCA 2013).

<sup>84</sup> See s. 550.3345, F.S.

<sup>85</sup> ch. 89-219, Laws of Fla.

<sup>86</sup> s. 550.0745, F.S.

<sup>87</sup> Following rulings from the First and Third District Courts of Appeal, DBPR issued a new summer jai alai permit to the South Florida Racing Association in Miami-Dade county. *South Florida Racing Association, LLC v. Department of Business & Professional Regulation, Division of Pari-mutuel Wagering, Consent Order, Case No. 2014-042577* (July 31, 2015).

<sup>88</sup> See s. 550.615, F.S.

A limited amount of intertrack wagering is also authorized by statute for one permanent thoroughbred sales facility.<sup>89</sup> In order to qualify for a license, the facility must have at least 15 days of thoroughbred horse sales at a permanent sales facility in this state for at least three consecutive years. Additionally, the facility must have conducted at least 1 day of nonwagering thoroughbred racing in this state, with a purse structure of at least \$250,000 per year for 2 consecutive years before application for a license.

A limited intertrack wagering licensee is limited to conducting intertrack wagering during:

- The 21 days in connection with thoroughbred sales;
- Between November 1 and May 8;
- Between May 9 and October 31, if:
  - No permitholder within the county is conducting live events.
  - Permitholders operating live events within the county consent.
  - For the weekend of the Kentucky Derby, the Preakness, the Belmont, and a Breeders' Cup Meet.

The licensee is further limited to intertrack wagering on thoroughbred racing, unless all permitholders in the same county consent. The licensee must pay 2.5 percent of total wagers on jai alai or greyhound racing to thoroughbred permitholders operating live races for purses.

#### *Live Racing Requirements*

To be eligible for a cardroom license, permitholders must conduct at least 90% of the performances conducted the year they applied for the initial cardroom license or the prior year, if the permitholder ran a full schedule of live performances.<sup>90</sup> To conduct intertrack or simulcast wagering, permitholders must conduct a full schedule of live racing as defined in ch. 550 and meet other requirements.<sup>91</sup> To continue to offer slot machines, permitholders must conduct a full schedule of live racing as defined in ch. 550.<sup>92</sup>

### **Effect of the Bill: Pari-Mutuel Wagering**

#### **Licensed Pari-mutuel Wagering in Florida**

The bill amends s. 550.0251, F.S., providing that the Division shall make an annual report to the President of the Senate, and the Speaker of the House of Representatives, in addition to current law that requires an annual report to the Governor.

The report shall include, at a minimum:

- Recent events in the gaming industry, including pending litigation, pending facility license applications, and new and pending rules.
- Actions of DBPR relative to the implementation and administration of ch. 550, F.S.
- The state revenues and expenses associated with each form of authorized gaming. Revenues and expenses associated with pari-mutuel wagering shall be further delineated by the class of license.
- The performance of each pari-mutuel wagering licensee, cardroom licensee, and slot licensee.
- A summary of disciplinary actions taken by DBPR.
- A summary of each permitholder's licensing history.
- Any suggestions to more effectively achieve the purposes of ch. 550, F.S.

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<sup>89</sup> s. 550.6308, F.S.

<sup>90</sup> s. 849.086(5)(b), F.S.

<sup>91</sup> See s. 550.615, F.S.

<sup>92</sup> s. 551.104(1)(c), F.S.

### *Permit Applications*

The bill provides that, effective upon becoming law, the Division may not approve or issue any new permit authorizing pari-mutuel wagering.

### *Permit Revocation*

The bill provides additional basis for the Division to revoke a permit:

- If a permitholder has failed to obtain an operating license to conduct live events for a period of more than 24 consecutive months.
- If a permitholder has failed to conduct live performances within the 24 months prior to the effective date of the bill, unless the permit was issued under s. 551.1041, F.S., or if the permit was issued on or after July 1, 2015.
- If a permitholder fails to pay taxes and fees pursuant to s. 551.0951, chapter 551, or s. 849.086 for more than 24 consecutive months. This extends the existing requirement relative to thoroughbred and harness racing permits to all pari-mutuel wagering permits.

The bill specifies that permits revoked under these situations are void and may not be reissued.

The bill provides that approval may be obtained upon a request to place a permit in inactive status for up to 24 months. While in inactive status, the permitholder is ineligible for licensure for pari-mutuel wagering, cardrooms or slot machines.

### *Permit Relocation*

The bill repeals all relocation provisions, with the exception of the provisions related to relocation for certain greyhound facilities. The bill additionally allows any greyhound permitholder which previously converted from a jai alai permit to relocate within 30 miles, as long as the new facility is in the same county, the department approves the move, the new facility is at least 10 miles from any other pari-mutuel, and, if there are 3 or more pari-mutuel facilities in the county, at least 10 miles from the mean high tide line of the Atlantic Ocean.

### *Permit Conversion*

The bill repeals all conversion provisions.

### *Intertrack Wagering*

The bill reduces requirements for intertrack wagering:

- Any track or fronton licensed under ch. 550, F.S., and any permitholder that does not perform a full schedule of live races, may receive broadcasts of any class of pari-mutuel race or game and accept wagers on such races or games.
- However, some permitholders may still need to obtain written consent if the same class of live race or game is conducted within the market area of the permitholder to accept intertrack wagers.

### *Limited Intertrack Wagering*

The bill also reduces the requirements to obtain a limited intertrack wagering license:

- The number of days for public sales of thoroughbred horses is reduced from 15 to 8.
- The requirement to conduct at least one day of nonwagering racing is removed.
- Some restrictions on the conduct of intertrack wagering are removed.

- The requirement to obtain consent of other county permitholders to accept intertrack wagers on non-thoroughbred events is removed.
- The restrictions on when intertrack wagering can be offered are removed, and the same restrictions that apply to other pari-mutuel permitholders will now apply.

#### *Live Racing Requirements*

The bill removes the live racing requirement for all harness, quarterhorse, and greyhound racing permitholders who meet minimum requirements, and for thoroughbred racing permitholders located in a county who have had an operating license for 25 years and a slot license for 5 years, and for jai alai permitholders who have had an operating license for at least 5 years and who are not authorized to operate a cardroom. The bill amends ch. 550, F.S., to provide conforming changes throughout the chapter to allow certain permitholders the ability to operate pari-mutuel wagering, cardrooms, and slots without live racing and provides the option for permitholders to choose whether to continue to conduct live performances or to conduct no live performance.

#### *Thoroughbred Purse Pool*

The bill creates a thoroughbred racing purse pool to be allocated to certain thoroughbred permitholders. The bill amends s. 285.710, F.S., and provides that, in addition to the three percent distributed to local governments, including counties and municipalities affected by the Seminole Tribe's operation of covered games, \$10 million of the amount paid by the Tribe to the state shall be designated as a thoroughbred purse pool. The purse pool shall be distributed equally to any thoroughbred permitholder that:

- Has conducted a full schedule of live races for 15 consecutive years preceding the 2015-2016 fiscal year;
- Has never held a slot machine license; and
- Is located in a county in which class III gaming is conducted on Indian lands.

The permitholder that receives the allocation from the purse pool must use it for thoroughbred racing purses and the operations of the permitholder's thoroughbred racing facility, with at least 75% of the funds being used for purses.

The bill creates a new section, 550.1172, which provides for a new thoroughbred purse pool to be funded by 4% of operating revenues from card rooms operated by pari-mutuel permitholders that have decoupled. The funds from this program are distributed to thoroughbred racing permitholders running live performances on a pro rata basis, based on the permitholder's share of total live thoroughbred race days during the state fiscal year.

#### *Multijurisdictional simulcast and interactive wagering totalisator hubs*

The bill creates s. 550.6347, relating to multijurisdictional simulcast and interactive wagering totalisator hubs. The bill defines a "multijurisdictional simulcast and interactive wagering totalisator hub" or "hub" as a business that, through a qualified subscriber-based service, conducts pari-mutuel wagering on the races that it simulcasts and other races that it carries in its wagering menu. It defines a "qualified subscriber-based service" as any information service or system that uses:

- A device or combination of devices authorized and operated for placing, receiving, or otherwise making a wager, and to which a person must subscribe in order to be able to place, receive, or otherwise make a bet or wager;
- An effective customer verification and age verification system; and
- Appropriate security standards to prevent unauthorized access by any person who has not subscribed or who is a minor.

The bill requires that each hub, officer of a hub, and employee of a hub, if such employee is located in this state, acquire an occupational license pursuant to s. 550.105(2)(a).

Each hub is required to pay a daily license fee of \$100 per day of operations. It must also pay a tax in an amount equal to 0.5% of the total wagers recorded on pari-mutuel events in this state.

The bill states that, except as otherwise provided, wagers placed through hubs are subject to s. 849.01, relating to the keeping of gambling houses. It also states that wagers may only be made through a hub by somebody in the enclosure of a licensed pari-mutuel facility, or by using a device owned or leased for at least 12 months by the person making the wager.

#### *Other Changes to Pari-mutuel Wagering*

The bill:

- Removes all tax credits for greyhound permitholders and revises the tax on handle for live greyhound racing and intertrack wagering from 5.5% to 1.28%;
- Repeals s. 550.1647, F.S., relating to tax credits for unclaimed tickets at greyhound facilities;
- Revises the requirements for a greyhound permitholder to provide a greyhound adoption booth at its facility, defines the term "bona fide organization that promotes or encourages the adoption of greyhounds," and requires sterilization of greyhounds before adoption;
- Creates s. 550.2416, F.S., requiring injuries to racing greyhounds be reported on a form adopted by the Division within a certain timeframe and specifying information that must be included in the form. It requires the Division to maintain the forms as public records for a specified time and specifies disciplinary action that may be taken against a licensee of DBPR who fails to report an injury or who makes false statements on an injury form. The Division may also fine, suspend, or revoke the license of any individual who knowingly violates any part of the section. It allows DBPR to adopt a rule defining "injury."
- Requires greyhound permitholders to offer certain simulcast signals if offering intertrack wagering and requires a greyhound permitholder to conduct intertrack wagering on thoroughbred signals to operate a cardroom.
- Allows a limited thoroughbred racing permitholder to apply to run live races under certain circumstances.

#### **Current Situation: Slot Machines**

##### **Slot Machines in Florida**

Racinos, pari-mutuel facilities that operate slot machine gaming, are governed by ch. 551, F.S. Eligible facilities are defined to include:

- Any licensed pari-mutuel facility located in Miami-Dade County or Broward County existing at the time of adoption of s. 23, Art. X of the State Constitution that has conducted live racing or games during calendar years 2002 and 2003 and has been approved by a majority of voters in a countywide referendum to have slot machines at such facility in the respective county;
- Any licensed pari-mutuel facility located within a county as defined in s. 125.011, F.S., provided such facility has conducted live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required license fee, and meets the other requirements of this chapter; or
- Any licensed pari-mutuel facility in any other county in which a majority of voters have approved slot machines at such facilities in a countywide referendum held pursuant to a statutory or constitutional authorization after the effective date of this section in the respective county, provided such facility has conducted a full schedule of live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required license fee, and meets the other requirements of this chapter.

Seven pari-mutuel facilities obtained eligibility through constitutional approval - the first clause. An additional pari-mutuel facility, Hialeah Park, was ineligible as it had not operated live racing or games during 2002 and 2003. It obtained eligibility through the second clause.

No facilities have obtained eligibility through the third clause; however, it has been subject to competing interpretations. Stakeholders and counties have argued that the phrase "after the effective date of this section" applies to "a countywide referendum held" - so any county could authorize slot machines relying on their general authority to hold referenda. Based on this interpretation, Brevard, Gadsden, Lee, Palm Beach, Hamilton and Washington counties, have approved slot machines at pari-mutuel facilities by referendum, but have not received a slot machine license.

The Attorney General rejected this interpretation, arguing that the phrase "after the effective date of this section" modified the phrase "a statutory or constitutional authorization"<sup>93</sup> - so, counties could not rely on their general authority to hold referenda, instead needing a specific authorization to hold a referendum on the question of slot machines, which the Division followed.<sup>94</sup> Permitholders have disputed this interpretation and, after appealing one case to the 1<sup>st</sup> District Court of Appeal, cases are currently pending in the Florida Supreme Court and the 4<sup>th</sup> District Court of Appeal on the issue.<sup>95</sup> Were such gaming to occur, all revenue sharing would end under the 2010 Compact (if outside Miami-Dade or Broward Counties) and the 2015 Compact (if outside of Miami-Dade, Broward, or Palm Beach Counties). The 2010 Compact was ratified in the same law that effectuated the third clause.

Slot machine licensees are required to pay a license fee of \$2 million per fiscal year. In addition to the license fees, the tax rate on slot machine revenues at each facility is 35 percent. If, during any state fiscal year, the aggregate amount of tax paid to the state by all slot machine licensees in Broward and Miami-Dade counties is less than the aggregate amount of tax paid to the state by all slot machine licensees in the 2008-2009 fiscal year, each slot machine licensee must pay to the state, within 45 days after the end of the state fiscal year, a surcharge equal to its pro rata share of an amount equal to the difference between the aggregate amount of tax paid to the state by all slot machine licensees in the 2008-2009 fiscal year and the amount of tax paid during the fiscal year that resulted in the revenue shortfall.

To continue to offer slot machines, permitholders must conduct a full schedule of live racing.<sup>96</sup> Additionally, thoroughbred permitholders must file an agreement between the track and the Florida Horsemen's Benevolent and Protective Association governing payment of purses on live thoroughbred races at the licensee's facility with the Division, as well as an agreement with the Florida Thoroughbred Breeders' Association on the payment of breeders', stallion, and special racing awards on those races.<sup>97</sup> Similarly, quarter horse permitholders must file an agreement with the Division between the track and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the licensee's facility governing the payment of purses on live quarter horse races at the licensee's facility.<sup>98</sup>

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<sup>93</sup> 2012-01 Fla. Op. Att'y Gen. (2012).

<sup>94</sup> Mary Ellen Klas, *Attorney General Opinion Puts Reins on Slots at Gretna Barrel Racing Track*, Miami Herald (Jan. 12, 2012), <http://www.miamiherald.typepad.com/nakedpolitics/2012/01/attorney-general-opinion-puts-reins-on-gretna-barrel-racing-.html>.

<sup>95</sup> The first district court of appeal certified a question to the Florida Supreme Court and the Florida Supreme Court has accepted jurisdiction. *See Gretna Racing, LLC v. Dep't of Bus. & Prof'l Regulation*, 178 So. 3d 15 (Fla. Dist. Ct. App. 2015) *review granted sub nom. Gretna Racing, LLC v. Florida Dep't of Bus. & Prof'l Regulation*, No. SC15-1929, 2015 WL 8212827 (Fla. Dec. 1, 2015).

<sup>96</sup> s. 551.104(1)(c), F.S.

<sup>97</sup> s. 551.104(10)(a)1, F.S.

<sup>98</sup> s. 551.104(10)(a)2, F.S.



## **Effect of the Bill: Slot Machines**

The bill amends the definition of “eligible facility” to state that any licensed pari-mutuel facility may apply for and receive a license to operate slot machines if a majority of voters approve slot machines in a countywide referendum in the county where the facility is located before January 1, 2017, and if it meets other requirements of the law. Countywide referendums held prior to the effective date of the bill satisfy this requirement. A facility is not eligible for a license to operate slot machines if it is within 100 miles of the Hard Rock Hotel and Casino in Tampa.

Any facility which receives a license to operate slot machines pursuant to this change is limited to no more than 1,000 slot machines, effective January 1, 2017. Effective October 1, 2018, this limit is increased to 1,500. Additionally, the bill limits to 16,000 the cumulative total of slot machines at pari-mutuels in the state. If the total exceeds this number, each facility offering slot machines must reduce the number of machines based on its pro rata share of the total number of slot machines offered by pari-mutuels in the state.

The Division may not issue a license if such an issuance would trigger a reduction in revenue-sharing payments under the 2015 Compact.

The bill requires that the total tax revenue paid on slot machine operations by permit holders who receive their slot machine license subsequent to a countywide referendum held after January 1, 2012, exceed \$34.75 million in fiscal year 2018-2019, \$69.5 million in fiscal year 2019-2020, and \$121.4 million in fiscal year 2020-2021 and each fiscal year thereafter. If the actual taxes received by the state from such licensees is less than the required minimum, each such licensee must pay to the state an amount equal to its pro rata share of the difference between the required minimum tax payments and the actual aggregate tax payments from all such licensees.

### *New Slot Machine License in Miami-Dade County*

The bill allows issuance of an additional slot machine license in a county as defined in s. 125.011, F.S., for the purpose of enhancing live pari-mutuel activity. Any pari-mutuel permit holder in that county that is not a slot machine licensee may apply for the license within 120 days after the effective date of the bill, upon payment of a \$2 million nonrefundable application fee. If there is more than one applicant, the license will be awarded by the division to the applicant that receives the highest score based on specified criteria. The bill does not specify the relative value or points that are attributable to the selection criteria.

The division must complete its evaluations at least 120 days after the submission of applications and notice its intent to award the license within that time. The time frames in the Administrative Procedure Act do not apply. Any protest of the intent to award the license will be heard by the Division of Administrative Hearings, and any appeal of a license denial must be made to the First District Court of Appeal. The division is authorized to adopt emergency rules, based on a legislative finding that such emergency rulemaking power is necessary for the preservation of the rights and welfare of the people in order to provide additional funds to benefit the public. The division is exempted from existing law requiring publication in writing at the time of, or prior to, its action, the specific facts and reasons for finding an immediate danger to the public health, safety, or welfare, and its reasons for concluding that the procedure used is fair under the circumstances. The emergency rules may be effective for longer than 90 days and may be renewed. The bill provides the emergency rules will remain in effect until replaced by other emergency rules or by rules adopted pursuant to the Administrative Procedure Act.

### *Additional Changes to Slot Machines*

The bill also:

- Extends the hours of operation for all slot machine licensees from 18 to 24 hours 7 days a week.

- Lowers the tax rate on slot machine revenues from 35 percent to 30 percent effective January 1, 2017, with the option for a facility to acquire a tax rate of 25 percent, effective July 1, 2017, if the facility voluntarily elects to permanently reduce its authorized total number of slot machines to 1,700 machines or less. The tax rate on facilities licensed to offer slot machines after the effective date of the bill is 30%, and decreases to 25% effective July 1, 2017.
- Reduces the maximum number of slot machines that a facility may make available for play from 2,000 machines to 1,850 machines.
- Removes a prohibition against offering complimentary or reduced cost alcoholic beverages to persons playing slot machines and a prohibition against allowing an automated teller machine in the gaming area of a facility of a slot machine licensee.

#### *Video Race Terminals*

The proposed committee substitute does not authorize any facility in the state to offer video race terminals.

#### *Blackjack at Pari-Mutuel Facilities*

The bill authorizes certain pari-mutuel facilities in Miami-Dade and Broward Counties to offer house banked blackjack. Each such facility may have up to 25 tables of blackjack, and the maximum bet that may be placed is \$25. The tax rate is 10% of gross revenues.

### **Current Situation: Cardrooms**

#### **Cardrooms in Florida**

Cardrooms were authorized at pari-mutuel facilities in 1996.<sup>99</sup> Cardrooms can only be offered at a location where the permitholder is authorized to conduct pari-mutuel activities. To be eligible for a cardroom license, permitholders must conduct at least 90% of the performances conducted the year they applied for the initial cardroom license or the prior year, if the permitholder ran a full schedule of live performances.<sup>100</sup>

The cardrooms may operate 18 hours per day on Monday through Friday and for 24 hours per day on Saturday and Sunday. No-limit poker games are permitted. Such games are played in a non-banking matter, i.e., the house has no stake in the outcome of the game. Cardrooms must be approved by an ordinance of the county commission where the pari-mutuel facility is located. Each cardroom operator must pay a tax of 10 percent of the cardroom operation's monthly gross receipts.

#### *Designated Player Games*

Designated player games card games (also known as player-banked games) are card games where a designated player occupies the position of the dealer in a game. Other players compete against the designated player individually to determine the game's winner, and the designated player collects or pays out winnings from their own bank.

Several pari-mutuel facilities that also operate cardrooms in the state are currently operating designated player games. A pari-mutuel facility that operates a cardroom may only offer authorized games within the cardroom. An "authorized game" is defined as "a game or series of games of poker or dominos which are played in a nonbanking manner."<sup>101</sup> The licensed cardrooms are prohibited from offering "banked" card games in which players bet against the house.

<sup>99</sup> s. 20, Ch. 96-364, Laws of Fla.

<sup>100</sup> s. 849.086(5)(b), F.S.

<sup>101</sup> s. 849.086, F.S.

Under the Division's rule 61D-11.002, cardroom operators are required to determine house rules for the operation of designated player games.<sup>102</sup> The house rules must establish uniform requirements to be a designated player, ensure that the opportunity to be the dealer rotates around the table, and not require the designated player to cover all wagers.<sup>103</sup> From the play of designated player games, the pari-mutuel facilities have seen revenues at some facilities increase by up to 20 percent.<sup>104</sup>

In October 2015, the Division proposed rules to ban designated player games and delete the requirements for operation of designated player games.<sup>105</sup> After a rule challenge to the proposed rule, the Division revised its proposed rules to remove the prohibition against designated player games, but the proposed rule still deletes the cardroom requirements for designated player games.<sup>106</sup> In January 2016, the Division issued administrative complaints against seven pari-mutuel facilities, stating that the facilities are "operating a banking game or a game not specifically authorized" by state law.<sup>107</sup> The results of the complaints are pending.

### *The Seminole Compacts and Designated Player Games*

The 2010 Compact specifically limits the type of banking games that may be authorized or offered in Florida without violating the exclusivity provisions of the Compact; however, it is unclear if a designated player game would violate these provisions and the 2010 Compact does not specifically address designated player games.

The 2015 Compact provides that games are banked if banked by either the house or player; however, "designated player games" as defined by the 2015 Compact do not violate the exclusivity provisions, so long as the designated player game is operated under certain conditions.

Under the 2015 Compact a "designated player" is "the player identified by a button as the player in the dealer position, seated at any traditional player position in a Designated Player Game, who is not required to cover all wagers."

Under the 2015 Compact, the term "designated player game" means "games consisting of at least three (3) cards in which players compare their cards only to those cards of the player in the dealer position, who also pays winners and collects from losers. The ranking of poker hands in such game(s) shall be consistent with the definition of traditional poker hand rankings provided in Hoyle's Modern Encyclopedia of Card Games, 1974 Ed."

The conditions under which designated player games are authorized include:<sup>108</sup>

- The maximum wager in any game may not exceed \$25.
- The designated player must occupy a playing position at the table
- The designated player position must be offered after each hand, in a clockwise rotation, to each player.
- A player that participates as a designated player for 30 consecutive hands must play as a non-designated player for at least 2 hands before resuming play as the designated player.

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<sup>102</sup> Rule 61D-11.002, F.A.C.

<sup>103</sup> *Id.*

<sup>104</sup> Kam, Dara, *Gambling operators outraged over card games*, Sun Sentinel, available at <http://www.sun-sentinel.com/business/consumer/fl-nsf-gambling-card-games-illegal-20151203-story.html>, (last visited Feb. 4, 2016).

<sup>105</sup> Proposed Rule 61D-11.002, F.A.C. (Published in F.A.R. Oct. 19, 2015).

<sup>106</sup> Proposed Rule 61D-11.002, F.A.C. (Notice of Change. Jan. 15, 2016).

<sup>107</sup> Kam, Dara, *State targets pari-mutuels over card games*, Tampa Bay Business Journal, available at

<http://www.bizjournals.com/tampabay/news/2016/01/27/state-targets-pari-mutuels-over-card-games.html> (last visited Feb. 4, 2016) and Administrative Complaints filed by the Division (Jan. 25, 2016)(on file with the Regulatory Affairs Committee).

<sup>108</sup> *Id.*

- A designated player may not be required to cover more than 10 times the minimum posted bet for players seated during any one game.
- Licensed pari-mutuel facilities that offer slot machines may not offer designated player games.
- Designated player game tables offered at a licensed pari-mutuel cardroom facility may not exceed 25 percent of the total poker tables authorized at the cardroom.

### **Effect of the Bill: Cardrooms**

#### **Cardrooms in Florida**

The bill extends the hours of operation for all cardrooms from 18 to 24 hours 7 days a week, and removes restrictions on serving free alcoholic beverages and food at such facilities.

#### *Designated Player Poker Games*

The bill defines designated player poker games and restricts which cardroom operators and licensed pari-mutuel facilities may offer designated player poker games. The bill requires cardroom operators that offer designated player poker games to run game play according to requirements in the 2015 Compact and the Division rules.

The bill authorizes the Division to approve designated player games at cardrooms only if the games would not trigger a reduction in revenue-sharing payments under the Compact.

The bill defines a "designated player" as a "player identified as the player in the dealer position, seated at a traditional player position in a designated player poker game, who pays winning players and collects from losing players, but is not required to cover all wagers."

The bill defines a "designated player poker game" as a "game consisting of at least three cards in which the players compare their cards only to the cards of the designated player, and in which the hands are ranked consistent with the definition of traditional poker rankings provided in the 1974 edition of Hoyle's Modern Encyclopedia of Card Games."

The bill permits the Division to authorize cardroom operators to offer designated player poker games. The bill provides that designated player poker games offered by a cardroom operator may not make up more than 50 percent of the total authorized game tables.

The bill provides requirements for the operation of designated player games. The bill requires the designated player to occupy a playing position at the table and prohibits the cardroom from requiring a designated player to cover all wagers.

The bill prohibits a cardroom operator from serving as a designated player and from having a financial interest in a designated player.

### **Effect of the Bill: Other Provisions**

The bill appropriates \$150,000 from the Pari-Mutuel Wagering Trust Fund to the Division of Pari-mutuel Wagering in the Department of Business and Professional Regulation in the 2016-2017 fiscal year to implement the state oversight provisions of the bill.

The bill provides that all provisions of the bill are severable.

The bill provides that other than the amendments to s. 285.710(1) and 285.710(3), the amendments made by the bill are contingent upon the December 7, 2015, Gaming Compact being renegotiated, ratified, and approved by the U.S. Secretary of the Interior. If this does not happen, none of the provisions of the bill shall become law.

The effective date of the bill is the later of July 1, 2016, or upon the approval of the December 7, 2015, Gaming Compact by the U.S. Secretary of the Interior.

**B. SECTION DIRECTORY:**

**Section 1** amends s. 285.710, F.S., ratifying and approving the Gaming Compact between the Seminole Tribe of Florida and the State of Florida under certain conditions; superseding a prior compact; directing the Governor to cooperate with the Tribe in seeking approval of the compact from the United States Secretary of the Interior; expanding the games authorized to be conducted and the counties in which such games may be offered; providing for a portion of the amount paid by the Tribe to the state to be designated as the thoroughbred purse pool share.

**Section 2** amends s. 285.710, F.S., correcting a citation.

**Section 3** creates s. 546.11, F.S., providing a short title.

**Section 4** creates s. 546.12, F.S., providing legislative findings related to fantasy contests.

**Section 5** creates s. 546.13, F.S., providing definitions.

**Section 6** creates s. 546.14, F.S., requiring licensure for contest operators, requiring payment of application and renewal fees, providing the requirements for the contents of applications for licensure, providing that certain applicants are not eligible for licensure, requiring proof of a surety bond, and permitting the Division of Regulation within the Department of Business and Professional Regulation.

**Section 7** creates 546.15, F.S., requiring contest operators to adopt a number of consumer protection practices, requiring the division to contract with a third party to provide services related to the prevention of compulsive and addictive play, and granting rulemaking authority to the division.

**Section 8** creates s. 546.16, F.S., providing the division with authority to enforce the provisions of the act relating to fantasy contests.

**Section 9** creates s. 546.17, F.S., requiring contest operators to keep records, make them available for inspection by the division, and submit a quarterly report to the division.

**Section 10** creates s. 546.18, F.S., providing civil penalties for violation of the provisions of this act or any rule promulgated pursuant thereto.

**Section 11** creates s. 546.19, F.S., providing that contest operators licensed pursuant to the act and noncommercial contest operators are not subject to certain provisions regulating gambling.

**Section 12** provides contest operators who apply for and are granted a license within a certain time period are exempt from penalties for offering fantasy contests before receiving a license.

**Section 13** amends s. 550.002, F.S., amending and creating definitions.

**Section 14** amends s. 550.01215, F.S., revising provisions for applications for pari-mutuel operating licenses.

**Section 15** amends s. 550.0251, F.S.; requiring the Division to annually report to the Governor and the Legislature; specifying requirements for the content of the report.

**Section 16** amends s. 550.054, F.S., requiring the Division to revoke a pari-mutuel wagering operating permit under certain circumstances; prohibiting issuance or approval of new pari-mutuel permits after a specified date; providing exceptions; authorizing a permitholder to apply to the Division to place a

permit in inactive status; revising provisions that prohibit transfer or assignment of a pari-mutuel permit; prohibiting transfer or assignment of a pari-mutuel permit or license under certain conditions; prohibiting relocation of a pari-mutuel facility, cardroom, or slot machine facility or conversion of pari-mutuel permits to a different class; providing for an exception; deleting provisions for certain converted permits.

**Section 17** amends s. 550.0555, F.S., revising conditions under which certain pari-mutuel permitholders may relocate.

**Section 18** repeals s. 550.0745, F.S., relating to the conversion of pari-mutuel permits to summer jai alai permits.

**Section 19** amends s. 550.0951, F.S., deleting provisions for specified tax credits for a greyhound racing permitholder; revising the tax on handle for live greyhound racing and intertrack wagering if the host track is a greyhound track.

**Section 20** amends s. 550.09512, F.S., providing for the revocation of certain harness horse racing permits; specifying that a revoked permit may not be reissued.

**Section 21** amends s. 550.09514, F.S., deleting certain provisions that prohibit tax on handle until a specified amount of tax savings have resulted; revising purse requirements of a greyhound racing permitholder that conducts live racing.

**Section 22** amends s. 550.09515, F.S., providing for the revocation of certain thoroughbred racing permits; specifying that a revoked permit may not be reissued; removing an obsolete provision.

**Section 23** amends s. 550.105, F.S., requiring certain employees of multijurisdictional simulcast and interactive wagering totalisator hubs to obtain an occupations license.

**Section 24** amends s. 550.1625, F.S., deleting the requirement that a greyhound racing permitholder pay the breaks tax.

**Section 25** repeals s. 550.1647, F.S., relating to unclaimed tickets and breaks held by greyhound racing permitholders.

**Section 26** amends s. 550.1648, F.S., revising requirements for a greyhound racing permitholder to provide a greyhound adoption booth at its facility; requiring sterilization of greyhounds before adoption; authorizing the fee for such sterilization to be included in the cost of adoption; defining the term "bona fide organization that promotes or encourages the adoption of greyhounds."

**Section 27** creates s. 550.1752, F.S., providing for the creation of a purse pool for thoroughbred racing permitholders who conduct live performances, to be funded from a portion of cardroom revenues from certain permitholders.

**Section 28** creates s. 550.2416, F.S.; requiring injuries to racing greyhounds to be reported within a certain timeframe on a form adopted by the Division; requiring such form to be completed and signed under oath or affirmation by certain individuals; providing penalties; specifying information that must be included in the form; requiring the Division to maintain the forms as public records for a specified time; specifying disciplinary action that may be taken against a licensee of the DBPR who fails to report an injury or who makes false statements on an injury form; exempting injuries to certain animals from reporting requirements; requiring the Division to adopt rules;

**Section 29** amends s. 550.26165, F.S., conforming a cross-reference.

**Section 30** amends s. 550.334, F.S., revising a requirement for quarter horse racing permitholders to conduct intertrack wagering.

**Section 31** amends s. 550.3345, F.S., revising provisions for a permit previously converted from a quarter horse racing permit to a limited thoroughbred racing permit.

**Section 32** amends s. 550.3551, F.S., revising conditions for receiving and accept wagers on out-of-state broadcasts of races and games; deleting a requirement that a harness permitholder conduct a certain number of races; deleting a provision that limits the number of out-of-state races on which wagers are accepted by a greyhound racing permitholder.

**Section 33** amends s. 550.375, F.S., removing requirements related to a thoroughbred racing permitholder's application; conforming a cross-reference.

**Section 34** amends s. 550.615, F.S., revising provisions relating to intertrack wagering.

**Section 35** amends s. 550.6305, F.S., revising provisions requiring certain simulcast signals be made available to certain permitholders; providing for certain permitholders of a converted permit to accept wagers on certain rebroadcasts.

**Section 36** amends s. 550.6308, F.S.; revising the number of days of thoroughbred horse sales required to obtain a limited intertrack wagering license; removing restrictions on the times at which a limited intertrack wagering licensee may offer intertrack wagering revising provisions for such wagering.

**Section 37** creates s. 550.6347, F.S., providing definitions, regulations, and taxation for multijurisdictional simulcast and interactive wagering totalisator hubs.

**Section 38** amends s. 551.101, F.S., revising provisions that authorize slot machine gaming at certain facilities.

**Section 39** amends s. 551.102, F.S., revising the definition of the terms "eligible facility" and "slot machine licensee" for purposes of provisions relating to slot machines.

**Section 40** amends s. 551.104, F.S., revising provisions for approval of a license to conduct slot machine gaming; specifying that certain pari-mutuel permitholders are not required to conduct a full schedule of live racing to receive and maintain a license to conduct slot machine gaming.

**Section 41** creates s. 551.1041, F.S.; authorizing the Division to grant a slot machine license to a slot machine facility under certain circumstances; providing requirements for selection of the facility to receive such a license.

**Section 42** creates s. 551.1044, F.S., authorizing banked blackjack at certain facilities licensed to offer slot machines in Miami-Dade and Broward Counties and providing for taxation of revenues received from blackjack operations.

**Section 43** amends s. 551.106, F.S., revising the tax rate on slot machine revenues and providing a guaranteed minimum on tax revenues from new slot machines licensees.

**Section 44** amends s. 551.114, F.S., revising the maximum number of slot machines that may be available; limiting the number of slot machines available for play at certain facilities; revising requirements for designated slot machine gaming areas; requiring certain permitholders to locate their slot machine gaming area in certain locations.

**Section 45** amends s. 551.116, F.S., revising the times that a slot machine gaming area may be open.

**Section 46** amends s. 551.121, F.S., allowing complimentary or reduced-cost alcoholic beverages to be served to persons playing slot machines.

**Section 47** amends s. 849.086, F.S., revising definitions; defining the terms "designated player" and "designated player poker game"; exempting certain permitholders from a requirement that they conduct a minimum number of live races as a condition of cardroom licensure under certain conditions; revising times that a cardroom may operate; providing for the Division to authorize designated player poker games in certain cardrooms; providing requirements for such games; providing that such games may be authorized by the Division only if they would not trigger a reduction in certain payments; deleting provisions relating to a referendum election for the transfer of certain cardroom gaming licenses.

**Section 48** provides that Division shall revoke any permit to conduct pari-mutuel wagering if the permitholder has not conducted live events within the 24 month immediately preceding the effective date of this act, unless the permit was issued under s. 551.1041, F.S., or if the permit was issued after July 1, 2015. A permit revoked under this section may not be reissued.

**Section 49** provides severability.

**Section 50** provides an appropriation to the Department of Business and Professional Regulation to implement the provisions of this bill.

**Section 51** provides that, other than the sections directing that the compact is ratified under certain circumstances, all provisions of the bill are contingent upon the compact becoming effective.

**Section 52** provides a contingent effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

See *FISCAL COMMENTS*.

#### 2. Expenditures:

See *FISCAL COMMENTS*.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

See *FISCAL COMMENTS*.

#### 2. Expenditures:

See *FISCAL COMMENTS*.

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

To the extent that the bill reduces current requirements for pari-mutuel wagering licensees, such as reduced requirements for operation by certain permitholders, and limited intertrack wagering licensees, it may reduce private sector costs through increased flexibility.

### D. FISCAL COMMENTS:

The Revenue Estimating Conference (REC) has not evaluated this bill, but has evaluated some components of this bill found in similar legislation. The fiscal impacts below are a combination of REC and staff estimates.



The fiscal impacts of the bill are dependent on whether or not the gaming compact with the Seminole Tribe is ratified with modifications as required by the bill. If a modified compact is not ratified then the bill will have no revenue or expenditure impact compared to current baseline revenue estimates. If the modified compact is ratified then the estimated revenue impacts are as displayed in the table below.

	General Revenue		State Trust Funds		Local Govt.		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	102.0				3.2		105.2	-
2016-17	163.2	222.4	(12.0)	74.2	5.3	3.4	156.5	300.0
2017-18	178.8	222.4	(19.2)	74.2	4.5	3.4	164.1	300.0
2018-19	191.3	222.6	21.3	74.2	2.9	3.4	215.5	300.2
2019-20	211.5	222.7	31.7	74.2	3.1	3.4	246.3	300.3
2020-21	255.8	222.7	32.0	74.2	4.5	3.4	292.2	300.3

In addition to the estimated impacts shown in the table, the provisions relating to authorization and regulation of fantasy sports contests and advance deposit wagering will result in new state expenditure requirements, but are also expected to generate additional revenues. The magnitude of both the expenditure and revenue impacts is unknown at present.

The bill appropriates \$150,000 from the Pari-Mutuel Wagering Trust Fund to the Division of Pari-mutuel Wagering in the Department of Business and Professional Regulation in the 2016-2017 fiscal year to implement the state oversight provisions of the bill.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

##### 1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

##### 2. Other:

#### **Retroactive Legislation**

The bill directs the Division to revoke permits that have not been used for the conduct of pari-mutuel wagering on horseracing, jai alai and greyhound racing, as defined by the bill, during the 24 months preceding the effective date of this bill.

Such permitholders may claim that the retroactive application of this provision violates the Contract Clause of art. I, s. 10, U.S. Constitution, which prohibits states from passing laws which impair contract rights. However, the U.S. Supreme Court has found that "a lottery grant is not in any sense a contract, within the meaning of the constitution of the United States, but is simply a gratuity and license, which the state, under its police powers, and for the protection of the public morals, may at any time revoke, and forbid the further conduct of the lottery."

#### **Compensation Claims**

The bill directs the Division to revoke permits under specific situations. One of the provisions provides for the revocation of permits issued before January 1, 2012, that have not been used for the conduct of pari-mutuel wagering. Such permitholders may claim that such revocation constitutes a taking warranting compensation.

The Fifth Amendment of the U.S. Constitution provides that private property shall not be taken for public use without just compensation. "To have a property interest in a benefit, a person clearly

must have more than an abstract need or desire for it. He must have more than a unilateral expectation of it. He must, instead, have a legitimate claim of entitlement to it."<sup>109</sup> Thus, Florida courts have found no unconstitutional taking in the retroactive application of statutes requiring revocation of certain occupational licenses and licenses to carry concealed firearms if the licensee was a convicted felon because such licensure is a privilege, not a vested right.<sup>110</sup>

As to pari-mutuel wagering, "Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right."<sup>111</sup> Likewise, the Florida Supreme Court has found that "[a]uthorized gambling is a matter over which the state may exercise greater control and exercise its police power in a more arbitrary manner ... ." <sup>112</sup> Thus, the Florida Supreme Court found that, unlike permits to construct a building, "[i]t is doubtful if we can agree with counsel in concluding that a racing permit is a vested interest or right and after once granted cannot be changed."<sup>113</sup>

Furthermore, compensation may not be warranted if the Legislature is deemed to have exercised its police powers, rather than powers of eminent domain.<sup>114</sup> "[T]he Government as condemnor may not be required to compensate a condemnee for elements of value that the Government has created, or that it might have destroyed under the exercise of governmental authority other than the power of eminent domain."<sup>115</sup> Thus, the loss of licenses to sell alcoholic beverages, for example, is not compensable.<sup>116</sup>

Similar arguments have been made in states where pari-mutuel wagering has been prohibited after being licensed for many years. When Massachusetts banned greyhound racing by constitutional amendment in 2008, a licensed and operating dog track challenged the ban as a taking. The Supreme Judicial Court of Massachusetts rejected the argument, finding "[T]he plaintiffs here have no compensable property interest in their racing licenses."<sup>117</sup>

If revoked permits are found to be a taking warranting compensation, just compensation equals the fair market value of the permit at the time of revocation. The fair market value of non-operating permits is uncertain. Such permits are a prerequisite to licensure for pari-mutuel wagering and, by themselves, do not appear to vest the holder with any rights. There are no application fees to receive a permit for pari-mutuel wagering and no fees to retain such a permit. Permits may not be transferred without state approval. While a pari-mutuel wagering permit is one pre-requisite to licensure to conduct cardrooms and slot machines, it is not the only pre-requisite. Not all permitholders may be able to obtain a license to conduct pari-mutuel wagering events, which would require adequate zoning and facilities.

#### B. RULE-MAKING AUTHORITY:

The bill provides DBPR rulemaking authority to adopt rules to enforce various provisions of the act.

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

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<sup>109</sup> *Board of Regents of State Colleges v. Roth*, 408 U.S. 564, 577 (1972).

<sup>110</sup> *See, e.g., Crane v. Department of State, Div. of Licensing*, 547 So.2d 266, 267 (Fla. 3rd DCA 1989), citing *Mayo v. Market Fruit Co. of Sanford*, 40 So.2d 555, 559 (Fla. 1949).

<sup>111</sup> *Solimena v. State, Dept. of Business Regulation, Division of Pari-Mutuel Wagering*, 402 So.2d 1240 (Fla. 3rd DCA 1981).

<sup>112</sup> *Hialeah Race Course v. Gulfstream Park Racing Ass'n*, 37 So.2d 692, 694 (Fla. 1948).

<sup>113</sup> *State ex rel. Biscayne Kennel Club v. Stein*, 130 Fla. 517, 520 (Fla. 1938).

<sup>114</sup> *City of Miami Springs v. J.J.T.*, 437 So.2d 200 (Fla. 3rd DCA 1983)("even the complete prohibition of a previously lawful and existing business does not constitute a taking where the owner is not deprived of all reasonable use of his property, as long as the prohibition promotes the health, safety and welfare of the community and is thus a valid exercise of the police power.").

<sup>115</sup> *U. S. v. Fuller*, 409 U.S. 488, 491-492, 93 S.Ct. 801, 804 (U.S. Ariz.1973).

<sup>116</sup> *See, e.g., Yates v. Mulrooney*, 281 N.Y.S. 216, 219 (N.Y. App. Div. 1935); *Mugler v. Kansas*, 123 U.S. 623, 668-70 (1887).

<sup>117</sup> *Carney v. Attorney General*, 451 Mass. 803 (2008).

#### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled  
 2 An act relating to gaming; amending s. 285.710, F.S.;  
 3 ratifying and approving the Gaming Compact between the  
 4 Seminole Tribe of Florida and the State of Florida  
 5 provided certain conditions are met; superseding a  
 6 prior compact; directing the Governor to cooperate  
 7 with the Tribe in seeking approval of the compact from  
 8 the United States Secretary of the Interior; expanding  
 9 the games authorized to be conducted and the counties  
 10 in which such games may be offered; providing for a  
 11 portion of the amount paid by the Tribe to the state  
 12 to be designated as the thoroughbred purse pool share;  
 13 directing the state compliance agency to determine  
 14 calculations for the thoroughbred purse pool share  
 15 distributions; amending s. 285.712, F.S.; correcting a  
 16 citation; creating s. 546.11, F.S.; providing a short  
 17 title; creating s. 546.12, F.S.; providing legislative  
 18 findings and intent; creating s. 546.13, F.S.;  
 19 providing definitions; creating s. 546.14, F.S.;  
 20 requiring contest operators to obtain licenses from  
 21 the Division of Regulation of the Department of  
 22 Business and Professional Regulation to conduct  
 23 fantasy contests in the state; providing an  
 24 application fee and annual license renewal fees;  
 25 providing application requirements; requiring the  
 26 division to approve or deny a license within a

27 | specified timeframe; providing that a complete  
 28 | application is deemed approved under certain  
 29 | circumstances; providing that persons or entities are  
 30 | not eligible for licensure under certain  
 31 | circumstances; requiring a contest operator to provide  
 32 | evidence of a surety bond; requiring the surety bond  
 33 | to be kept during the term of the license and any  
 34 | renewal term thereafter; creating s. 546.15, F.S.;  
 35 | requiring contest operators to implement certain  
 36 | procedures; requiring contest operators to contract  
 37 | for independent audits and to annually submit the  
 38 | results to the division; requiring contest operators  
 39 | to coordinate with a compulsive or addictive behavior  
 40 | prevention program and provide training to employees;  
 41 | requiring the division to contract for services  
 42 | related to the prevention of compulsive or addictive  
 43 | behavior; creating s. 546.16, F.S.; authorizing the  
 44 | division to adopt rules and perform certain duties;  
 45 | authorizing the division to suspend, revoke, or deny a  
 46 | license for certain violations; creating s. 546.17,  
 47 | F.S.; requiring contest operators to keep and maintain  
 48 | daily records and to make such records available for  
 49 | inspection; requiring contest operators to file a  
 50 | quarterly report; creating s. 546.18, F.S.; providing  
 51 | penalties; authorizing the division or the Department  
 52 | of Legal Affairs to bring certain civil actions;

53 creating s. 546.19, F.S.; providing that specified  
 54 provisions of chapter 849, F.S., relating to gambling  
 55 offenses, do not apply to fantasy contest operators  
 56 complying with certain requirements or to  
 57 noncommercial contest operators; prohibiting the  
 58 Division of Regulation from penalizing an unlicensed  
 59 contest operator for a specified period of time;  
 60 amending s. 550.002, F.S.; revising the definition of  
 61 the term "full schedule of live racing or games";  
 62 providing definitions for purposes of the Florida  
 63 Pari-mutuel Wagering Act; amending s. 550.01215, F.S.;  
 64 revising provisions for applications for pari-mutuel  
 65 operating licenses; authorizing a greyhound racing  
 66 permitholder to specify certain information on its  
 67 application; authorizing a greyhound racing  
 68 permitholder to receive an operating license to  
 69 conduct pari-mutuel wagering activities at another  
 70 permitholder's greyhound racing facility; authorizing  
 71 the Division of Pari-mutuel Wagering of the Department  
 72 of Business and Professional Regulation to approve  
 73 changes in racing dates for greyhound racing  
 74 permitholders under certain circumstances; exempting  
 75 certain permitholders from specified live racing  
 76 requirements; providing requirements for licensure of  
 77 certain jai alai permitholders; deleting a provision  
 78 for conversion of certain converted permits to jai

79 |       alai permits; authorizing certain thoroughbred racing  
80 |       permitholders to apply to conduct live performances  
81 |       under certain conditions; amending s. 550.0251, F.S.;  
82 |       requiring the division to annually report to the  
83 |       Governor and the Legislature; specifying requirements  
84 |       for the content of the report; amending s. 550.054,  
85 |       F.S.; requiring the division to revoke a pari-mutuel  
86 |       wagering operating permit under certain circumstances;  
87 |       prohibiting issuance or approval of new pari-mutuel  
88 |       permits after a specified date; providing exceptions;  
89 |       authorizing a permitholder to apply to the division to  
90 |       place a permit in inactive status; revising provisions  
91 |       that prohibit transfer or assignment of a pari-mutuel  
92 |       permit; prohibiting transfer or assignment of a pari-  
93 |       mutuel permit or license under certain conditions;  
94 |       prohibiting relocation of a pari-mutuel facility,  
95 |       cardroom, or slot machine facility or conversion of  
96 |       pari-mutuel permits to a different class; providing  
97 |       for an exception; deleting provisions for certain  
98 |       converted permits; amending s. 550.0555, F.S.;  
99 |       revising provisions for the relocation of certain jai  
100 |       alai and greyhound racing permits; repealing s.  
101 |       550.0745, F.S., relating to the conversion of pari-  
102 |       mutuel permits to summer jai alai permits; amending s.  
103 |       550.0951, F.S.; deleting provisions for specified tax  
104 |       credits for a greyhound racing permitholder; revising

105 the tax on handle for live greyhound racing and  
 106 intertrack wagering if the host track is a greyhound  
 107 track; amending s. 550.09512, F.S.; providing for the  
 108 revocation of certain harness horse racing permits;  
 109 specifying that a revoked permit may not be reissued;  
 110 amending s. 550.09514, F.S.; deleting certain  
 111 provisions that prohibit tax on handle until a  
 112 specified amount of tax savings have resulted;  
 113 revising purse requirements of a greyhound racing  
 114 permitholder that conducts live racing; amending s.  
 115 550.09515, F.S.; providing for the revocation of  
 116 certain thoroughbred racing permits; specifying that a  
 117 revoked permit may not be reissued; removing an  
 118 obsolete provision; amending s. 550.105, F.S.;  
 119 providing for business, professional, and general  
 120 occupational licenses for multijurisdictional  
 121 simulcasting and interactive wagering totalisator  
 122 hubs; amending s. 550.1625, F.S.; deleting the  
 123 requirement that a greyhound racing permitholder pay  
 124 the breaks tax; repealing s. 550.1647, F.S., relating  
 125 to unclaimed tickets and breaks held by greyhound  
 126 racing permitholders; amending s. 550.1648, F.S.;  
 127 revising requirements for a greyhound racing  
 128 permitholder to provide a greyhound adoption booth at  
 129 its facility; requiring sterilization of greyhounds  
 130 before adoption; authorizing the fee for such



131 sterilization to be included in the cost of adoption;  
 132 defining the term "bona fide organization that  
 133 promotes or encourages the adoption of greyhounds";  
 134 creating 550.1752, F.S.; providing for a thoroughbred  
 135 purse supplement program in the division; providing  
 136 for funding and distribution of such funds;  
 137 authorizing the division to adopt rules; creating s.  
 138 550.2416, F.S.; requiring injuries to racing  
 139 greyhounds to be reported within a certain timeframe  
 140 on a form adopted by the division; requiring such form  
 141 to be completed and signed under oath or affirmation  
 142 by certain individuals; providing penalties;  
 143 specifying information that must be included in the  
 144 form; requiring the division to maintain the forms as  
 145 public records for a specified time; specifying  
 146 disciplinary action that may be taken against a  
 147 licensee of the Department of Business and  
 148 Professional Regulation who fails to report an injury  
 149 or who makes false statements on an injury form;  
 150 exempting injuries to certain animals from reporting  
 151 requirements; requiring the division to adopt rules;  
 152 amending s. 550.26165, F.S.; conforming a cross-  
 153 reference; amending s. 550.334, F.S.; revising a  
 154 requirement for quarter horse racing permitholders to  
 155 conduct intertrack wagering; amending s. 550.3345,  
 156 F.S.; revising provisions for a permit previously

157 converted from a quarter horse racing permit to a  
 158 limited thoroughbred racing permit; amending s.  
 159 550.3551, F.S.; revising conditions for receiving and  
 160 accepting wagers on out-of-state broadcasts of races  
 161 and games; deleting a requirement that a harness  
 162 permitholder conduct a certain number of races;  
 163 deleting a provision that limits the number of out-of-  
 164 state races on which wagers are accepted by a  
 165 greyhound racing permitholder; amending s. 550.5251,  
 166 F.S.; revising the period within which a thoroughbred  
 167 racing permitholder must file its application to  
 168 conduct thoroughbred racing meetings; amending s.  
 169 550.615, F.S.; revising requirements for conducting  
 170 intertrack wagering; amending s. 550.6305, F.S.;  
 171 revising provisions requiring certain simulcast  
 172 signals be made available to certain permitholders;  
 173 providing for certain permitholders of a converted  
 174 permit to accept wagers on certain rebroadcasts;  
 175 amending s. 550.6308, F.S.; revising conditions for a  
 176 person licensed to conduct public sales of  
 177 thoroughbred horses to obtain a limited intertrack  
 178 wagering license; revising provisions for such  
 179 wagering; creating s. 550.6347, F.S.; directing the  
 180 division to develop and adopt rules to license and  
 181 regulate multijurisdictional simulcasting and  
 182 interactive wagering totalisator hubs; providing

183 definitions; providing requirements for operation of  
 184 such hubs; providing for fees and taxes; providing for  
 185 application of specified provisions; amending s.  
 186 551.101, F.S.; revising provisions that authorize slot  
 187 machine gaming at certain facilities; amending s.  
 188 551.102, F.S.; revising the definition of the terms  
 189 "eligible facility," "slot machine license," and "slot  
 190 machine licensee" for purposes of provisions relating  
 191 to slot machines; prohibiting locating eligible  
 192 facilities in certain areas; amending s. 551.104,  
 193 F.S.; revising provisions for approval of a license to  
 194 conduct slot machine gaming; specifying that certain  
 195 permitholders are not required to conduct a full  
 196 schedule of live racing to receive and maintain a  
 197 license to conduct slot machine gaming; conforming  
 198 provisions relating to payment of purses; creating s.  
 199 551.1041, F.S.; authorizing the division to grant one  
 200 additional slot machine license to a facility in a  
 201 specified county; providing for award of such license  
 202 if more than one permitholder applies; providing  
 203 procedures; authorizing the division to adopt  
 204 emergency rules; creating s. 551.1044, F.S.; providing  
 205 for certain pari-mutuel facilities to operate house-  
 206 banked blackjack table games; providing a tax;  
 207 providing for application of specified provisions;  
 208 amending s. 551.106, F.S.; revising the tax rate on

209 slot machine revenues; requiring a new facility  
 210 guarantee fee to be paid by certain slot machine  
 211 facilities; providing for calculation of the fee;  
 212 amending s. 551.114, F.S.; revising the maximum number  
 213 of slot machines that may be available; limiting the  
 214 number of slot machines available for play at certain  
 215 facilities; revising requirements for designated slot  
 216 machine gaming areas; requiring certain greyhound  
 217 racing permitholders to locate their slot machine  
 218 gaming area in certain locations; amending s. 551.116,  
 219 F.S.; revising the times that a slot machine gaming  
 220 area may be open; amending s. 551.121, F.S.; removing  
 221 a provision that prohibits complimentary or reduced-  
 222 cost alcoholic beverages to be served to persons  
 223 playing slot machines; removing a provision that  
 224 prohibits automatic teller machines in the gaming  
 225 area; amending s. 849.086, F.S.; revising definitions;  
 226 defining the terms "designated player" and "designated  
 227 player poker game"; exempting certain permitholders  
 228 from a requirement that they conduct a minimum number  
 229 of live races as a condition of cardroom licensure  
 230 under certain conditions; requiring certain greyhound  
 231 racing permitholders to conduct intertrack wagering on  
 232 thoroughbred signals as a condition of cardroom  
 233 licensure; revising times that a cardroom may operate;  
 234 providing for the division to authorize designated

235 | player poker games in certain cardrooms; providing  
 236 | requirements for such games; providing that such games  
 237 | may be authorized by the division only if they would  
 238 | not trigger a reduction in certain payments; revising  
 239 | provisions for use of cardroom receipts; requiring  
 240 | permitholders not conducting a full schedule of live  
 241 | racing or games to pay a portion of its cardroom  
 242 | receipts to the thoroughbred purse supplement program;  
 243 | removing a provision requiring an agreement between a  
 244 | permitholder and a horseracing association; directing  
 245 | the division to revoke certain pari-mutuel permits;  
 246 | specifying that the revoked permits may not be  
 247 | reissued; providing severability; providing an  
 248 | appropriation; providing contingent effective dates.

249 |

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

251 |

252 | Section 1. Paragraph (a) of subsection (1) and subsections  
 253 | (3), (9), and (13) of section 285.710, Florida Statutes, are  
 254 | amended, and subsection (15) is added to that section, to read:

255 | 285.710 Compact authorization.—

256 | (1) As used in this section, the term:

257 | (a) "Compact" means the Gaming Compact between the  
 258 | Seminole Tribe of Florida and the State of Florida, ~~executed on~~  
 259 | ~~April 7, 2010.~~

260 | (3) (a) A ~~The~~ Gaming Compact between the Seminole Tribe of

261 Florida and the State of Florida, executed by the Governor and  
 262 the Tribe on April 7, 2010, was ~~is~~ ratified and approved by  
 263 chapter 2010-29, Laws of Florida. ~~The Governor shall cooperate~~  
 264 ~~with the Tribe in seeking approval of the compact from the~~  
 265 ~~United States Secretary of the Interior.~~

266 (b) The Gaming Compact between the Seminole Tribe of  
 267 Florida and the State of Florida, which was executed by the  
 268 Governor and the Tribe on December 7, 2015, shall be deemed  
 269 ratified and approved if it is amended by an agreement between  
 270 the Governor and the Tribe to incorporate the terms specified in  
 271 paragraphs (c), (d), (e), (f), and (g). The amended Gaming  
 272 Compact supersedes the Gaming Compact ratified and approved  
 273 under paragraph (a). The Governor shall cooperate with the Tribe  
 274 in seeking approval of the amended Gaming Compact from the  
 275 United States Secretary of the Interior.

276 (c) The December 7, 2015, Gaming Compact shall become  
 277 effective after it is approved as a tribal-state compact within  
 278 the meaning of the Indian Gaming Regulatory Act by action of the  
 279 United States Secretary of the Interior or by operation of law  
 280 under 25 U.S.C. s. 2710(d)(8), and upon publication of a notice  
 281 of approval in the Federal Register under 25 U.S.C. s.  
 282 2710(d)(8)(D).

283 (d) The December 7, 2015, Gaming Compact must be amended  
 284 to include provisions that all amendments made to chapters 285,  
 285 546, 550, 551, and 849 by this act are authorized under the  
 286 Gaming Compact and do not impact the agreement's revenue sharing

287 payments, violate the Tribe's exclusivity, or authorize the  
 288 Tribe to conduct online gaming.

289 (e) The December 7, 2015, Gaming Compact must be amended  
 290 to include provisions that the State of Florida shall grant to  
 291 the Tribe the exclusive rights to:

292 1. Operate slot machines in Glades, Hendry, and Collier  
 293 Counties and within that area of the state located within a 100-  
 294 mile radius of the Seminole Hard Rock Hotel and Casino-Tampa;

295 2. Operate banking or banked card games, including  
 296 blackjack or 21, baccarat and chemin de fer in Glades, Hendry,  
 297 Collier, and Hillsborough Counties; and

298 3. Operate dice games, such as craps and sic-bo, and wheel  
 299 games, such as roulette and big six, in Broward, Glades, Hendry,  
 300 Collier, and Hillsborough Counties.

301 (f) The December 7, 2015, Gaming Compact must be amended  
 302 to include provisions that, the State of Florida agrees that:

303 1. It will not approve any new pari-mutuel permits after  
 304 the effective date of the amended Gaming Compact;

305 2. It will not approve any card game for play at pari-  
 306 mutuel cardrooms not found in Hoyle's Modern Encyclopedia of  
 307 Card Games, 1974 Edition;

308 3. The maximum cumulative number of slot machines  
 309 available for play at pari-mutuel facilities located outside of  
 310 the concession radius established in sub-paragraph (d)1. will  
 311 not exceed a maximum of 16,000, and a pari-mutuel permitholder  
 312 licensed to operate slot machines after the effective date of

313 this act may not be licensed to operate more than 1,500 slot  
 314 machines; and

315 4. A pari-mutuel facility may not operate slot machines  
 316 unless it is located outside of the area specified in  
 317 subparagraph (d)1. and has conducted a successful slot machine  
 318 referendum before or within 180 days after the effective date of  
 319 this act.

320 (g) The December 7, 2015, Gaming Compact must be amended  
 321 to state that relocation of a facility from one parcel of  
 322 current Indian lands to any other noncontiguous parcel of Indian  
 323 lands shall not be authorized. Any facility existing on Indian  
 324 lands may only be relocated within a 1-mile radius on the same  
 325 parcel of Indian lands on which it is currently located.  
 326 Expansion or replacement of a facility on the same parcel of  
 327 Indian lands on which it currently exists may be authorized.

328 (9) The moneys paid by the Tribe to the state for the  
 329 benefit of exclusivity under the compact ratified by this  
 330 section shall be deposited into the General Revenue Fund.

331 (a) Three percent of the annual amount paid by the Tribe  
 332 to the state shall be designated as the local government share  
 333 and shall be distributed as provided in subsections (10) and  
 334 (11).

335 (b) Ten million dollars of the annual amount paid by the  
 336 Tribe to the state shall be designated as the thoroughbred purse  
 337 pool share and shall be distributed as provided in subsection  
 338 (15).



339 (11) Upon receipt of the annual audited revenue figures  
 340 from the Tribe and completion of the calculations as provided in  
 341 subsections (10) and (15) ~~subsection (10)~~, the state compliance  
 342 agency shall certify the results to the Chief Financial Officer  
 343 and shall request the distributions to be paid from the General  
 344 Revenue Fund within 30 days after authorization of nonoperating  
 345 budget authority pursuant to s. 216.181(12).

346 (13) For the purpose of satisfying the requirement in 25  
 347 U.S.C. s. 2710(d)(1)(B) that the gaming activities authorized  
 348 under an Indian gaming compact must be permitted in the state  
 349 for any purpose by any person, organization, or entity, the  
 350 following class III games or other games specified in this  
 351 section are hereby authorized to be conducted by the Tribe  
 352 pursuant to the compact:

- 353 (a) Slot machines, as defined in s. 551.102(8).
- 354 (b) Banking or banked card games, including baccarat,  
 355 chemin de fer, and blackjack or 21 ~~at the tribal facilities in~~  
 356 ~~Broward County, Collier County, and Hillsborough County.~~
- 357 (c) Dice games, such as craps and sic-bo.
- 358 (d) Wheel games, such as roulette and big six.
- 359 (e) ~~(e)~~ Raffles and drawings.

360 (15) Effective July 1, 2016, the calculations necessary to  
 361 determine the thoroughbred purse pool share distributions shall  
 362 be made by the state compliance agency. The thoroughbred purse  
 363 pool share shall be distributed equally to any thoroughbred  
 364 racing permitholder that has conducted a full schedule of live

365 paces for 15 consecutive years after June 31, 2000, has never  
 366 operated at a facility in which slot machines are located, has  
 367 never held a slot machine license, and is located in a county in  
 368 which class III gaming is conducted on Indian lands, as long as  
 369 the thoroughbred racing permitholder uses the allocation for  
 370 thoroughbred racing purses and the operations of the  
 371 permitholder's thoroughbred racing facility, with at least 75  
 372 percent allocated to thoroughbred racing purses.

373 Section 2. Subsection (4) of section 285.712, Florida  
 374 Statutes, is amended to read:

375 285.712 Tribal-state gaming compacts.—

376 (4) Upon receipt of an act ratifying a tribal-state  
 377 compact, the Secretary of State shall forward a copy of the  
 378 executed compact and the ratifying act to the United States  
 379 Secretary of the Interior for his or her review and approval, in  
 380 accordance with 25 U.S.C. s. 2710(d)(8) ~~2710(8)(d)~~.

381 Section 3. Section 546.11, Florida Statutes, is created to  
 382 read:

383 546.11 Short title.—Sections 546.11-546.19 may be cited as  
 384 the "Fantasy Contest Amusement Act."

385 Section 4. Section 546.12, Florida Statutes, is created to  
 386 read:

387 546.12 Legislative findings and intent.—It is the intent  
 388 of the Legislature to ensure public confidence in the integrity  
 389 of fantasy contests and fantasy contest operators. This act is  
 390 designed to regulate fantasy contest operators and persons who

391 participate in fantasy contests and to adopt consumer  
 392 protections related to such contests. The Legislature finds that  
 393 fantasy contests, as defined in s. 546.13, involve the skill of  
 394 contest participants and do not constitute gambling, gaming, or  
 395 games of chance.

396 Section 5. Section 546.13, Florida Statutes, is created to  
 397 read:

398 546.13 Definitions.—As used in ss. 546.11-546.19, the  
 399 term:

400 (1) "Confidential information" means information related  
 401 to participation in fantasy contests by contest participants  
 402 which is obtained solely as a result of a person's employment  
 403 with or work as an agent of a contest operator.

404 (2) "Contest operator" means a person or entity other than  
 405 a noncommercial contest operator that offers fantasy contests  
 406 that require an entry fee for a cash prize to members of the  
 407 public. Sections 546.11-546.19 apply solely to the specific  
 408 products, services, or offerings of a person or entity that  
 409 cause that person or entity to meet the definition of "contest  
 410 operator" and do not extend to any other product or service  
 411 offered by that person or entity.

412 (3) "Contest participant" means a person who pays an entry  
 413 fee for the right to participate in a fantasy contest offered by  
 414 a contest operator.

415 (4) "Division" means the Division of Regulation within the  
 416 Department of Business and Professional Regulation.

417 (5) "Entry fee" means the cash or cash equivalent required  
 418 to be paid by a contest participant to a contest operator for  
 419 the right to participate in a fantasy contest.

420 (6) "Fantasy contest" means a fantasy or simulation game  
 421 or contest in which a contest participant manages a fantasy or  
 422 simulated sports team consisting of athletes or players who are  
 423 members of an amateur or professional sports organization and  
 424 which meets the following conditions:

425 (a) All prizes offered to winning contest participants are  
 426 established and made known to the contest participants in  
 427 advance of the fantasy contest, and the value of such prizes is  
 428 not determined by the number of contest participants or the  
 429 amount of entry fees paid by such participants.

430 (b) All winning outcomes reflect the relative knowledge  
 431 and skill of contest participants and are determined  
 432 predominantly by accumulated statistical results of the  
 433 performance of the athletes participating in multiple real-world  
 434 sporting or other events. A winning outcome may not be based:

435 1. On the score, point spread, or performance of a single  
 436 real-world team or combination of such teams; or

437 2. Solely on the single performance of an individual  
 438 athlete in a single real-world sporting or other event.

439 (c) Fantasy contests may not be based on the results of  
 440 college or high school sports teams, athletes, or players.

441 (d) Membership of a fantasy or simulation sports team may  
 442 not be based on the current membership, or a majority of

443 membership, of an actual team that is a member of a professional  
 444 sports organization.

445 (7) "Net revenues" means an amount equal to the total  
 446 entry fees collected from contest participants in this state by  
 447 a contest operator during a 12-month period, less the total  
 448 amount of cash or cash equivalent paid to contest participants  
 449 in this state during the same period.

450 (8) "Noncommercial contest operator" means a person who  
 451 organizes and conducts a fantasy contest, or an entity who makes  
 452 available a fantasy contest software platform, whereby  
 453 participants may be charged fees for the right to participate;  
 454 the fees are collected, maintained, and distributed by the same  
 455 person; and all fees are returned to the participants in the  
 456 form of prizes or other equivalent.

457 Section 6. Section 546.14, Florida Statutes, is created to  
 458 read:

459 546.14 Licensing.-

460 (1) A contest operator offering fantasy contests with an  
 461 entry fee to persons in this state must complete and submit an  
 462 application to the division for a license to conduct such  
 463 fantasy contests.

464 (2) (a) At the time of initial application for license, the  
 465 contest operator shall provide the division with an estimate of  
 466 the application fee calculated pursuant to paragraph (b), in  
 467 addition to written evidence supporting the estimate, and shall  
 468 pay the estimated fee to the division. A license may not be

469 issued unless the application fee is paid.

470 (b) The application fee shall be the lesser of:

471 1. Five hundred thousand dollars; or

472 2. Ten percent of the contest operator's estimated net  
 473 revenues for 12 months after the date the license is issued.

474 (3)(a) At the time of application for the annual renewal  
 475 of a license, the contest operator shall provide the division  
 476 with evidence of the actual net revenues collected during the  
 477 previous licensure period, an estimate of the license renewal  
 478 fee calculated pursuant to paragraph (b), and written evidence  
 479 supporting the estimate. The contest operator shall pay to the  
 480 division an amount equal to the difference between the actual  
 481 application fee or renewal fee for the previous licensure period  
 482 and the estimated application fee paid at the time of the  
 483 previous application, plus the estimated license renewal fee for  
 484 the upcoming licensure period. A license may not be renewed  
 485 unless the application fee is paid.

486 (b) The annual license renewal fee shall be the lesser of:

487 1. One hundred thousand dollars; or

488 2. Ten percent of the contest operator's estimated net  
 489 revenues for 12 months after the date the license is renewed.

490 (4) An application for a contest operator's license is  
 491 exempt from the 90-day licensing requirement of s. 120.60.  
 492 Within 120 days after receipt of a complete application, the  
 493 division shall approve or deny the license. A complete  
 494 application that is not acted upon within 120 days after receipt

495 is deemed approved, and the division shall issue the license.

496 (5) An application for a contest operator's license must  
 497 include:

498 (a) The full name of the applicant.

499 (b) If the applicant is a corporation, the name of the  
 500 state in which it is incorporated and the names and addresses of  
 501 the officers, directors, and shareholders of the corporation who  
 502 hold 5 percent or more equity in the corporation. If the  
 503 applicant is a business entity other than a corporation, the  
 504 names and addresses of the principals, partners, or shareholders  
 505 who hold 5 percent or more equity in the entity.

506 (c) If the applicant is a corporation or other business  
 507 entity, the names and addresses of the ultimate equitable owners  
 508 of the corporation or entity, if different from those provided  
 509 under paragraph (b), unless the securities of the corporation or  
 510 entity are registered pursuant to s. 12 of the Securities  
 511 Exchange Act of 1934, 15 U.S.C. ss. 78a-78kk, and:

512 1. The corporation or entity files the reports required by  
 513 s. 13 of such federal act with the United States Securities and  
 514 Exchange Commission; or

515 2. The securities of the corporation or entity are  
 516 regularly traded on an established securities market in the  
 517 United States.

518 (d) The estimated number of fantasy contests that the  
 519 applicant will annually conduct.

520 (e) A statement of the applicant's assets and liabilities.

521 (f) If applicable and required by the division, the names  
 522 and addresses of the officers and directors of any debtor of the  
 523 applicant and the names and addresses of any stockholder who  
 524 holds more than 10 percent of the stock of the debtor.

525 (g) For each person listed in the application as an  
 526 officer or director, a complete set of fingerprints taken by an  
 527 authorized law enforcement officer. Such fingerprints must be  
 528 submitted to the Federal Bureau of Investigation for processing.  
 529 Foreign nationals shall submit such documents as necessary to  
 530 allow the division to conduct criminal history records checks in  
 531 the person's home country. The applicant must pay all costs of  
 532 fingerprint processing, and the division may charge a \$2  
 533 handling fee for each set of fingerprints.

534 (6) A person, corporation, or entity is not eligible for a  
 535 contest operator's license or the renewal of such license if the  
 536 person or an officer or a director of the corporation or entity  
 537 has been convicted of a felony in this state, a felony in  
 538 another state which would be a felony if committed in this  
 539 state, or a felony under the laws of the United States, or has  
 540 been determined by the division after investigation not to be of  
 541 good moral character. For purposes of this subsection, the term  
 542 "convicted" means having been found guilty, regardless of  
 543 adjudication of guilt, as a result of a jury verdict, nonjury  
 544 trial, or entry of a plea of guilty or nolo contendere.

545 (7) An applicant for a contest operator's license shall  
 546 provide evidence of a surety bond in the amount of \$1 million,



547 payable to the state, furnished by a corporate surety authorized  
 548 to do business in the state in such a form as established by  
 549 division rule. Such bond shall be kept in full force and effect  
 550 by the contest operator during the term of the license and any  
 551 renewal thereof.

552 Section 7. Section 546.15, Florida Statutes, is created to  
 553 read:

554 546.15 Consumer protection.—

555 (1) A contest operator that charges an entry fee to  
 556 contest participants shall implement commercially reasonable  
 557 procedures for its fantasy contests with an entry fee that are  
 558 intended to:

559 (a) Prevent an employee of the contest operator and  
 560 relatives of such employee residing in the same household as the  
 561 employee from participating in a fantasy contest which is open  
 562 to the public.

563 (b) Prohibit the contest operator from participating as a  
 564 contest participant in a fantasy contest offered by the contest  
 565 operator.

566 (c) Prevent an employee or agent of the contest operator  
 567 from sharing confidential information with third parties which  
 568 could affect fantasy contests until the information is made  
 569 publicly available.

570 (d) Verify that each contest participant is 18 years of  
 571 age or older.

572 (e) Restrict a person who is a player, game official, or

573 other participant in a real-world sporting or other event from  
 574 participating in a fantasy contest that is determined in whole  
 575 or in part on the person's performance, the performance of the  
 576 person's real-world team, or the accumulated statistical results  
 577 of the real-world sporting or other event in which the person is  
 578 a player, game official, or other participant.

579 (f) Allow a person to restrict or prevent his or her own  
 580 access to a fantasy contest and take reasonable steps to prevent  
 581 himself or herself from entering a fantasy contest.

582 (g) Disclose the number of entries that a single contest  
 583 participant may submit to each fantasy contest and take  
 584 reasonable steps to prevent contest participants from submitting  
 585 more than the allowable number of entries.

586 (h) Segregate contest participants' funds from operational  
 587 funds and maintain a reserve in the form of cash or cash  
 588 equivalent, an irrevocable letter of credit, a bond, or a  
 589 combination thereof, in the total amount of the deposits in  
 590 contest participants' accounts, for the benefit and protection  
 591 of authorized contest participants' funds held in the contest  
 592 participants' accounts.

593 (i) Prevent fantasy contests involving horseracing.

594 (2) For fantasy contests requiring an entry fee, a contest  
 595 operator must annually contract with a third party to perform an  
 596 independent audit, consistent with standards established by the  
 597 Public Company Accounting Oversight Board, to ensure the contest  
 598 operator's compliance with ss. 546.11-546.19. The contest

599 operator must annually submit the results of the independent  
 600 audit to the division.

601 (3) (a) A contest operator must provide training to  
 602 employees on responsible play and practices and coordinate with  
 603 the compulsive or addictive behavior prevention program  
 604 implemented pursuant to this subsection to recognize problem  
 605 situations, implement responsible play and practices, and  
 606 implement protections for underage participants.

607 (b) The division shall, subject to competitive bidding,  
 608 contract for services related to the prevention of compulsive or  
 609 addictive behavior related to fantasy contests. The contract  
 610 shall provide for an advertising program to encourage  
 611 responsible play and practices and to publicize a telephone help  
 612 line and shall include accountability standards that must be met  
 613 by any private provider. Failure of a private provider to meet  
 614 any material terms of the contract, including the accountability  
 615 standards, constitutes a breach of contract or grounds for  
 616 nonrenewal.

617 (c) The compulsive or addictive behavior prevention  
 618 program shall be funded by the allocation of 7.5 percent of  
 619 initial application fees and 7.5 percent of any subsequent  
 620 annual license renewal fees paid by contest operators to the  
 621 division.

622 Section 8. Section 546.16, Florida Statutes, is created to  
 623 read:

624 546.16 Authority of the division.—The division is

625 | responsible for the administration and enforcement of ss.  
 626 | 546.11-546.19. The division is authorized to:  
 627 |       (1) Adopt rules for the administration and enforcement of  
 628 | ss. 546.11-546.19. Such rules shall include, but need not be  
 629 | limited to, procedures for the operation of fantasy contests,  
 630 | recordkeeping and reporting requirements for contest operators,  
 631 | and procedures for the collection of entry fees.  
 632 |       (2) Perform any other duties authorized by the Secretary  
 633 | of Business and Professional Regulation.  
 634 |       (3) Conduct investigations and monitor the operation of  
 635 | fantasy contests.  
 636 |       (4) Review the books, accounts, and records of any current  
 637 | or former contest operator.  
 638 |       (5) Suspend, revoke, or deny, after hearing, the license  
 639 | of a contest operator that violates ss. 546.11-546.19 or rules  
 640 | adopted thereunder by the division.  
 641 |       (6) Take testimony and issue summons, subpoenas, and  
 642 | subpoenas duces tecum in connection with any matter related to  
 643 | the administration or enforcement of ss. 546.11-546.19.  
 644 |       (7) Monitor and enforce the collection and safeguard of  
 645 | contest entry fees, the payment of contest prizes, and the  
 646 | consumer protection provisions of s. 546.15.  
 647 |       (8) Coordinate with other department personnel as needed  
 648 | to assist in the administration and enforcement of ss. 546.11-  
 649 | 546.19.  
 650 |       Section 9. Section 546.17, Florida Statutes, is created to

651 read:

652 546.17 Records and reports.-

653 (1) Each contest operator shall keep and maintain daily  
 654 records of its operations relevant to compliance with ss.  
 655 546.14-546.16 and shall maintain such records for at least 3  
 656 years. Such records shall include all financial transactions and  
 657 contain sufficient detail to determine compliance with the  
 658 requirements of this section. All records shall be available for  
 659 audit and inspection by the division or other law enforcement  
 660 agencies during the contest operator's regular business hours.  
 661 The information required in such records shall be determined by  
 662 division rule.

663 (2) Each contest operator shall file a quarterly report  
 664 with the division that includes such required records and any  
 665 additional information deemed necessary by the division. The  
 666 report shall be submitted in the format prescribed by the  
 667 division which, once filed, becomes a public record.

668 Section 10. Section 546.18, Florida Statutes, is created  
 669 to read:

670 546.18 Penalties.-In addition to other applicable civil,  
 671 administrative, and criminal penalties, a contest operator, or  
 672 an employee or agent thereof that violates ss. 546.11-546.19 is  
 673 subject to a civil penalty not to exceed \$5,000 for each  
 674 violation, and not to exceed \$100,000 in the aggregate, which  
 675 shall accrue to the state and may be recovered in a civil action  
 676 brought by the division or the Department of Legal Affairs in

677 circuit court in the name and on behalf of the state; the same  
 678 to be applied when collected as all other penal forfeitures are  
 679 disposed of.

680 Section 11. Section 546.19, Florida Statutes, is created  
 681 to read:

682 546.19 Exemption.—Fantasy contests conducted in accordance  
 683 with ss. 546.11-546.19 by a contest operator licensed in  
 684 accordance with ss. 546.11-546.19, or by a noncommercial contest  
 685 operator, are not subject to ss. 849.01, 849.08, 849.09, 849.11,  
 686 849.14, or 849.25.

687 Section 12. The Division of Regulation of the Department  
 688 of Business and Professional Regulation may not penalize an  
 689 unlicensed contest operator for offering fantasy contests within  
 690 240 days after the effective date of this act, if the contest  
 691 operator applies for a license within 90 days after the  
 692 effective date of this act and is issued such license within 240  
 693 days after the effective date of this act.

694 Section 13. Subsections (11) through (39) of section  
 695 550.002, Florida Statutes, are amended to read:

696 550.002 Definitions.—As used in this chapter, the term:

697 (11) (a) "Full schedule of live racing or games" means:

698 1. For a greyhound racing permitholder or jai alai  
 699 permitholder, the conduct of a combination of at least 100 live  
 700 evening or matinee performances. ~~during the preceding year, for~~  
 701 a ~~permitholder who has a converted permit or filed an~~  
 702 application on or before June 1, 1990, for a converted permit,

703 ~~the conduct of a combination of at least 100 live evening and~~  
 704 ~~matinee wagering performances during either of the 2 preceding~~  
 705 ~~years;~~

706 2. For a jai alai permitholder that ~~who~~ does not operate  
 707 slot machines in its pari-mutuel facility, ~~who~~ has conducted at  
 708 least 100 live performances per year for at least 10 years after  
 709 December 31, 1992, and has had ~~whose~~ handle on live jai alai  
 710 games conducted at its pari-mutuel facility which was ~~has been~~  
 711 less than \$4 million per state fiscal year for at least 2  
 712 consecutive years after June 30, 1992, the conduct of a  
 713 ~~combination of at least 40 live evening or matinee performances.~~  
 714 ~~during the preceding year;~~

715 3. For a jai alai permitholder that ~~who~~ operates slot  
 716 machines in its pari-mutuel facility, the conduct of a  
 717 ~~combination of at least 150 performances.~~ ~~during the preceding~~  
 718 ~~year;~~

719 4. For a summer jai alai permitholder, authorized pursuant  
 720 to former s. 550.0745, Florida Statutes, 2015, as created by s.  
 721 14, chapter 1992-348, Laws of Florida, the conduct of at least  
 722 58 live performances during the preceding year, unless the  
 723 permitholder meets the requirements of subparagraph 2.

724 5. For a harness racing permitholder, the conduct of at  
 725 least 100 live regular wagering performances. ~~during the~~  
 726 ~~preceding year;~~

727 6. For a quarter horse racing permitholder at its  
 728 facility, unless an alternative schedule of at least 20 live

729 regular wagering performances each year is agreed upon by the  
 730 permitholder and either the Florida Quarter Horse Racing  
 731 Association or the horsemen ~~horsemen's~~ association representing  
 732 the majority of the quarter horse owners and trainers at the  
 733 facility and filed ~~with the division along~~ with its annual  
 734 operating license ~~date~~ application: 7

735 a. In the 2010-2011 fiscal year, the conduct of at least  
 736 20 regular wagering performances. 7

737 b. In the 2011-2012 and 2012-2013 fiscal years, the  
 738 conduct of at least 30 live regular wagering performances. 7 ~~and~~

739 c. For every fiscal year after the 2012-2013 fiscal year,  
 740 the conduct of at least 40 live regular wagering performances. 7

741 7. For a quarter horse racing permitholder leasing another  
 742 licensed racetrack, the conduct of 160 events at the leased  
 743 facility during the preceding year. ~~7~~ ~~and~~

744 8. For a thoroughbred racing permitholder, the conduct of  
 745 at least 40 live regular wagering performances ~~during the~~  
 746 ~~preceding year.~~

747 ~~(b) For a permitholder which is restricted by statute to~~  
 748 ~~certain operating periods within the year when other members of~~  
 749 ~~its same class of permit are authorized to operate throughout~~  
 750 ~~the year, the specified number of live performances which~~  
 751 ~~constitute a full schedule of live racing or games shall be~~  
 752 ~~adjusted pro rata in accordance with the relationship between~~  
 753 ~~its authorized operating period and the full calendar year and~~  
 754 ~~the resulting specified number of live performances shall~~



755 ~~constitute the full schedule of live games for such permitholder~~  
 756 ~~and all other permitholders of the same class within 100 air~~  
 757 ~~miles of such permitholder.~~ A live performance must consist of  
 758 no fewer than eight races or games conducted live for each of a  
 759 minimum of three performances each week at the permitholder's  
 760 licensed facility under a single admission charge.

761 (12) "Greyhound racing permitholder" means any entity  
 762 permitted under this chapter to conduct pari-mutuel wagering  
 763 meets of greyhound racing, regardless of whether the  
 764 permitholder indicates that it will conduct live racing on its  
 765 annual operating license application.

766 (13)~~(12)~~ "Guest track" means a track or fronton receiving  
 767 or accepting an intertrack wager.

768 (14)~~(13)~~ "Handle" means the aggregate contributions to  
 769 pari-mutuel pools.

770 (15)~~(14)~~ "Harness racing" means a type of horseracing  
 771 which is limited to standardbred horses using a pacing or  
 772 trotting gait in which each horse pulls a two-wheeled cart  
 773 called a sulky guided by a driver.

774 (16) "Harness racing permitholder" means any entity  
 775 permitted under this chapter to conduct pari-mutuel wagering  
 776 meets of harness racing, regardless of whether the permitholder  
 777 indicates that it will conduct live racing on its annual  
 778 operating license application.

779 (17)~~(15)~~ "Horserace permitholder" means any thoroughbred  
 780 entity permitted under the provisions of this chapter to conduct

781 pari-mutuel wagering meets of thoroughbred racing; any harness  
 782 entity permitted under this chapter to conduct pari-mutuel  
 783 wagering meets of harness racing; or any quarter horse entity  
 784 permitted under this chapter to conduct pari-mutuel wagering  
 785 meets of quarter horse racing.

786 (18)~~(16)~~ "Host track" means a track or fronton conducting  
 787 a live or simulcast race or game that is the subject of an  
 788 intertrack wager.

789 (19)~~(17)~~ "Intertrack wager" means a particular form of  
 790 pari-mutuel wagering in which wagers are accepted at a  
 791 permitted, in-state track, fronton, or pari-mutuel facility on a  
 792 race or game transmitted from and performed live at, or  
 793 simulcast signal rebroadcast from, another in-state pari-mutuel  
 794 facility.

795 (20)~~(18)~~ "Jai alai" or "pelota" means a ball game of  
 796 Spanish origin played on a court with three walls.

797 (21) "Jai alai permitholder" means any entity permitted  
 798 under this chapter to conduct pari-mutuel wagering meets of jai  
 799 alai games, regardless of whether the permitholder indicates  
 800 that it will conduct live jai alai games on its annual operating  
 801 license.

802 (22)~~(19)~~ "Market area" means an area within 25 miles of a  
 803 permitholder's track or fronton.

804 (23)~~(20)~~ "Meet" or "meeting" means the conduct of live  
 805 racing or jai alai for any stake, purse, prize, or premium.

806 (24)~~(39)~~ "Net pool pricing" means a method of calculating

807 | prices awarded to winning wagers relative to the contribution,  
 808 | net of takeouts, to a pool by each participating jurisdiction  
 809 | or, as applicable, site.

810 |        (25)~~(21)~~ "Operating day" means a continuous period of 24  
 811 | hours starting with the beginning of the first performance of a  
 812 | race or game, even though the operating day may start during one  
 813 | calendar day and extend past midnight except that no greyhound  
 814 | race or jai alai game may commence after 1:30 a.m.

815 |        (26)~~(22)~~ "Pari-mutuel" means a system of betting on races  
 816 | or games in which the winners divide the total amount bet, after  
 817 | deducting management expenses and taxes, in proportion to the  
 818 | sums they have wagered individually and with regard to the odds  
 819 | assigned to particular outcomes.

820 |        (27)~~(23)~~ "Pari-mutuel facility" means a racetrack,  
 821 | fronton, or other facility used by a permitholder for the  
 822 | conduct of pari-mutuel wagering.

823 |        (28)~~(24)~~ "Pari-mutuel wagering pool" means the total  
 824 | amount wagered on a race or game for a single possible result.

825 |        (29)~~(25)~~ "Performance" means a series of events, races, or  
 826 | games performed consecutively under a single admission charge.

827 |        (30)~~(26)~~ "Post time" means the time set for the arrival at  
 828 | the starting point of the horses or greyhounds in a race or the  
 829 | beginning of a game in jai alai.

830 |        (31)~~(27)~~ "Purse" means the cash portion of the prize for  
 831 | which a race or game is contested.

832 |        (32)~~(28)~~ "Quarter horse" means a breed of horse developed

833 in the western United States which is capable of high speed for  
 834 a short distance and used in quarter horse racing registered  
 835 with the American Quarter Horse Association.

836 (33) "Quarter horse racing permitholder" means any entity  
 837 permitted under this chapter to conduct pari-mutuel wagering  
 838 meets of quarter horse racing, regardless of whether the  
 839 permitholder indicates that it will conduct live racing on its  
 840 annual operating license application.

841 (34)~~(29)~~ "Racing greyhound" means a greyhound that is or  
 842 was used, or is being bred, raised, or trained to be used, in  
 843 racing at a pari-mutuel facility and is registered with the  
 844 National Greyhound Association.

845 (35)~~(30)~~ "Regular wagering" means contributions to pari-  
 846 mutuel pools involving wagering on a single entry in a single  
 847 race, or a single jai alai player or team in a single game, such  
 848 as the win pool, the place pool, or the show pool.

849 (36)~~(31)~~ "Same class of races, games, or permit" means,  
 850 with respect to a jai alai permitholder, jai alai games or other  
 851 jai alai permitholders; with respect to a greyhound  
 852 permitholder, greyhound races or other greyhound racing  
 853 permitholders; with respect to a thoroughbred racing  
 854 permitholder, thoroughbred races or other thoroughbred racing  
 855 permitholders; with respect to a harness racing permitholder,  
 856 harness races or other harness racing permitholders; with  
 857 respect to a quarter horse racing permitholder, quarter horse  
 858 races or other quarter horse racing permitholders.

859 (37)~~(32)~~ "Simulcasting" means broadcasting events  
 860 occurring live at an in-state location to an out-of-state  
 861 location, or receiving at an in-state location events occurring  
 862 live at an out-of-state location, by the transmittal,  
 863 retransmittal, reception, and rebroadcast of television or radio  
 864 signals by wire, cable, satellite, microwave, or other  
 865 electrical or electronic means for receiving or rebroadcasting  
 866 the events.

867 (38)~~(33)~~ "Standardbred horse" means a pacing or trotting  
 868 horse that is used in harness racing and that has been  
 869 registered as a standardbred by the United States Trotting  
 870 Association or by a foreign registry whose stud book is  
 871 recognized by the United States Trotting Association.

872 (39)~~(34)~~ "Takeout" means the percentage of the pari-mutuel  
 873 pools deducted by the permitholder prior to the distribution of  
 874 the pool.

875 (40)~~(35)~~ "Thoroughbred" means a purebred horse whose  
 876 ancestry can be traced back to one of three foundation sires and  
 877 whose pedigree is registered in the American Stud Book or in a  
 878 foreign stud book that is recognized by the Jockey Club and the  
 879 International Stud Book Committee.

880 (41) "Thoroughbred racing permitholder" means any entity  
 881 permitted under this chapter to conduct pari-mutuel wagering  
 882 meets of thoroughbred racing, regardless of whether the  
 883 permitholder indicates that it will conduct live racing on its  
 884 annual operating license application.

885 |        ~~(42)(36)~~ "Totalisator" means the computer system used to  
 886 | accumulate wagers, record sales, calculate payoffs, and display  
 887 | wagering data on a display device that is located at a pari-  
 888 | mutuel facility.

889 |        ~~(43)(37)~~ "Ultimate equitable owner" means a natural person  
 890 | who, directly or indirectly, owns or controls 5 percent or more  
 891 | of an ownership interest in a corporation, foreign corporation,  
 892 | or alien business organization, regardless of whether such  
 893 | person owns or controls such ownership through one or more  
 894 | natural persons or one or more proxies, powers of attorney,  
 895 | nominees, corporations, associations, partnerships, trusts,  
 896 | joint stock companies, or other entities or devices, or any  
 897 | combination thereof.

898 |        ~~(44)(38)~~ "Year," for purposes of determining a full  
 899 | schedule of live racing, means the state fiscal year.

900 |        Section 14. Subsections (1), (3), and (6) of section  
 901 | 550.01215, Florida Statutes, are amended, and subsection (7) is  
 902 | added to that section, to read:

903 |        550.01215 License application; periods of operation; bond,  
 904 | conversion of permit.—

905 |        (1) Each permitholder shall annually, during the period  
 906 | between December 15 and January 31 ~~4~~, file in writing with the  
 907 | division its application for an operating ~~a~~ license for ~~to~~  
 908 | ~~conduct performances during~~ the next state fiscal year. Each  
 909 | application for live performances must ~~shall~~ specify the number,  
 910 | and dates, ~~and starting times~~ of all live performances that

911 ~~which~~ the permitholder intends to conduct. It must ~~shall~~ also  
 912 specify which performances will be conducted as charity or  
 913 scholarship performances.

914 (a) In addition, Each application for an operating a  
 915 license must also ~~shall~~ include:7

916 1. Whether the ~~For each~~ permitholder ~~which~~ elects to  
 917 accept wagers on broadcast events.

918 2. For each permitholder that elects to operate a  
 919 cardroom, the dates and periods of operation the permitholder  
 920 intends to operate the cardroom. ~~or,~~

921 3. For each thoroughbred racing permitholder that ~~which~~  
 922 elects to receive or rebroadcast out-of-state races after 7  
 923 p.m., the dates for all performances which the permitholder  
 924 intends to conduct.

925 4. Whether the permitholder intends to conduct live  
 926 racing.

927 5. Whether the permitholder wants to place the permit into  
 928 inactive status for a period of 12 months pursuant to division  
 929 rule.

930 (b)1. A greyhound racing permitholder that conducted a  
 931 full schedule of live racing for a period of at least 10  
 932 consecutive state fiscal years after the 1996-1997 state fiscal  
 933 year, or that converted its permit to a permit to conduct  
 934 greyhound racing after the 1996-1997 state fiscal year, may  
 935 specify in its annual application for an operating license that  
 936 it does not intend to conduct live racing, or that it intends to

937 conduct less than a full schedule of live racing, in the next  
 938 state fiscal year. A greyhound racing permitholder may receive  
 939 an operating license to conduct pari-mutuel wagering activities  
 940 at another permitholder's greyhound racing facility pursuant to  
 941 s. 550.475.

942 2. Any harness racing permitholder and any quarter horse  
 943 racing permitholder that has held an operating license for at  
 944 least 5 years and a cardroom license for at least 2 years is  
 945 exempt from the live racing requirements of this subsection and  
 946 may specify in its annual application for an operating license  
 947 that it does not intend to conduct live racing, or that it  
 948 intends to conduct less than a full schedule of live racing, in  
 949 the next state fiscal year.

950 3. A thoroughbred racing permitholder that has had an  
 951 operating license for at least 25 years, operated a slot machine  
 952 facility, and held a slot machine license for at least 5 years  
 953 is exempt from the live racing requirements of this subsection  
 954 and may specify in its annual application for an operating  
 955 license that it does not intend to conduct live racing, or that  
 956 it intends to conduct less than a full schedule of live racing,  
 957 in the next state fiscal year.

958 4. A jai alai permitholder that has held an operating  
 959 license for at least 5 years and is not authorized to conduct  
 960 cardroom operations pursuant to s. 849.086(16) is exempt from  
 961 the live jai alai requirements of this subsection and may  
 962 specify in its annual application for an operating license that



963 it does not intend to conduct live jai alai, or that it intends  
 964 to conduct less than a full schedule of live jai alai, in the  
 965 next state fiscal year.

966 (c) Permitholders may ~~shall be entitled to~~ amend their  
 967 applications through February 28.

968 (3) The division shall issue each license no later than  
 969 March 15. Each permitholder shall operate all performances at  
 970 the date and time specified on its license. The division shall  
 971 have the authority to approve minor changes in racing dates  
 972 after a license has been issued. The division may approve  
 973 changes in racing dates after a license has been issued when  
 974 there is no objection from any operating permitholder located  
 975 within 50 miles of the permitholder requesting the changes in  
 976 operating dates. In the event of an objection, the division  
 977 shall approve or disapprove the change in operating dates based  
 978 upon the impact on operating permitholders located within 50  
 979 miles of the permitholder requesting the change in operating  
 980 dates. In making the determination to change racing dates, the  
 981 division shall take into consideration the impact of such  
 982 changes on state revenues. Notwithstanding any other provision  
 983 of law, and for the 2016-2017 fiscal year only, the division may  
 984 approve changes in racing dates for permitholders if the request  
 985 for such changes is received before August 31, 2016.

986 (6) A summer jai alai permitholder, authorized pursuant to  
 987 former s. 550.0745, Florida Statutes, 2015, as created by s. 14,  
 988 chapter 1992-348, Laws of Florida, may apply for a operating

989 | license to operate a jai alai fronton only during the summer  
 990 | season beginning May 1 and ending November 30 of each year on  
 991 | the dates selected by the permitholder. Such permitholder is  
 992 | subject to the same taxes, rules, and provisions of this chapter  
 993 | which apply to the operation of winter jai alai frontons. A  
 994 | summer jai alai permitholder is not eligible for licensure as a  
 995 | slot machine facility. A summer jai alai permitholder and a  
 996 | winter jai alai permitholder may not operate on the same days or  
 997 | in competition with each other. This subsection does not prevent  
 998 | a summer jai alai licensee from leasing the facilities of a  
 999 | winter jai alai licensee for the operation of a summer meet Any  
 1000 | ~~permit which was converted from a jai alai permit to a greyhound~~  
 1001 | ~~permit may be converted to a jai alai permit at any time if the~~  
 1002 | ~~permitholder never conducted greyhound racing or if the~~  
 1003 | ~~permitholder has not conducted greyhound racing for a period of~~  
 1004 | ~~12 consecutive months.~~

1005 | (7) If any of the following conditions exist on February 1  
 1006 | of each year, the holder of a limited thoroughbred racing permit  
 1007 | that did not file an application for live performances between  
 1008 | December 15 and January 31 may apply to conduct live  
 1009 | performances; and such application must be filed before February  
 1010 | 15:

1011 | (a) All thoroughbred racing permitholders with slot  
 1012 | machine licenses have not collectively sought pari-mutuel  
 1013 | wagering licenses for at least 160 performances and a minimum of  
 1014 | 1,760 races in the next state fiscal year;

1015 (b) All thoroughbred racing permitholders have not  
 1016 collectively sought pari-mutuel wagering licenses for at least  
 1017 200 performances or a minimum of 1,760 races in the next state  
 1018 fiscal year; or

1019 (c) All thoroughbred racing permitholders did not  
 1020 collectively run at least 1,760 races in the previous state  
 1021 fiscal year.

1022 Section 15. Subsection (1) of section 550.0251, Florida  
 1023 Statutes, is amended to read:

1024 550.0251 The powers and duties of the Division of Pari-  
 1025 mutuel Wagering of the Department of Business and Professional  
 1026 Regulation.—The division shall administer this chapter and  
 1027 regulate the pari-mutuel industry under this chapter and the  
 1028 rules adopted pursuant thereto, and:

1029 (1) The division shall make an annual report to the  
 1030 Governor, the President of the Senate, and the Speaker of the  
 1031 House of Representatives. The report shall include, at a  
 1032 minimum:

1033 (a) Recent events in the gaming industry occurring since  
 1034 the last annual report, including administrative complaints  
 1035 filed against permitholders; consent orders entered into with  
 1036 permitholders; litigation between the division and a  
 1037 permitholder; the approval, revocation, or suspension of any  
 1038 permit or operating, slot machine, or cardroom license; and new  
 1039 and approved or proposed rules.

1040 (b) Actions of the department relating to the

1041 implementation and administration of this chapter, chapter 551,  
 1042 and s. 849.086.

1043 (c) The state revenues associated with each form of  
 1044 authorized gaming. Revenues associated with pari-mutuel wagering  
 1045 must be further delineated by the class of license.

1046 (d) The performance of each pari-mutuel wagering licensee,  
 1047 cardroom licensee, and slot machine licensee.

1048 (e) A summary of disciplinary actions taken by the  
 1049 department.

1050 (f) A summary of each permit holder's licensing history  
 1051 from the date of issuance of the permit to the present or the  
 1052 most recent 25 years, whichever is less, including each year an  
 1053 operating, cardroom, or slot machine license was issued, the  
 1054 address of the operation of each, and the number of races or  
 1055 games actually completed during the fiscal year.

1056 (g) Any recommendations to more effectively achieve  
 1057 ~~showing its own actions, receipts derived under the provisions~~  
 1058 ~~of this chapter, the practical effects of the application of~~  
 1059 ~~this chapter, and any suggestions it may approve for the more~~  
 1060 ~~effectual accomplishments of the purposes of this chapter,~~  
 1061 chapter 551, and s. 849.086.

1062 Section 16. Paragraph (b) of subsection (9), paragraph (a)  
 1063 of subsection (11), and subsections (13) and (14) of section  
 1064 550.054, Florida Statutes, are amended, and paragraphs (c)  
 1065 through (f) are added to subsection (9) of that section, to  
 1066 read:

1067           550.054 Application for permit to conduct pari-mutuel  
 1068           wagering.—  
 1069           (9)  
 1070           (b) The division may revoke or suspend any permit or  
 1071           license issued under this chapter upon a ~~the~~ willful violation  
 1072           by the permitholder or licensee ~~of any provision of chapter 551,~~  
 1073           ~~chapter 849, or this chapter or rules of any rule~~ adopted  
 1074           pursuant thereto under this chapter. With the exception of the  
 1075           revocation of permits required in paragraphs (c) and (f) ~~In lieu~~  
 1076           ~~of suspending or revoking a permit or license,~~ the division, in  
 1077           lieu of suspending or revoking a permit or license, may impose a  
 1078           civil penalty against the permitholder or licensee for a  
 1079           violation of this chapter or rules adopted pursuant thereto ~~any~~  
 1080           ~~rule adopted by the division.~~ The penalty so imposed may not  
 1081           exceed \$1,000 for each count or separate offense. All penalties  
 1082           imposed and collected must be deposited with the Chief Financial  
 1083           Officer to the credit of the General Revenue Fund.  
 1084           (c)1. The division shall revoke the permit of any  
 1085           permitholder that fails to make payments due pursuant to ch.  
 1086           550, ch. 551, or s. 849.086 for more than 24 consecutive months  
 1087           unless such failure was the direct result of fire, strike, war,  
 1088           or other disaster or event beyond the permitholder's control.  
 1089           Financial hardship to the permitholder does not, in and of  
 1090           itself, constitute just cause for failure to operate or pay tax  
 1091           on handle.  
 1092           2. The division shall revoke the permit of any

1093 permitholder that has not obtained an operating license in  
 1094 accordance with s. 550.01215 for a period of more than 24  
 1095 consecutive months after June 30, 2012. The division shall  
 1096 revoke the permit upon adequate notice to the permitholder.  
 1097 Financial hardship to the permitholder does not, in and of  
 1098 itself, constitute just cause for failure to operate.

1099 (d) A new permit to conduct pari-mutuel wagering may not  
 1100 be approved or issued after July 1, 2016.

1101 (e) A permit revoked under this subsection is void and may  
 1102 not be reissued.

1103 (f) A permitholder may apply to the division to place the  
 1104 permit into inactive status for a period of 12 months, if such  
 1105 application is made pursuant to s. 550.01215 and division rule.  
 1106 The permitholder may renew inactive status for up to 12  
 1107 additional months, but a permit may not be in inactive status  
 1108 for a period of more than 24 consecutive months. Permitholders  
 1109 in inactive status are not eligible for an operating license or  
 1110 licensure for pari-mutuel wagering, slot machines, or cardrooms.  
 1111 Inactive status shall be removed upon approval of an application  
 1112 for an operating license. The division shall revoke any  
 1113 permitholder that is in inactive status for more than 24 months.

1114 (11)(a) A permit granted under this chapter may not be  
 1115 transferred or assigned except upon written approval by the  
 1116 division pursuant to s. 550.1815, ~~except that the holder of any~~  
 1117 ~~permit that has been converted to a jai alai permit may lease or~~  
 1118 ~~build anywhere within the county in which its permit is located.~~

1119           (13)(a) Notwithstanding any provision ~~provisions~~ of this  
 1120 chapter or chapter 551, a pari-mutuel ~~no thoroughbred horse~~  
 1121 ~~racetrack~~ permit or license issued under this chapter may not ~~shall~~  
 1122 be transferred, ~~or reissued when such reissuance is in the~~  
 1123 ~~nature of a transfer so as to permit or authorize a licensee to~~  
 1124 ~~change the location of a thoroughbred horse racetrack except~~  
 1125 ~~upon proof in such form as the division may prescribe that a~~  
 1126 ~~referendum election has been held:~~

1127           1. ~~If the proposed new location is within the same county~~  
 1128 ~~as the already licensed location, in the county where the~~  
 1129 ~~licensee desires to conduct the race meeting and that a majority~~  
 1130 ~~of the electors voting on that question in such election voted~~  
 1131 ~~in favor of the transfer of such license.~~

1132           2. ~~If the proposed new location is not within the same~~  
 1133 ~~county as the already licensed location, in the county where the~~  
 1134 ~~licensee desires to conduct the race meeting and in the county~~  
 1135 ~~where the licensee is already licensed to conduct the race~~  
 1136 ~~meeting and that a majority of the electors voting on that~~  
 1137 ~~question in each such election voted in favor of the transfer of~~  
 1138 ~~such license.~~

1139           (b) ~~Each referendum held under the provisions of this~~  
 1140 ~~subsection shall be held in accordance with the electoral~~  
 1141 ~~procedures for ratification of permits, as provided in s.~~  
 1142 ~~550.0651. The expense of each such referendum shall be borne by~~  
 1143 ~~the licensee requesting the transfer.~~

1144           (14)(a) Notwithstanding any other provision of law, a

1145 pari-mutuel permit, cardroom, or slot machine facility may not  
 1146 be relocated except as provided ss. 550.0555 and 550.3345, and a  
 1147 pari-mutuel permit may not be converted to another class of  
 1148 permit. Any holder of a permit to conduct jai alai may apply to  
 1149 the division to convert such permit to a permit to conduct  
 1150 greyhound racing in lieu of jai alai if:

1151 ~~1. Such permit is located in a county in which the~~  
 1152 ~~division has issued only two pari-mutuel permits pursuant to~~  
 1153 ~~this section;~~

1154 ~~2. Such permit was not previously converted from any other~~  
 1155 ~~class of permit; and~~

1156 ~~3. The holder of the permit has not conducted jai alai~~  
 1157 ~~games during a period of 10 years immediately preceding his or~~  
 1158 ~~her application for conversion under this subsection.~~

1159 ~~(b) The division, upon application from the holder of a~~  
 1160 ~~jai alai permit meeting all conditions of this section, shall~~  
 1161 ~~convert the permit and shall issue to the permitholder a permit~~  
 1162 ~~to conduct greyhound racing. A permitholder of a permit~~  
 1163 ~~converted under this section shall be required to apply for and~~  
 1164 ~~conduct a full schedule of live racing each fiscal year to be~~  
 1165 ~~eligible for any tax credit provided by this chapter. The holder~~  
 1166 ~~of a permit converted pursuant to this subsection or any holder~~  
 1167 ~~of a permit to conduct greyhound racing located in a county in~~  
 1168 ~~which it is the only permit issued pursuant to this section who~~  
 1169 ~~operates at a leased facility pursuant to s. 550.475 may move~~  
 1170 ~~the location for which the permit has been issued to another~~



1171 ~~location within a 30-mile radius of the location fixed in the~~  
 1172 ~~permit issued in that county, provided the move does not cross~~  
 1173 ~~the county boundary and such location is approved under the~~  
 1174 ~~zoning regulations of the county or municipality in which the~~  
 1175 ~~permit is located, and upon such relocation may use the permit~~  
 1176 ~~for the conduct of pari-mutuel wagering and the operation of a~~  
 1177 ~~cardroom. The provisions of s. 550.6305(9)(d) and (f) shall~~  
 1178 ~~apply to any permit converted under this subsection and shall~~  
 1179 ~~continue to apply to any permit which was previously included~~  
 1180 ~~under and subject to such provisions before a conversion~~  
 1181 ~~pursuant to this section occurred.~~

1182 Section 17. Subsection (2) of section 550.0555, Florida  
 1183 Statutes, is amended to read:

1184 550.0555 ~~Greyhound dogracing permits;~~ Permitholder  
 1185 relocation within a county; conditions.-

1186 (2) ~~any holder of a valid outstanding permit for greyhound~~  
 1187 ~~dogracing in a county in which there is only one dogracing~~  
 1188 ~~permit issued, as well as any holder of a valid outstanding~~  
 1189 ~~permit for jai alai in a county where only one jai alai permit~~  
 1190 ~~is issued,~~ is The following permitholders are authorized,  
 1191 without the necessity of an additional county referendum  
 1192 required under s. 550.0651, to move the location for which the  
 1193 permit has been issued to another location within a 30-mile  
 1194 radius of the location fixed in the permit issued in that  
 1195 county, provided the move does not cross the county boundary,  
 1196 that such relocation is approved under the zoning regulations of

1197 the county or municipality in which the permit is to be located  
 1198 as a planned development use, consistent with the comprehensive  
 1199 plan, and that such move is approved by the department after it  
 1200 is determined that the new location is at least 10 miles from an  
 1201 existing pari-mutuel facility and, if within a county with three  
 1202 or more pari-mutuel permits, is at least 10 miles from the  
 1203 waters of the Atlantic Ocean:

1204 (a) Any holder of a valid outstanding permit for greyhound  
 1205 racing that was previously converted from a jai alai permit;

1206 (b) Any holder of a valid outstanding permit for greyhound  
 1207 racing in a county in which there is only one greyhound racing  
 1208 permit issued; and

1209 (c) Any holder of a valid outstanding permit for jai alai  
 1210 in a county where only one jai alai permit is issued. ~~at a~~  
 1211 ~~proceeding pursuant to chapter 120 in the county affected that~~  
 1212 ~~the move is necessary to ensure the revenue-producing capability~~  
 1213 ~~of the permittee without deteriorating the revenue-producing~~  
 1214 ~~capability of any other pari-mutuel permittee within 50 miles;~~

1215  
 1216 The distances ~~distance~~ shall be measured on a straight line from  
 1217 the nearest property line of one racing plant or jai alai  
 1218 fronton to the nearest property line of the other and the  
 1219 nearest mean high tide line of the Atlantic Ocean.

1220 Section 18. Section 550.0745, Florida Statutes, is  
 1221 repealed.

1222 Section 19. Section 550.0951, Florida Statutes, is amended

1223 to read:

1224 550.0951 Payment of daily license fee and taxes;

1225 penalties.-

1226 (1)(a) DAILY LICENSE FEE.-Each person engaged in the

1227 business of conducting race meetings or jai alai games under

1228 this chapter, hereinafter referred to as the "permitholder,"

1229 "licensee," or "permittee," shall pay ~~to the division, for the~~

1230 ~~use of the division,~~ a daily license fee on each live or

1231 simulcast pari-mutuel event of \$100 for each horserace, and \$80

1232 for each greyhound race, ~~dograce~~ and \$40 for each jai alai game,

1233 any of which is conducted at a racetrack or fronton licensed

1234 under this chapter. A ~~In addition to the tax exemption specified~~

1235 ~~in s. 550.09514(1) of \$360,000 or \$500,000 per greyhound~~

1236 ~~permitholder per state fiscal year, each greyhound permitholder~~

1237 ~~shall receive in the current state fiscal year a tax credit~~

1238 ~~equal to the number of live greyhound races conducted in the~~

1239 ~~previous state fiscal year times the daily license fee specified~~

1240 ~~for each dograce in this subsection applicable for the previous~~

1241 ~~state fiscal year. This tax credit and the exemption in s.~~

1242 ~~550.09514(1) shall be applicable to any tax imposed by this~~

1243 ~~chapter or the daily license fees imposed by this chapter except~~

1244 ~~during any charity or scholarship performances conducted~~

1245 ~~pursuant to s. 550.0351. Each permitholder may not be required~~

1246 to shall pay daily license fees in excess of ~~not to exceed~~ \$500

1247 per day on any simulcast races or games on which such

1248 permitholder accepts wagers, regardless of the number of out-of-

1249 state events taken or the number of out-of-state locations from  
 1250 which such events are taken. This license fee shall be deposited  
 1251 with the Chief Financial Officer to the credit of the Pari-  
 1252 mutuel Wagering Trust Fund.

1253 ~~(b) Each permitholder that cannot utilize the full amount~~  
 1254 ~~of the exemption of \$360,000 or \$500,000 provided in s.~~  
 1255 ~~550.09514(1) or the daily license fee credit provided in this~~  
 1256 ~~section may, after notifying the division in writing, elect once~~  
 1257 ~~per state fiscal year on a form provided by the division to~~  
 1258 ~~transfer such exemption or credit or any portion thereof to any~~  
 1259 ~~greyhound permitholder which acts as a host track to such~~  
 1260 ~~permitholder for the purpose of intertrack wagering. Once an~~  
 1261 ~~election to transfer such exemption or credit is filed with the~~  
 1262 ~~division, it shall not be rescinded. The division shall~~  
 1263 ~~disapprove the transfer when the amount of the exemption or~~  
 1264 ~~credit or portion thereof is unavailable to the transferring~~  
 1265 ~~permitholder or when the permitholder who is entitled to~~  
 1266 ~~transfer the exemption or credit or who is entitled to receive~~  
 1267 ~~the exemption or credit owes taxes to the state pursuant to a~~  
 1268 ~~deficiency letter or administrative complaint issued by the~~  
 1269 ~~division. Upon approval of the transfer by the division, the~~  
 1270 ~~transferred tax exemption or credit shall be effective for the~~  
 1271 ~~first performance of the next payment period as specified in~~  
 1272 ~~subsection (5). The exemption or credit transferred to such host~~  
 1273 ~~track may be applied by such host track against any taxes~~  
 1274 ~~imposed by this chapter or daily license fees imposed by this~~

1275 ~~chapter. The greyhound permitholder host track to which such~~  
 1276 ~~exemption or credit is transferred shall reimburse such~~  
 1277 ~~permitholder the exact monetary value of such transferred~~  
 1278 ~~exemption or credit as actually applied against the taxes and~~  
 1279 ~~daily license fees of the host track. The division shall ensure~~  
 1280 ~~that all transfers of exemption or credit are made in accordance~~  
 1281 ~~with this subsection and shall have the authority to adopt rules~~  
 1282 ~~to ensure the implementation of this section.~~

1283 (2) ADMISSION TAX.—

1284 (a) An admission tax equal to 15 percent of the admission  
 1285 charge for entrance to the permitholder's facility and  
 1286 grandstand area, or 10 cents, whichever is greater, is imposed  
 1287 on each person attending a horserace, greyhound race ~~dog race~~, or  
 1288 jai alai game. The permitholder is ~~shall be~~ responsible for  
 1289 collecting the admission tax.

1290 (b) The ~~No~~ admission tax imposed under this chapter and ~~or~~  
 1291 chapter 212 may not ~~shall~~ be imposed on any free passes or  
 1292 complimentary cards issued to persons for which there is no cost  
 1293 to the person for admission to pari-mutuel events.

1294 (c) A permitholder may issue tax-free passes to its  
 1295 officers, officials, and employees and to ~~or~~ other persons  
 1296 actually engaged in working at the racetrack, including  
 1297 accredited media ~~press~~ representatives such as reporters and  
 1298 editors, and may also issue tax-free passes to other  
 1299 permitholders for the use of their officers and officials. The  
 1300 permitholder shall file with the division a list of all persons

1301 to whom tax-free passes are issued under this paragraph.

1302 (3) TAX ON HANDLE.—Each permitholder shall pay a tax on  
 1303 contributions to pari-mutuel pools, the aggregate of which is  
 1304 hereinafter referred to as "handle," on races or games conducted  
 1305 by the permitholder. The tax is imposed daily and is based on  
 1306 the total contributions to all pari-mutuel pools conducted  
 1307 during the daily performance. If a permitholder conducts more  
 1308 than one performance daily, the tax is imposed on each  
 1309 performance separately.

1310 (a) The tax on handle for quarter horse racing is 1.0  
 1311 percent of the handle.

1312 (b)1. The tax on handle for greyhound racing ~~dogracing~~ is  
 1313 1.28 ~~5.5~~ percent of the handle, ~~except that for live charity~~  
 1314 ~~performances held pursuant to s. 550.0351, and for intertrack~~  
 1315 ~~wagering on such charity performances at a guest greyhound track~~  
 1316 ~~within the market area of the host, the tax is 7.6 percent of~~  
 1317 ~~the handle.~~

1318 2. The tax on handle for jai alai is 7.1 percent of the  
 1319 handle.

1320 (c)1. The tax on handle for intertrack wagering is:

1321 a. If the host track is a horse track, 2.0 percent of the  
 1322 handle.

1323 b. If the host track is a harness ~~horse~~ track, 3.3 percent  
 1324 of the handle.

1325 c. If the host track is a greyhound ~~harness~~ track, 1.28  
 1326 5.5 percent of the handle, to be remitted by the guest track. if

1327 ~~the host track is a dog track, and~~  
 1328 d. If the host track is a jai alai fronton, 7.1 percent of  
 1329 the handle if the host track is a jai alai fronton.  
 1330 e. The tax on handle for intertrack wagering is 0.5  
 1331 ~~percent~~ If the host track and the guest track are thoroughbred  
 1332 racing permitholders or if the guest track is located outside  
 1333 the market area of a the host track that is not a greyhound  
 1334 racing track and within the market area of a thoroughbred racing  
 1335 permitholder currently conducting a live race meet, 0.5 percent  
 1336 of the handle.  
 1337 f. The tax on handle For intertrack wagering on  
 1338 rebroadcasts of simulcast thoroughbred horseraces, is 2.4  
 1339 percent of the handle and ~~1.5 percent of the handle~~ for  
 1340 intertrack wagering on rebroadcasts of simulcast harness  
 1341 horseraces, 1.5 percent of the handle.  
 1342 2. The tax shall be deposited into the Pari-mutuel  
 1343 Wagering Trust Fund.  
 1344 ~~3.2.~~ The tax on handle for intertrack wagers accepted by  
 1345 any greyhound ~~dog~~ track located in an area of the state in which  
 1346 there are only three permitholders, all of which are greyhound  
 1347 racing permitholders, located in three contiguous counties, from  
 1348 any greyhound racing permitholder also located within such area  
 1349 or any greyhound ~~dog~~ track or jai alai fronton located as  
 1350 specified in s. 550.615(7) ~~550.615(6) or (9)~~, on races or games  
 1351 received from any jai alai the same class of permitholder  
 1352 located within the same market area is 1.28 ~~3.9~~ percent of the

1353 handle if the host facility is a greyhound racing permitholder.  
 1354 ~~and~~, If the host facility is a jai alai permitholder, the tax is  
 1355 ~~rate shall be 6.1 percent of the handle until except that it~~  
 1356 ~~shall be 2.3 percent on handle at~~ such time as the total tax on  
 1357 intertrack handle paid to the division by the permitholder  
 1358 during the current state fiscal year exceeds the total ~~tax on~~  
 1359 ~~intertrack handle~~ paid to the division by the permitholder  
 1360 during the 1992-1993 state fiscal year, in which case the tax is  
 1361 2.3 percent of the handle.

1362 (d) Notwithstanding any other provision of this chapter,  
 1363 in order to protect the Florida jai alai industry, effective  
 1364 July 1, 2000, a jai alai permitholder may not be taxed on live  
 1365 handle at a rate higher than 2 percent.

1366 (4) BREAKS TAX.—Effective October 1, 1996, each  
 1367 permitholder conducting jai alai performances shall pay a tax  
 1368 equal to the breaks. As used in this subsection, the term  
 1369 "breaks" means the money that remains in each pari-mutuel pool  
 1370 after funds are ~~The "breaks" represents that portion of each~~  
 1371 ~~pari-mutuel pool which is not~~ redistributed to the contributors  
 1372 and commissions are ~~or~~ withheld by the permitholder ~~as~~  
 1373 ~~commission.~~

1374 (5) PAYMENT AND DISPOSITION OF FEES AND TAXES.—Payments  
 1375 imposed by this section shall be paid to the division. The  
 1376 division shall deposit such payments ~~these sums~~ with the Chief  
 1377 Financial Officer, to the credit of the Pari-mutuel Wagering  
 1378 Trust Fund, hereby established. The permitholder shall remit to



1379 the division payment for the daily license fee, the admission  
 1380 tax, the tax on handle, and the breaks tax. Such payments must  
 1381 ~~shall~~ be remitted by 3 p.m. on Wednesday of each week for taxes  
 1382 imposed and collected for the preceding week ending on Sunday.  
 1383 Beginning on July 1, 2012, such payments must ~~shall~~ be remitted  
 1384 by 3 p.m. on the 5th day of each calendar month for taxes  
 1385 imposed and collected for the preceding calendar month. If the  
 1386 5th day of the calendar month falls on a weekend, payments must  
 1387 ~~shall~~ be remitted by 3 p.m. on the first Monday following the  
 1388 weekend. Permitholders shall file a report under oath by the 5th  
 1389 day of each calendar month for all taxes remitted during the  
 1390 preceding calendar month. Such payments must ~~shall~~ be  
 1391 accompanied by a report under oath showing the total of all  
 1392 admissions, the pari-mutuel wagering activities for the  
 1393 preceding calendar month, and any ~~such~~ other information ~~as may~~  
 1394 ~~be~~ prescribed by the division.

1395 (6) PENALTIES.—

1396 (a) The failure of any permitholder to make payments as  
 1397 prescribed in subsection (5) is a violation of this section, and  
 1398 the ~~permitholder may be subjected by the division~~ may impose ~~to~~  
 1399 a civil penalty against the permitholder of up to \$1,000 for  
 1400 each day the tax payment is not remitted. All penalties imposed  
 1401 and collected shall be deposited in the General Revenue Fund. If  
 1402 a permitholder fails to pay penalties imposed by order of the  
 1403 division under this subsection, the division may suspend or  
 1404 revoke the license of the permitholder, cancel the permit of the

1405 | permitholder, or deny issuance of any further license or permit  
 1406 | to the permitholder.

1407 |       (b) In addition to the civil penalty prescribed in  
 1408 | paragraph (a), any willful or wanton failure by any permitholder  
 1409 | to make payments of the daily license fee, admission tax, tax on  
 1410 | handle, or breaks tax constitutes sufficient grounds for the  
 1411 | division to suspend or revoke the license of the permitholder,  
 1412 | to cancel the permit of the permitholder, or to deny issuance of  
 1413 | any further license or permit to the permitholder.

1414 |       Section 20. Section 550.09512, Florida Statutes, is  
 1415 | amended to read:

1416 |       550.09512 Harness horse racing taxes; abandoned interest  
 1417 | in a permit for nonpayment of taxes.-

1418 |       (1) Pari-mutuel wagering at harness horse racetracks in  
 1419 | this state is an important business enterprise, and taxes  
 1420 | derived therefrom constitute a part of the tax structure which  
 1421 | funds operation of the state. Harness racing ~~horse~~ permitholders  
 1422 | should pay their fair share of these taxes to the state. This  
 1423 | business interest should not be taxed to such an extent as to  
 1424 | cause any racetrack which is operated under sound business  
 1425 | principles to be forced out of business. Due to the need to  
 1426 | protect the public health, safety, and welfare, the gaming laws  
 1427 | of the state provide for the harness horse industry to be highly  
 1428 | regulated and taxed. The state recognizes that there exist  
 1429 | identifiable differences between harness racing ~~horse~~  
 1430 | permitholders based upon their ability to operate under such

1431 regulation and tax system.

1432 (2)(a) The tax on handle for live harness horse  
1433 performances is 0.5 percent of handle per performance.

1434 (b) For purposes of this section, the term "handle" shall  
1435 have the same meaning as in s. 550.0951, and shall not include  
1436 handle from intertrack wagering.

1437 (3)~~(a)~~ The division shall revoke the permit of a harness  
1438 horse racing permitholder that fails to make payments due  
1439 pursuant to this chapter, ch. 551, or s. 849.086 for more than  
1440 24 consecutive months who does not pay tax on handle for live  
1441 harness horse performances for a full schedule of live races  
1442 during any 2 consecutive state fiscal years shall be void and  
1443 shall escheat to and become the property of the state unless  
1444 such failure to operate and pay tax on handle was the direct  
1445 result of fire, strike, war, or other disaster or event beyond  
1446 the ability of the permitholder to control. Financial hardship  
1447 to the permitholder does shall not, in and of itself, constitute  
1448 just cause for failure to operate and pay tax on handle. A  
1449 permit revoked under this subsection is void and may not be  
1450 reissued.

1451 ~~(b) In order to maximize the tax revenues to the state,~~  
1452 ~~the division shall reissue an escheated harness horse permit to~~  
1453 ~~a qualified applicant pursuant to the provisions of this chapter~~  
1454 ~~as for the issuance of an initial permit. However, the~~  
1455 ~~provisions of this chapter relating to referendum requirements~~  
1456 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~

1457 ~~escheated harness horse permit. As specified in the application~~  
 1458 ~~and upon approval by the division of an application for the~~  
 1459 ~~permit, the new permitholder shall be authorized to operate a~~  
 1460 ~~harness horse facility anywhere in the same county in which the~~  
 1461 ~~escheated permit was authorized to be operated, notwithstanding~~  
 1462 ~~the provisions of s. 550.054(2) relating to mileage limitations.~~

1463 (4) In the event that a court of competent jurisdiction  
 1464 determines any of the provisions of this section to be  
 1465 unconstitutional, it is the intent of the Legislature that the  
 1466 provisions contained in this section shall be null and void and  
 1467 that the provisions of s. 550.0951 shall apply to all harness  
 1468 racing horse permitholders beginning on the date of such  
 1469 judicial determination. To this end, the Legislature declares  
 1470 that it would not have enacted any of the provisions of this  
 1471 section individually and, to that end, expressly finds them not  
 1472 to be severable.

1473 Section 21. Section 550.09514, Florida Statutes, is  
 1474 amended to read:

1475 550.09514 Greyhound racing ~~dogracing~~ taxes; purse  
 1476 requirements.-

1477 ~~(1) Wagering on greyhound racing is subject to a tax on~~  
 1478 ~~handle for live greyhound racing as specified in s. 550.0951(3).~~  
 1479 ~~However, each permitholder shall pay no tax on handle until such~~  
 1480 ~~time as this subsection has resulted in a tax savings per state~~  
 1481 ~~fiscal year of \$360,000. Thereafter, each permitholder shall pay~~  
 1482 ~~the tax as specified in s. 550.0951(3) on all handle for the~~

1483 ~~remainder of the permitholder's current race meet. For the three~~  
 1484 ~~permitholders that conducted a full schedule of live racing in~~  
 1485 ~~1995, and are closest to another state that authorizes greyhound~~  
 1486 ~~pari-mutuel wagering, the maximum tax savings per state fiscal~~  
 1487 ~~year shall be \$500,000. The provisions of this subsection~~  
 1488 ~~relating to tax exemptions shall not apply to any charity or~~  
 1489 ~~scholarship performances conducted pursuant to s. 550.0351.~~

1490 (1)(2)(a) The division shall determine for each greyhound  
 1491 racing permitholder the annual purse percentage rate of live  
 1492 handle for the state fiscal year 1993-1994 by dividing total  
 1493 purses paid on live handle by the permitholder, exclusive of  
 1494 payments made from outside sources, during the 1993-1994 state  
 1495 fiscal year by the permitholder's live handle for the 1993-1994  
 1496 state fiscal year. A greyhound racing ~~Each~~ permitholder  
 1497 conducting live racing during a fiscal year shall pay as purses  
 1498 for such live races conducted during its current race meet a  
 1499 percentage of its live handle not less than the percentage  
 1500 determined under this paragraph, exclusive of payments made by  
 1501 outside sources, for its 1993-1994 state fiscal year.

1502 (b) Except as otherwise set forth herein, in addition to  
 1503 the minimum purse percentage required by paragraph (a), each  
 1504 greyhound racing permitholder conducting live racing during a  
 1505 fiscal year shall pay as purses an annual amount of \$60 for each  
 1506 live race conducted ~~equal to 75 percent of the daily license~~  
 1507 ~~fees paid by the greyhound racing~~ each permitholder in for the  
 1508 preceding 1994-1995 fiscal year. ~~These~~ This purse supplement

1509 ~~shall be disbursed weekly during the permitholder's race meet in~~  
 1510 ~~an amount determined by dividing the annual purse supplement by~~  
 1511 ~~the number of performances approved for the permitholder~~  
 1512 ~~pursuant to its annual license and multiplying that amount by~~  
 1513 ~~the number of performances conducted each week. For the~~  
 1514 ~~greyhound permitholders in the county where there are two~~  
 1515 ~~greyhound permitholders located as specified in s. 550.615(6),~~  
 1516 ~~such permitholders shall pay in the aggregate an amount equal to~~  
 1517 ~~75 percent of the daily license fees paid by such permitholders~~  
 1518 ~~for the 1994-1995 fiscal year. These permitholders shall be~~  
 1519 ~~jointly and severally liable for such purse payments. The~~  
 1520 ~~additional purses provided by this paragraph~~ must be used  
 1521 exclusively for purses other than stakes and must be disbursed  
 1522 weekly during the permitholder's race meet. The division shall  
 1523 conduct audits necessary to ensure compliance with this section.

1524 (c)1. Each greyhound racing permitholder, when conducting  
 1525 at least three live performances during any week, shall pay  
 1526 purses in that week on wagers it accepts as a guest track on  
 1527 intertrack and simulcast greyhound races at the same rate as it  
 1528 pays on live races. Each greyhound racing permitholder, when  
 1529 conducting at least three live performances during any week,  
 1530 shall pay purses in that week, at the same rate as it pays on  
 1531 live races, on wagers accepted on greyhound races at a guest  
 1532 track that ~~which~~ is not conducting live racing and is located  
 1533 within the same market area as the greyhound racing permitholder  
 1534 conducting at least three live performances during any week.

1535           2. Each host greyhound racing permitholder shall pay  
 1536 purses on its simulcast and intertrack broadcasts of greyhound  
 1537 races to guest facilities that are located outside its market  
 1538 area in an amount equal to one quarter of an amount determined  
 1539 by subtracting the transmission costs of sending the simulcast  
 1540 or intertrack broadcasts from an amount determined by adding the  
 1541 fees received for greyhound simulcast races plus 3 percent of  
 1542 the greyhound intertrack handle at guest facilities that are  
 1543 located outside the market area of the host and that paid  
 1544 contractual fees to the host for such broadcasts of greyhound  
 1545 races.

1546           (d) The division shall require sufficient documentation  
 1547 from each greyhound racing permitholder regarding purses paid on  
 1548 live racing to assure that the annual purse percentage rates  
 1549 paid by each greyhound racing permitholder conducting ~~on the~~  
 1550 live races are not reduced below those paid during the 1993-1994  
 1551 state fiscal year. The division shall require sufficient  
 1552 documentation from each greyhound racing permitholder to assure  
 1553 that the purses paid by each permitholder on the greyhound  
 1554 intertrack and simulcast broadcasts are in compliance with the  
 1555 requirements of paragraph (c).

1556           (e) In addition to the purse requirements of paragraphs  
 1557 (a)-(c), each greyhound racing permitholder conducting live  
 1558 races shall pay as purses an amount equal to one-third of the  
 1559 amount of the tax reduction on live and simulcast handle  
 1560 applicable to such permitholder as a result of the reductions in

1561 tax rates provided by s. 6, chapter 2000-354, Laws of Florida  
 1562 ~~this act through the amendments to s. 550.0951(3)~~. With respect  
 1563 to intertrack wagering when the host and guest tracks are  
 1564 greyhound racing permitholders not within the same market area,  
 1565 an amount equal to the tax reduction applicable to the guest  
 1566 track handle as a result of the reduction in tax rate provided  
 1567 by s. 6, chapter 2000-354, Laws of Florida, ~~this act through the~~  
 1568 ~~amendment to s. 550.0951(3)~~ shall be distributed to the guest  
 1569 track, one-third of which amount shall be paid as purses at the  
 1570 guest track. However, if the guest track is a greyhound racing  
 1571 permitholder within the market area of the host or if the guest  
 1572 track is not a greyhound racing permitholder, an amount equal to  
 1573 such tax reduction applicable to the guest track handle shall be  
 1574 retained by the host track, one-third of which amount shall be  
 1575 paid as purses at the host track. These purse funds shall be  
 1576 disbursed in the week received if the permitholder conducts at  
 1577 least one live performance during that week. If the permitholder  
 1578 does not conduct at least one live performance during the week  
 1579 in which the purse funds are received, the purse funds shall be  
 1580 disbursed weekly during the permitholder's next race meet in an  
 1581 amount determined by dividing the purse amount by the number of  
 1582 performances approved for the permitholder pursuant to its  
 1583 annual license, and multiplying that amount by the number of  
 1584 performances conducted each week. The division shall conduct  
 1585 audits necessary to ensure compliance with this paragraph.

1586 (f) Each greyhound racing permitholder conducting live



1587 racing shall, during the permitholder's race meet, supply kennel  
 1588 operators and the Division of Pari-Mutuel Wagering with a weekly  
 1589 report showing purses paid on live greyhound races and all  
 1590 greyhound intertrack and simulcast broadcasts, including both as  
 1591 a guest and a host together with the handle or commission  
 1592 calculations on which such purses were paid and the transmission  
 1593 costs of sending the simulcast or intertrack broadcasts, so that  
 1594 the kennel operators may determine statutory and contractual  
 1595 compliance.

1596 (g) Each greyhound racing permitholder conducting live  
 1597 racing shall make direct payment of purses to the greyhound  
 1598 owners who have filed with such permitholder appropriate federal  
 1599 taxpayer identification information based on the percentage  
 1600 amount agreed upon between the kennel operator and the greyhound  
 1601 owner.

1602 (h) At the request of a majority of kennel operators under  
 1603 contract with a greyhound racing permitholder conducting live  
 1604 racing, the permitholder shall make deductions from purses paid  
 1605 to each kennel operator electing such deduction and shall make a  
 1606 direct payment of such deductions to the local association of  
 1607 greyhound kennel operators formed by a majority of kennel  
 1608 operators under contract with the permitholder. The amount of  
 1609 the deduction shall be at least 1 percent of purses, as  
 1610 determined by the local association of greyhound kennel  
 1611 operators. ~~No~~ Deductions may not be taken pursuant to this  
 1612 paragraph without a kennel operator's specific approval before

1613 or after the effective date of this act.

1614 (2)~~(3)~~ For the purpose of this section, the term "live  
1615 handle" means the handle from wagers placed at the  
1616 permitholder's establishment on the live greyhound races  
1617 conducted at the permitholder's establishment.

1618 Section 22. Section 550.09515, Florida Statutes, is  
1619 amended to read:

1620 550.09515 Thoroughbred racing ~~horse~~ taxes; abandoned  
1621 interest in a permit for nonpayment of taxes.—

1622 (1) Pari-mutuel wagering at thoroughbred horse racetracks  
1623 in this state is an important business enterprise, and taxes  
1624 derived therefrom constitute a part of the tax structure which  
1625 funds operation of the state. Thoroughbred horse permitholders  
1626 should pay their fair share of these taxes to the state. This  
1627 business interest should not be taxed to such an extent as to  
1628 cause any racetrack which is operated under sound business  
1629 principles to be forced out of business. Due to the need to  
1630 protect the public health, safety, and welfare, the gaming laws  
1631 of the state provide for the thoroughbred horse industry to be  
1632 highly regulated and taxed. The state recognizes that there  
1633 exist identifiable differences between thoroughbred horse  
1634 permitholders based upon their ability to operate under such  
1635 regulation and tax system and at different periods during the  
1636 year.

1637 (2) (a) The tax on handle for live thoroughbred horserace  
1638 performances shall be 0.5 percent.

1639 (b) For purposes of this section, the term "handle" shall  
 1640 have the same meaning as in s. 550.0951, and shall not include  
 1641 handle from intertrack wagering.

1642 (3)~~(a)~~ The division shall revoke the permit of a  
 1643 thoroughbred racing horse permitholder that fails to make  
 1644 payments due pursuant to this chapter, ch. 551, or s. 849.086  
 1645 for more than 24 consecutive months ~~who does not pay tax on~~  
 1646 ~~handle for live thoroughbred horse performances for a full~~  
 1647 ~~schedule of live races during any 2 consecutive state fiscal~~  
 1648 ~~years shall be void and shall escheat to and become the property~~  
 1649 ~~of the state unless such failure to operate and pay tax on~~  
 1650 ~~handle~~ was the direct result of fire, strike, war, or other  
 1651 disaster or event beyond the ability of the permitholder to  
 1652 control. Financial hardship to the permitholder does ~~shall~~ not,  
 1653 in and of itself, constitute just cause for failure to operate  
 1654 and pay tax ~~on handle~~. A permit revoked under this subsection is  
 1655 void and may not be reissued.

1656 ~~(b) In order to maximize the tax revenues to the state,~~  
 1657 ~~the division shall reissue an escheated thoroughbred horse~~  
 1658 ~~permit to a qualified applicant pursuant to the provisions of~~  
 1659 ~~this chapter as for the issuance of an initial permit. However,~~  
 1660 ~~the provisions of this chapter relating to referendum~~  
 1661 ~~requirements for a pari-mutuel permit shall not apply to the~~  
 1662 ~~reissuance of an escheated thoroughbred horse permit. As~~  
 1663 ~~specified in the application and upon approval by the division~~  
 1664 ~~of an application for the permit, the new permitholder shall be~~

1665 ~~authorized to operate a thoroughbred horse facility anywhere in~~  
 1666 ~~the same county in which the escheated permit was authorized to~~  
 1667 ~~be operated, notwithstanding the provisions of s. 550.054(2)~~  
 1668 ~~relating to milcage limitations.~~

1669 (4) In the event that a court of competent jurisdiction  
 1670 determines any of the provisions of this section to be  
 1671 unconstitutional, it is the intent of the Legislature that the  
 1672 provisions contained in this section shall be null and void and  
 1673 that the provisions of s. 550.0951 shall apply to all  
 1674 thoroughbred horse permitholders beginning on the date of such  
 1675 judicial determination. To this end, the Legislature declares  
 1676 that it would not have enacted any of the provisions of this  
 1677 section individually and, to that end, expressly finds them not  
 1678 to be severable.

1679 (5) Notwithstanding the provisions of s. 550.0951(3)(c),  
 1680 the tax on handle for intertrack wagering on rebroadcasts of  
 1681 simulcast horseraces is 2.4 percent of the handle; provided  
 1682 however, that if the guest track is a thoroughbred track located  
 1683 more than 35 miles from the host track, the host track shall pay  
 1684 a tax of .5 percent of the handle, and additionally the host  
 1685 track shall pay to the guest track 1.9 percent of the handle to  
 1686 be used by the guest track solely for purses. The tax shall be  
 1687 deposited into the Pari-mutuel Wagering Trust Fund.

1688 (6) A credit equal to the amount of contributions made by  
 1689 a thoroughbred racing permitholder during the taxable year  
 1690 directly to the Jockeys' Guild or its health and welfare fund to

1691 be used to provide health and welfare benefits for active,  
 1692 disabled, and retired Florida jockeys and their dependents  
 1693 pursuant to reasonable rules of eligibility established by the  
 1694 Jockeys' Guild is allowed against taxes on live handle due for a  
 1695 taxable year under this section. A thoroughbred racing  
 1696 permitholder may not receive a credit greater than an amount  
 1697 equal to 1 percent of its paid taxes for the previous taxable  
 1698 year.

1699 ~~(7) If a thoroughbred permitholder fails to operate all~~  
 1700 ~~performances on its 2001-2002 license, failure to pay tax on~~  
 1701 ~~handle for a full schedule of live races for those performances~~  
 1702 ~~in the 2001-2002 fiscal year does not constitute failure to pay~~  
 1703 ~~taxes on handle for a full schedule of live races in a fiscal~~  
 1704 ~~year for the purposes of subsection (3). This subsection may not~~  
 1705 ~~be construed as forgiving a thoroughbred permitholder from~~  
 1706 ~~paying taxes on performances conducted at its facility pursuant~~  
 1707 ~~to its 2001-2002 license other than for failure to operate all~~  
 1708 ~~performances on its 2001-2002 license. This subsection expires~~  
 1709 ~~July 1, 2003.~~

1710 Section 23. Paragraph (a) of subsection (2) of section  
 1711 550.105, Florida Statutes, is amended to read:

1712 550.105 Occupational licenses of racetrack employees;  
 1713 fees; denial, suspension, and revocation of license; penalties  
 1714 and fines.—

1715 (2) (a) The following licenses shall be issued to persons  
 1716 or entities with access to the backside, racing animals, jai

1717 alai players' room, jockeys' room, drivers' room, totalisator  
 1718 room, the mutuels, or money room, or to persons who, by virtue  
 1719 of the position they hold, might be granted access to these  
 1720 areas or to any other person or entity in one of the following  
 1721 categories and with fees not to exceed the following amounts for  
 1722 any 12-month period:

1723 1. Business licenses: any business such as a vendor,  
 1724 contractual concessionaire, contract kennel, business owning  
 1725 racing animals, trust or estate, totalisator company, stable  
 1726 name, multijurisdictional simulcasting and interactive wagering  
 1727 totalisator hub, or other fictitious name: \$50.

1728 2. Professional occupational licenses: professional  
 1729 persons with access to the backside of a racetrack or players'  
 1730 quarters in jai alai such as trainers, officials, veterinarians,  
 1731 doctors, nurses, EMT's, jockeys and apprentices, drivers, jai  
 1732 alai players, owners, trustees, directors of a  
 1733 multijurisdictional simulcasting and interactive wagering  
 1734 totalisator hub or any management or officer or director or  
 1735 shareholder or any other professional-level person who might  
 1736 have access to the jockeys' room, the drivers' room, the  
 1737 backside, racing animals, kennel compound, or managers or  
 1738 supervisors requiring access to mutuels machines, the money  
 1739 room, or totalisator equipment: \$40.

1740 3. General occupational licenses: general employees with  
 1741 access to the jockeys' room, the drivers' room, racing animals,  
 1742 the backside of a racetrack or players' quarters in jai alai,

1743 such as grooms, kennel helpers, leadouts, pelota makers, cesta  
 1744 makers, or ball boys, or a practitioner of any other occupation  
 1745 who would have access to the animals, the backside, or the  
 1746 kennel compound, or who would provide the security or  
 1747 maintenance of these areas, or mutuel employees, totalisator  
 1748 employees, money-room employees, or any employee with access to  
 1749 mutuels machines, the money room, or totalisator equipment or  
 1750 who would provide the security or maintenance of these areas, or  
 1751 any employees of a multijurisdictional simulcasting and  
 1752 interactive wagering totalisator hub: \$10.

1753

1754 The individuals and entities that are licensed under this  
 1755 paragraph require heightened state scrutiny, including the  
 1756 submission by the individual licensees or persons associated  
 1757 with the entities described in this chapter of fingerprints for  
 1758 a Federal Bureau of Investigation criminal records check.

1759 Section 24. Section 550.1625, Florida Statutes, is amended  
 1760 to read:

1761 550.1625 Greyhound racing ~~dogracing~~; taxes.-

1762 (1) The operation of a greyhound ~~dog~~ track and legalized  
 1763 pari-mutuel betting at greyhound ~~dog~~ tracks in this state is a  
 1764 privilege and is an operation that requires strict supervision  
 1765 and regulation in the best interests of the state. Pari-mutuel  
 1766 wagering at greyhound ~~dog~~ tracks in this state is a substantial  
 1767 business, and taxes derived therefrom constitute part of the tax  
 1768 structures of the state and the counties. The operators of

1769 greyhound ~~dog~~ tracks should pay their fair share of taxes to the  
 1770 state; at the same time, this substantial business interest  
 1771 should not be taxed to such an extent as to cause a track that  
 1772 is operated under sound business principles to be forced out of  
 1773 business.

1774 (2) A permitholder that conducts a greyhound race ~~dograce~~  
 1775 meet under this chapter must pay the daily license fee, the  
 1776 admission tax, ~~the breaks tax,~~ and the tax on pari-mutuel handle  
 1777 as provided in s. 550.0951 and is subject to all penalties and  
 1778 sanctions provided in s. 550.0951(6).

1779 Section 25. Section 550.1647, Florida Statutes, is  
 1780 repealed.

1781 Section 26. Section 550.1648, Florida Statutes, is amended  
 1782 to read:

1783 550.1648 Greyhound adoptions.—

1784 ~~(1)~~ A greyhound racing ~~Each dogracing~~ permitholder that  
 1785 conducts live racing at ~~operating~~ a greyhound racing ~~dogracing~~  
 1786 facility in this state shall provide for a greyhound adoption  
 1787 booth to be located at the facility.

1788 (1)(a) The greyhound adoption booth must be operated on  
 1789 weekends by personnel or volunteers from a bona fide  
 1790 organization that promotes or encourages the adoption of  
 1791 greyhounds ~~pursuant to s. 550.1647.~~ Such bona fide organization,  
 1792 as a condition of adoption, must provide sterilization of  
 1793 greyhounds by a licensed veterinarian before relinquishing  
 1794 custody of the greyhound to the adopter. The fee for



1795 sterilization may be included in the cost of adoption. As used  
 1796 in this section, the term "weekend" includes the hours during  
 1797 which live greyhound racing is conducted on Friday, Saturday, or  
 1798 Sunday, and the term "bona fide organization that promotes or  
 1799 encourages the adoption of greyhounds" means an organization  
 1800 that provides evidence of compliance with chapter 496 and  
 1801 possesses a valid exemption from federal taxation issued by the  
 1802 Internal Revenue Service. Information pamphlets and application  
 1803 forms shall be provided to the public upon request.

1804 (b) ~~In addition,~~ The kennel operator or owner shall notify  
 1805 the permitholder that a greyhound is available for adoption and  
 1806 the permitholder shall provide information concerning the  
 1807 adoption of a greyhound in each race program and shall post  
 1808 adoption information at conspicuous locations throughout the  
 1809 greyhound racing ~~dogracing~~ facility. Any greyhound that is  
 1810 participating in a race and that will be available for future  
 1811 adoption must be noted in the race program. The permitholder  
 1812 shall allow greyhounds to be walked through the track facility  
 1813 to publicize the greyhound adoption program.

1814 (2) In addition to the charity days authorized under s.  
 1815 550.0351, a greyhound racing permitholder may fund the greyhound  
 1816 adoption program by holding a charity racing day designated as  
 1817 "Greyhound Adopt-A-Pet Day." All profits derived from the  
 1818 operation of the charity day must be placed into a fund used to  
 1819 support activities at the racing facility which promote the  
 1820 adoption of greyhounds. The division may adopt rules for

1821 administering the fund. Proceeds from the charity day authorized  
 1822 in this subsection may not be used as a source of funds for the  
 1823 purposes set forth in s. 550.1647.

1824 (3) (a) Upon a violation of this section by a permitholder  
 1825 or licensee, the division may impose a penalty as provided in s.  
 1826 550.0251(10) and require the permitholder to take corrective  
 1827 action.

1828 (b) A penalty imposed under s. 550.0251(10) does not  
 1829 exclude a prosecution for cruelty to animals or for any other  
 1830 criminal act.

1831 Section 27. Section 550.1752, Florida Statutes, is created  
 1832 to read:

1833 550.1752 Thoroughbred purse supplement program.-

1834 (1) The thoroughbred purse supplement program is created  
 1835 in the Division of Pari-mutuel Wagering for the purpose of  
 1836 maintaining an active and viable live thoroughbred racing,  
 1837 owning, and breeding industry in this state. The program shall  
 1838 be funded by cardroom net proceeds contributed pursuant to s.  
 1839 849.086(13). Payments available for the program shall be  
 1840 calculated on a monthly basis until such time as the division  
 1841 determines that sufficient funds are available for allocation.

1842 (2) The division shall adopt by rule the form to be used  
 1843 by a thoroughbred racing permitholder for applying to receive  
 1844 funds from the program to be used to supplement purses for its  
 1845 live racing meet.

1846 (3) The division shall apportion the purse supplement

1847 funds to all applicants on a pro rata basis based upon the  
 1848 number of days of live performances to be conducted by  
 1849 applicants pursuant to their annual racing licenses.

1850 (4) If a day of live performances is not conducted by a  
 1851 thoroughbred racing permitholder that has received funds  
 1852 pursuant to this section for that day of live performances, the  
 1853 thoroughbred racing permitholder failing to conduct the day of  
 1854 live performances shall return the purse supplement fund  
 1855 allocated for that day to the division, and the division shall  
 1856 reapportion such amount based on the number of remaining days of  
 1857 live performances to be conducted during the state fiscal year.

1858 (5) Purse supplement funds under this section are intended  
 1859 to enhance the total purses paid per race day in comparison to  
 1860 the purses paid by a permitholder in the prior state fiscal year  
 1861 and to encourage live thoroughbred racing in this state from May  
 1862 through November of each year. A thoroughbred racing  
 1863 permitholder may not receive purse supplement funds under this  
 1864 section unless it has an agreement to this effect with the  
 1865 Florida Horsemen's Benevolent and Protective Association, Inc.,  
 1866 or the association representing a majority of the horse owners  
 1867 and trainers conducting racing at the permitholder's pari-mutuel  
 1868 facility, for purses to be paid in its upcoming licensed meet.

1869 (6) The division may adopt rules necessary to implement  
 1870 this section.

1871 Section 28. Section 550.2416, Florida Statutes, is created  
 1872 to read:

1873        550.2416 Reporting of racing greyhound injuries.-  
 1874        (1) An injury to a racing greyhound which occurs while the  
 1875 greyhound is located in this state must be reported on a form  
 1876 adopted by the division within 7 days after the date on which  
 1877 the injury occurred or is believed to have occurred. The  
 1878 presence of cocaine found in a racing greyhound shall be  
 1879 considered an injury under this section. The division may adopt  
 1880 rules defining the term "injury."  
 1881        (2) The form shall be completed and signed under oath or  
 1882 affirmation by the:  
 1883        (a) Racetrack veterinarian or director of racing, if the  
 1884 injury occurred at the racetrack facility; or  
 1885        (b) Owner, trainer, or kennel operator who had knowledge  
 1886 of the injury, if the injury occurred at a location other than  
 1887 the racetrack facility, including during transportation.  
 1888        (3) The division may fine, suspend, or revoke the license  
 1889 of any individual who knowingly violates this section or who  
 1890 intentionally causes an injury to a racing greyhound.  
 1891        (4) The form must include the following:  
 1892        (a) The greyhound's registered name, right-ear and left-  
 1893 ear tattoo numbers, and, if any, the microchip manufacturer and  
 1894 number.  
 1895        (b) The name, business address, and telephone number of  
 1896 the greyhound owner, the trainer, and the kennel operator.  
 1897        (c) The color, weight, and sex of the greyhound.  
 1898        (d) The specific type and bodily location of the injury,

1899 the cause of the injury, and the estimated recovery time from  
 1900 the injury.

1901 (e) If the injury occurred when the greyhound was racing:

1902 1. The racetrack where the injury occurred;

1903 2. The distance, grade, race, and post position of the  
 1904 greyhound when the injury occurred; and

1905 3. The weather conditions, time, and track conditions when  
 1906 the injury occurred.

1907 (f) If the injury occurred when the greyhound was not  
 1908 racing:

1909 1. The location where the injury occurred; and

1910 2. The circumstances surrounding the injury.

1911 (g) Other information that the division determines is  
 1912 necessary to identify injuries to racing greyhounds in this  
 1913 state.

1914 (5) An injury form created pursuant to this section must  
 1915 be maintained as a public record by the division for at least 7  
 1916 years after the date it was received.

1917 (6) A licensee of the department who knowingly makes a  
 1918 false statement concerning an injury or fails to report an  
 1919 injury is subject to disciplinary action under this chapter or  
 1920 chapters 455 and 474.

1921 (7) This section does not apply to injuries to a service  
 1922 animal, personal pet, or greyhound that has been adopted as a  
 1923 pet.

1924 (8) The division shall adopt rules to implement this

1925 section.  
 1926 Section 29. Subsection (1) of section 550.26165, Florida  
 1927 Statutes, is amended to read:  
 1928 550.26165 Breeders' awards.—  
 1929 (1) The purpose of this section is to encourage the  
 1930 agricultural activity of breeding and training racehorses in  
 1931 this state. Moneys dedicated in this chapter for use as  
 1932 breeders' awards and stallion awards are to be used for awards  
 1933 to breeders of registered Florida-bred horses winning horseraces  
 1934 and for similar awards to the owners of stallions who sired  
 1935 Florida-bred horses winning stakes races, if the stallions are  
 1936 registered as Florida stallions standing in this state. Such  
 1937 awards shall be given at a uniform rate to all winners of the  
 1938 awards, may ~~shall~~ not be greater than 20 percent of the  
 1939 announced gross purse, and may ~~shall~~ not be less than 15 percent  
 1940 of the announced gross purse if funds are available. In  
 1941 addition, at least ~~no less than~~ 17 percent, but not ~~nor~~ more  
 1942 than 40 percent, as determined by the Florida Thoroughbred  
 1943 Breeders' Association, of the moneys dedicated in this chapter  
 1944 for use as breeders' awards and stallion awards for  
 1945 thoroughbreds shall be returned pro rata to the permitholders  
 1946 that generated the moneys for special racing awards to be  
 1947 distributed by the permitholders to owners of thoroughbred  
 1948 horses participating in prescribed thoroughbred stakes races,  
 1949 nonstakes races, or both, all in accordance with a written  
 1950 agreement establishing the rate, procedure, and eligibility

1951 requirements for such awards entered into by the permitholder,  
 1952 the Florida Thoroughbred Breeders' Association, and the Florida  
 1953 Horsemen's Benevolent and Protective Association, Inc., except  
 1954 that the plan for the distribution by any permitholder located  
 1955 in the area described in s. 550.615(7) ~~550.615(9)~~ shall be  
 1956 agreed upon by that permitholder, the Florida Thoroughbred  
 1957 Breeders' Association, and the association representing a  
 1958 majority of the thoroughbred racehorse owners and trainers at  
 1959 that location. Awards for thoroughbred races are to be paid  
 1960 through the Florida Thoroughbred Breeders' Association, and  
 1961 awards for standardbred races are to be paid through the Florida  
 1962 Standardbred Breeders and Owners Association. Among other  
 1963 sources specified in this chapter, moneys for thoroughbred  
 1964 breeders' awards will come from the 0.955 percent of handle for  
 1965 thoroughbred races conducted, received, broadcast, or simulcast  
 1966 under this chapter as provided in s. 550.2625(3). The moneys for  
 1967 quarter horse and harness breeders' awards will come from the  
 1968 breaks and uncashed tickets on live quarter horse and harness  
 1969 horse racing performances and 1 percent of handle on intertrack  
 1970 wagering. The funds for these breeders' awards shall be paid to  
 1971 the respective breeders' associations by the permitholders  
 1972 conducting the races.

1973 Section 30. Subsection (8) of section 550.334, Florida  
 1974 Statutes, is amended to read:

1975 550.334 Quarter horse racing; substitutions.-

1976 (8) To be eligible to conduct intertrack wagering, a

1977 quarter horse racing permitholder must have conducted a full  
 1978 schedule of live racing in accordance with an operating license  
 1979 in the 2015-2016 fiscal ~~preceding~~ year.

1980 Section 31. Section 550.3345, Florida Statutes, is amended  
 1981 to read:

1982 550.3345 ~~Conversion of quarter horse permit to a~~ Limited  
 1983 thoroughbred racing permit.—

1984 (1) In recognition of the important and long-standing  
 1985 economic contribution of the thoroughbred horse breeding  
 1986 industry to this state and the state's vested interest in  
 1987 promoting the continued viability of this agricultural activity,  
 1988 the state intends to provide a limited opportunity for the  
 1989 conduct of live thoroughbred horse racing with the net revenues  
 1990 from such racing dedicated to the enhancement of thoroughbred  
 1991 purses and breeders', stallion, and special racing awards under  
 1992 this chapter; the general promotion of the thoroughbred horse  
 1993 breeding industry; and the care in this state of thoroughbred  
 1994 horses retired from racing.

1995 (2) A limited thoroughbred racing permit previously  
 1996 converted from ~~Notwithstanding any other provision of law, the~~  
 1997 ~~holder of~~ a quarter horse racing permit pursuant to chapter  
 1998 2010-29, Laws of Florida, issued under s. 550.334 may only be  
 1999 held by, ~~within 1 year after the effective date of this section,~~  
 2000 ~~apply to the division for a transfer of the quarter horse racing~~  
 2001 ~~permit to~~ a not-for-profit corporation formed under state law to  
 2002 serve the purposes of the state as provided in subsection (1).



2003 | The board of directors of the not-for-profit corporation must be  
 2004 | composed ~~comprised~~ of 11 members, 4 of whom shall be designated  
 2005 | by the applicant, 4 of whom shall be designated by the Florida  
 2006 | Thoroughbred Breeders' Association, and 3 of whom shall be  
 2007 | designated by the other 8 directors, with at least 1 of these 3  
 2008 | members being an authorized representative of another  
 2009 | thoroughbred racing permitholder in this state. A limited  
 2010 | thoroughbred racing ~~The not-for-profit corporation shall submit~~  
 2011 | ~~an application to the division for review and approval of the~~  
 2012 | ~~transfer in accordance with s. 550.054. Upon approval of the~~  
 2013 | ~~transfer by the division, and notwithstanding any other~~  
 2014 | ~~provision of law to the contrary, the not-for-profit corporation~~  
 2015 | ~~may, within 1 year after its receipt of the permit, request that~~  
 2016 | ~~the division convert the quarter horse racing permit to a permit~~  
 2017 | ~~authorizing the holder to conduct pari-mutuel wagering meets of~~  
 2018 | ~~thoroughbred racing. Neither the transfer of the quarter horse~~  
 2019 | ~~racing permit nor its conversion to a limited thoroughbred~~  
 2020 | ~~permit shall be subject to the mileage limitation or the~~  
 2021 | ~~ratification election as set forth under s. 550.054(2) or s.~~  
 2022 | ~~550.0651. Upon receipt of the request for such conversion, the~~  
 2023 | ~~division shall timely issue a converted permit. The converted~~  
 2024 | permit and the not-for-profit corporation are ~~shall be~~ subject  
 2025 | to the following requirements:  
 2026 |       (a) All net revenues derived by the not-for-profit  
 2027 | corporation under the thoroughbred ~~horse~~ racing permit, after  
 2028 | the funding of operating expenses and capital improvements,

2029 shall be dedicated to the enhancement of thoroughbred purses and  
 2030 breeders', stallion, and special racing awards under this  
 2031 chapter; the general promotion of the thoroughbred horse  
 2032 breeding industry; and the care in this state of thoroughbred  
 2033 horses retired from racing.

2034 (b) From December 1 through April 30, ~~no~~ live thoroughbred  
 2035 racing may not be conducted under the permit on any day during  
 2036 which another thoroughbred racing permitholder is conducting  
 2037 live thoroughbred racing within 125 air miles of the not-for-  
 2038 profit corporation's pari-mutuel facility unless the other  
 2039 thoroughbred racing permitholder gives its written consent.

2040 (c) After ~~the conversion of the quarter horse racing~~  
 2041 ~~permit and~~ the issuance of its initial license to conduct pari-  
 2042 mutuel wagering meets of thoroughbred racing, the not-for-profit  
 2043 corporation shall annually apply to the division for a license  
 2044 pursuant to s. 550.5251.

2045 (d) Racing under the permit may take place only at the  
 2046 location for which the original quarter horse racing permit was  
 2047 issued, which may be leased by the not-for-profit corporation  
 2048 for that purpose; however, the not-for-profit corporation may,  
 2049 without the conduct of any ratification election pursuant to s.  
 2050 550.054(13) or s. 550.0651, move the location of the permit to  
 2051 another location in the same county or counties, if the  
 2052 permitholder's location is situated in such a manner that it is  
 2053 located in more than one county, provided that such relocation  
 2054 is approved under the zoning and land use regulations of the

2055 applicable county or municipality.

2056 (e) A limited thoroughbred racing ~~no~~ permit may not be  
 2057 transferred ~~converted under this section is eligible for~~  
 2058 ~~transfer~~ to another person or entity.

2059 (3) Unless otherwise provided in this section, ~~after~~  
 2060 ~~conversion,~~ the permit and the not-for-profit corporation shall  
 2061 be treated under the laws of this state as a thoroughbred racing  
 2062 permit and as a thoroughbred racing permitholder, respectively,  
 2063 ~~with the exception of s. 550.09515(3).~~

2064 Section 32. Subsection (6) of section 550.3551, Florida  
 2065 Statutes, is amended to read:

2066 550.3551 Transmission of racing and jai alai information;  
 2067 commingling of pari-mutuel pools.-

2068 (6) (a) ~~A maximum of 20 percent of the total number of~~  
 2069 ~~racers on which wagers are accepted by a greyhound permitholder~~  
 2070 ~~not located as specified in s. 550.615(6) may be received from~~  
 2071 ~~locations outside this state.~~ A jai alai permitholder may not  
 2072 conduct fewer than eight live ~~racers or~~ games on any authorized  
 2073 race day except as provided in this subsection. A thoroughbred  
 2074 racing permitholder may not conduct fewer than eight live races  
 2075 on any race day without the written approval of the Florida  
 2076 Thoroughbred Breeders' Association and the Florida Horsemen's  
 2077 Benevolent and Protective Association, Inc., unless it is  
 2078 determined by the department that another entity represents a  
 2079 majority of the thoroughbred racehorse owners and trainers in  
 2080 the state. A ~~harness permitholder may conduct fewer than eight~~

2081 ~~live races on any authorized race day, except that such~~  
 2082 ~~permitholder must conduct a full schedule of live racing during~~  
 2083 ~~its race meet consisting of at least eight live races per~~  
 2084 ~~authorized race day for at least 100 days. Any harness racing~~  
 2085 ~~horse~~ permitholder that during the preceding racing season  
 2086 conducted a full schedule of live racing and any harness racing  
 2087 permitholder that has held an operating license for at least 5  
 2088 years and a slot machine license for at least 5 years may, at  
 2089 any time ~~during its current race meet~~, receive full-card  
 2090 broadcasts of harness horse races conducted at harness  
 2091 racetracks outside this state at the harness track of the  
 2092 permitholder and accept wagers on such harness races. With  
 2093 specific authorization from the division for special racing  
 2094 events, a permitholder may conduct fewer than eight live races  
 2095 or games when the permitholder also broadcasts out-of-state  
 2096 races or games. The division may not grant more than two such  
 2097 exceptions a year for a permitholder in any 12-month period, and  
 2098 those two exceptions may not be consecutive.

2099 (b) Notwithstanding any other provision of this chapter,  
 2100 any harness racing ~~horse~~ permitholder accepting broadcasts of  
 2101 out-of-state harness horse races when such permitholder is not  
 2102 conducting live races must make the out-of-state signal  
 2103 available to all permitholders eligible to conduct intertrack  
 2104 wagering and shall pay to guest tracks located as specified in  
 2105 s. ss. 550.615(6) and 550.6305(9) (d) 50 percent of the net  
 2106 proceeds after taxes and fees to the out-of-state host track on

2107 harness race wagers which they accept. If conducting live  
 2108 racing, a harness racing ~~horse~~ permitholder shall be required to  
 2109 pay into its purse account 50 percent of the net income retained  
 2110 by the permitholder on account of wagering on the out-of-state  
 2111 broadcasts received pursuant to this subsection. Nine-tenths of  
 2112 a percent of all harness wagering proceeds on the broadcasts  
 2113 received pursuant to this subsection shall be paid to the  
 2114 Florida Standardbred Breeders and Owners Association under the  
 2115 provisions of s. 550.2625(4) for the purposes provided therein.

2116 Section 33. Subsection (1) of section 550.5251, Florida  
 2117 Statutes, is amended to read:

2118 550.5251 Florida thoroughbred racing; certain permits;  
 2119 operating days.-

2120 (1) Each thoroughbred racing permitholder shall annually,  
 2121 during the period commencing December 15 of each year and ending  
 2122 January 31 ~~4~~ of the following year, file in writing with the  
 2123 division its application pursuant to s. 550.01215 ~~to conduct one~~  
 2124 ~~or more thoroughbred racing meetings during the thoroughbred~~  
 2125 ~~racing season commencing on the following July 1. Each~~  
 2126 ~~application shall specify the number and dates of all~~  
 2127 ~~performances that the permitholder intends to conduct during~~  
 2128 ~~that thoroughbred racing season. On or before March 15 of each~~  
 2129 year, the division shall issue a license authorizing each  
 2130 permitholder to conduct performances on the dates specified in  
 2131 its application, if any. Up to February 28 of each year, each  
 2132 permitholder may request and shall be granted changes in its

2133 authorized performances; but thereafter, as a condition  
 2134 precedent to the validity of its license and its right to retain  
 2135 its permit, each permitholder must operate the full number of  
 2136 days authorized on each of the dates set forth in its license,  
 2137 if any.

2138 Section 34. Subsections (2), (4), (6), (7), (8), (9), and  
 2139 (10) of section 550.615, Florida Statutes, are amended, and a  
 2140 new subsection (9) is added to that section, to read:

2141 550.615 Intertrack wagering.—

2142 (2) (a) Any track ~~or fronton~~ licensed under this chapter  
 2143 ~~may which in the preceding year conducted a full schedule of~~  
 2144 ~~live racing is qualified to~~, at any time, receive broadcasts of  
 2145 any class of pari-mutuel race or game and accept wagers on such  
 2146 races or games conducted by any class of permitholders licensed  
 2147 under this chapter.

2148 (b) Any fronton licensed under this chapter which in the  
 2149 preceding year conducted a full schedule of live games may, at  
 2150 any time, receive broadcasts of any class of pari-mutuel race or  
 2151 game and accept wagers on such races or games conducted by any  
 2152 class of permitholders licensed under this chapter.

2153 (4) ~~An In no event shall any~~ intertrack wager may not be  
 2154 accepted on the same class of live races or games of any  
 2155 permitholder without the written consent of such operating  
 2156 permitholders conducting the same class of live races or games  
 2157 if the guest track is within the market area of such operating  
 2158 permitholder. A greyhound racing permitholder licensed under

2159 this chapter which accepts intertrack wagers on live greyhound  
 2160 signals is not required to obtain the written consent required  
 2161 by this subsection from any operating greyhound racing  
 2162 permitholder within its market area.

2163 ~~(6) Notwithstanding the provisions of subsection (3), in~~  
 2164 ~~any area of the state where there are three or more horserace~~  
 2165 ~~permitholders within 25 miles of each other, intertrack wagering~~  
 2166 ~~between permitholders in said area of the state shall only be~~  
 2167 ~~authorized under the following conditions: Any permitholder,~~  
 2168 ~~other than a thoroughbred permitholder, may accept intertrack~~  
 2169 ~~wagers on races or games conducted live by a permitholder of the~~  
 2170 ~~same class or any harness permitholder located within such area~~  
 2171 ~~and any harness permitholder may accept wagers on games~~  
 2172 ~~conducted live by any jai alai permitholder located within its~~  
 2173 ~~market area and from a jai alai permitholder located within the~~  
 2174 ~~area specified in this subsection when no jai alai permitholder~~  
 2175 ~~located within its market area is conducting live jai alai~~  
 2176 ~~performances; any greyhound or jai alai permitholder may receive~~  
 2177 ~~broadcasts of and accept wagers on any permitholder of the other~~  
 2178 ~~class provided that a permitholder, other than the host track,~~  
 2179 ~~of such other class is not operating a contemporaneous live~~  
 2180 ~~performance within the market area.~~

2181 ~~(7) In any county of the state where there are only two~~  
 2182 ~~permits, one for dogracing and one for jai alai, no intertrack~~  
 2183 ~~wager may be taken during the period of time when a permitholder~~  
 2184 ~~is not licensed to conduct live races or games without the~~

2185 ~~written consent of the other permit holder that is conducting~~  
 2186 ~~live races or games. However, if neither permit holder is~~  
 2187 ~~conducting live races or games, either permit holder may accept~~  
 2188 ~~intertrack wagers on horseraces or on the same class of races or~~  
 2189 ~~games, or on both horseraces and the same class of races or~~  
 2190 ~~games as is authorized by its permit.~~

2191 (6)~~(8)~~ In any three contiguous counties of the state where  
 2192 there are only three permit holders, all of which are greyhound  
 2193 racing permit holders, if a greyhound racing ~~any~~ permit holder  
 2194 leases the facility of another greyhound racing permit holder for  
 2195 the purpose of conducting all or any portion of ~~the conduct of~~  
 2196 its live race meet pursuant to s. 550.475, such lessee may  
 2197 conduct intertrack wagering at its pre-lease permitted facility  
 2198 throughout the entire year, including while its live race meet  
 2199 is being conducted at the leased facility, ~~if such permit holder~~  
 2200 ~~has conducted a full schedule of live racing during the~~  
 2201 ~~preceding fiscal year at its pre-lease permitted facility or at~~  
 2202 ~~a leased facility, or combination thereof.~~

2203 (7)~~(9)~~ In any two contiguous counties of the state in  
 2204 which there are located only four active permits, one for  
 2205 thoroughbred horse racing, two for greyhound racing ~~dog racing~~,  
 2206 and one for jai alai games, an ~~no~~ intertrack wager may not be  
 2207 accepted on the same class of live races or games of any  
 2208 permit holder without the written consent of such operating  
 2209 permit holders conducting the same class of live races or games  
 2210 if the guest track is within the market area of such operating



2211 | permitholder.

2212 |        ~~(8)(10)~~ All costs of receiving the transmission of the  
2213 | broadcasts shall be borne by the guest track; and all costs of  
2214 | sending the broadcasts shall be borne by the host track.

2215 |        (9) A greyhound racing permitholder operating pursuant to  
2216 | a current year's operating license, regardless of whether the  
2217 | permitholder specifies a full schedule of live performances, no  
2218 | live performances, or less than a full schedule of live  
2219 | performances, may accept wagers on live races conducted at out-  
2220 | of-state greyhound tracks only on the days when such  
2221 | permitholder receives all live races that any host track in this  
2222 | state makes available.

2223 |        Section 35. Paragraphs (d), (f), and (g) of subsection (9)  
2224 | of section 550.6305, Florida Statutes, are amended to read:

2225 |        550.6305 Intertrack wagering; guest track payments;  
2226 | accounting rules.—

2227 |        (9) A host track that has contracted with an out-of-state  
2228 | horse track to broadcast live races conducted at such out-of-  
2229 | state horse track pursuant to s. 550.3551(5) may broadcast such  
2230 | out-of-state races to any guest track and accept wagers thereon  
2231 | in the same manner as is provided in s. 550.3551.

2232 |        (d) Any permitholder located in any area of the state  
2233 | where there are only two permits, one for greyhound racing  
2234 | ~~dog racing~~ and one for jai alai, and any permitholder that  
2235 | converted its permit to conduct jai alai to a permit to conduct  
2236 | greyhound racing in lieu of jai alai under s. 550.054(14),

2237 Florida Statutes 2014, as created by s. 6, chapter 2009-170,  
 2238 Laws of Florida, may accept wagers on rebroadcasts of out-of-  
 2239 state thoroughbred horse races from an in-state thoroughbred  
 2240 ~~horse~~ racing permitholder and is ~~shall~~ not ~~be~~ subject to the  
 2241 provisions of paragraph (b) if such thoroughbred ~~horse~~ racing  
 2242 permitholder located within the area specified in this paragraph  
 2243 is both conducting live races and accepting wagers on out-of-  
 2244 state horseraces. In such case, the guest permitholder is ~~shall~~  
 2245 ~~be~~ entitled to 45 percent of the net proceeds on wagers accepted  
 2246 at the guest facility. The remaining proceeds shall be  
 2247 distributed as follows: one-half shall be retained by the host  
 2248 facility and one-half shall be paid by the host facility as  
 2249 purses at the host facility.

2250 (f) Any permitholder located in any area of the state  
 2251 where there are only two permits, one for greyhound racing  
 2252 ~~dog racing~~ and one for jai alai, and any permitholder that  
 2253 converted its permit to conduct jai alai to a permit to conduct  
 2254 greyhound racing in lieu of jai alai under s. 550.054(14),  
 2255 Florida Statutes 2014, as created by s. 6, chapter 2009-170,  
 2256 Laws of Florida, may accept wagers on rebroadcasts of out-of-  
 2257 state harness horse races from an in-state harness horse racing  
 2258 permitholder and may ~~shall~~ not be subject to ~~the provisions of~~  
 2259 paragraph (b) if such harness horse racing permitholder located  
 2260 within the area specified in this paragraph is conducting live  
 2261 races. In such case, the guest permitholder is ~~shall be~~ entitled  
 2262 to 45 percent of the net proceeds on wagers accepted at the

2263 guest facility. The remaining proceeds shall be distributed as  
 2264 follows: one-half shall be retained by the host facility and  
 2265 one-half shall be paid by the host facility as purses at the  
 2266 host facility.

2267 (g)1.a. Any thoroughbred racing permitholder that ~~which~~  
 2268 accepts wagers on a simulcast signal must make the signal  
 2269 available to any permitholder that is eligible to conduct  
 2270 intertrack wagering under the provisions of ss. 550.615-  
 2271 550.6345.

2272 ~~b.2.~~ Any thoroughbred racing permitholder that ~~which~~  
 2273 accepts wagers on a simulcast signal received after 6 p.m. must  
 2274 make such signal available to any permitholder that is eligible  
 2275 to conduct intertrack wagering under the provisions of ss.  
 2276 550.615-550.6345, ~~including any permitholder located as~~  
 2277 ~~specified in s. 550.615(6).~~ Such guest permitholders are  
 2278 authorized to accept wagers on such simulcast signal,  
 2279 notwithstanding any other provision of this chapter to the  
 2280 contrary.

2281 ~~c.3.~~ Any thoroughbred racing permitholder that ~~which~~  
 2282 accepts wagers on a simulcast signal received after 6 p.m. must  
 2283 make such signal available to any permitholder that is eligible  
 2284 to conduct intertrack wagering under ~~the provisions of~~ ss.  
 2285 550.615-550.6345, ~~including any permitholder located as~~  
 2286 ~~specified in s. 550.615(9).~~ Such guest permitholders are  
 2287 authorized to accept wagers on such simulcast signals for a  
 2288 number of performances not to exceed that which constitutes a

2289 full schedule of live races for a quarter horse racing  
 2290 permitholder pursuant to s. 550.002(11), notwithstanding any  
 2291 other provision of this chapter to the contrary, ~~except that the~~  
 2292 ~~restrictions provided in s. 550.615(9)(a) apply to wagers on~~  
 2293 ~~such simulcast signals.~~

2294 2. A ~~no~~ thoroughbred racing permitholder is not ~~shall be~~  
 2295 required to continue to rebroadcast a simulcast signal to any  
 2296 in-state permitholder if the average per performance gross  
 2297 receipts returned to the host permitholder over the preceding  
 2298 30-day period were less than \$100. Subject to the provisions of  
 2299 s. 550.615(4), as a condition of receiving rebroadcasts of  
 2300 thoroughbred simulcast signals under this paragraph, a guest  
 2301 permitholder must accept intertrack wagers on all live races  
 2302 conducted by all then-operating thoroughbred racing  
 2303 permitholders.

2304 Section 36. Section 550.6308, Florida Statutes, is amended  
 2305 to read:

2306 550.6308 Limited intertrack wagering license.—In  
 2307 recognition of the economic importance of the thoroughbred  
 2308 breeding industry to this state, its positive impact on tourism,  
 2309 and of the importance of a permanent thoroughbred sales facility  
 2310 as a key focal point for the activities of the industry, a  
 2311 limited license to conduct intertrack wagering is established to  
 2312 ensure the continued viability and public interest in  
 2313 thoroughbred breeding in Florida.

2314 (1) (a) Upon application to the division on or before

2315 | January 31 of each year, any person who ~~that~~ is licensed to  
 2316 | conduct public sales of thoroughbred horses pursuant to s.  
 2317 | 535.01 and, ~~that~~ has conducted at least 8 ~~15~~ days of  
 2318 | thoroughbred horse sales at a permanent sales facility in this  
 2319 | state for at least 3 consecutive years, ~~and that has conducted~~  
 2320 | ~~at least 1 day of nonwagering thoroughbred racing in this state,~~  
 2321 | ~~with a purse structure of at least \$250,000 per year for 2~~  
 2322 | ~~consecutive years before such application,~~ shall be issued a  
 2323 | license, subject to the conditions set forth in this section, to  
 2324 | conduct intertrack wagering at such a permanent sales facility  
 2325 | on any day on which intertrack wagering is authorized pursuant  
 2326 | to s. 550.615. during the following periods:  
 2327 |       ~~(a) Up to 21 days in connection with thoroughbred sales;~~  
 2328 |       ~~(b) Between November 1 and May 8;~~  
 2329 |       ~~(c) Between May 9 and October 31 at such times and on such~~  
 2330 | ~~days as any thoroughbred, jai alai, or a greyhound permitholder~~  
 2331 | ~~in the same county is not conducting live performances; provided~~  
 2332 | ~~that any such permitholder may waive this requirement, in whole~~  
 2333 | ~~or in part, and allow the licensee under this section to conduct~~  
 2334 | ~~intertrack wagering during one or more of the permitholder's~~  
 2335 | ~~live performances; and~~  
 2336 |       ~~(d) During the weekend of the Kentucky Derby, the~~  
 2337 | ~~Preakness, the Belmont, and a Breeders' Cup Meet that is~~  
 2338 | ~~conducted before November 1 and after May 8.~~  
 2339 |       (b) ~~Only~~ No more than one such license may be issued, and  
 2340 | the ~~no such~~ license may not be issued for a facility located

2341 within 50 miles of any for-profit thoroughbred racing  
 2342 permitholder's licensed track.

2343 (2) If more than one application is submitted for such  
 2344 license, the division shall determine which applicant shall be  
 2345 granted the license. In making its determination, the division  
 2346 shall grant the license to the applicant demonstrating superior  
 2347 capabilities, as measured by the length of time the applicant  
 2348 has been conducting thoroughbred sales within this state or  
 2349 elsewhere, the applicant's total volume of thoroughbred horse  
 2350 sales, within this state or elsewhere, the length of time the  
 2351 applicant has maintained a permanent thoroughbred sales facility  
 2352 in this state, and the quality of the facility.

2353 (3) The applicant must comply with the provisions of ss.  
 2354 550.125 and 550.1815.

2355 ~~(4) Intertrack wagering under this section may be~~  
 2356 ~~conducted only on thoroughbred horse racing, except that~~  
 2357 ~~intertrack wagering may be conducted on any class of pari-mutuel~~  
 2358 ~~race or game conducted by any class of permitholders licensed~~  
 2359 ~~under this chapter if all thoroughbred, jai alai, and greyhound~~  
 2360 ~~permitholders in the same county as the licensee under this~~  
 2361 ~~section give their consent.~~

2362 (4)(5) The licensee shall be considered a guest track  
 2363 under this chapter. ~~The licensee shall pay 2.5 percent of the~~  
 2364 ~~total contributions to the daily pari-mutuel pool on wagers~~  
 2365 ~~accepted at the licensee's facility on greyhound races or jai~~  
 2366 ~~alai games to the thoroughbred permitholder that is conducting~~

2367 ~~live races for purses to be paid during its current racing meet.~~  
 2368 ~~If more than one thoroughbred permitholder is conducting live~~  
 2369 ~~races on a day during which the licensee is conducting~~  
 2370 ~~intertrack wagering on greyhound races or jai alai games, the~~  
 2371 ~~licensee shall allocate these funds between the operating~~  
 2372 ~~thoroughbred permitholders on a pro rata basis based on the~~  
 2373 ~~total live handle at the operating permitholders' facilities.~~

2374 Section 37. Section 550.6347, Florida Statutes, is created  
 2375 to read:

2376 550.6347 Multijurisdictional simulcasting and wagering;  
 2377 fees; rules; distribution of moneys paid to commission.-

2378 (1) Notwithstanding any other provision of this chapter,  
 2379 the division shall develop and adopt rules to license and  
 2380 regulate all phases of operation of multijurisdictional  
 2381 simulcasting and interactive wagering totalisator hubs located  
 2382 in this state.

2383 (2) As used in this chapter, the terms:

2384 (a) "Multijurisdictional simulcasting and interactive  
 2385 wagering totalisator hub" or "hub" means a business that,  
 2386 through a qualified subscriber-based service, conducts pari-  
 2387 mutuel wagering on the races that it simulcasts and other races  
 2388 that it carries in its wagering menu.

2389 (b) "Qualified subscriber-based service" means any  
 2390 information service or system that uses:

2391 1. A device or combination of devices authorized and  
 2392 operated for placing, receiving, or otherwise making a wager,

2393 and to which a person must subscribe in order to be able to  
 2394 place, receive, or otherwise make a bet or wager;  
 2395 2. An effective customer verification and age verification  
 2396 system; and  
 2397 3. Appropriate security standards to prevent unauthorized  
 2398 access by any person who has not subscribed or who is a minor.  
 2399 (3) The following requirements must be met before  
 2400 commencement of business by or employment at a  
 2401 multijurisdictional simulcasting and interactive wagering  
 2402 totalisator hub located or conducting business in this state:  
 2403 (a) Each hub must obtain a business license pursuant to s.  
 2404 550.105(2)(a)1.;  
 2405 (b) Each officer of a hub must obtain an occupational  
 2406 license pursuant to s. 550.105(2)(a)2.; and  
 2407 (c) Each employee of a hub located in this state must  
 2408 obtain an occupational license pursuant to s. 550.105(2)(a)3.  
 2409 (4) A multijurisdictional simulcasting and interactive  
 2410 wagering totalisator hub conducting business in the state shall  
 2411 pay a daily license fee of \$100 per operating day.  
 2412 (5) In addition to the daily license fee under subsection  
 2413 (4), a multijurisdictional simulcasting and interactive wagering  
 2414 totalisator hub conducting business in the state shall pay a tax  
 2415 equal to one-half of 1 percent of total handle recorded by the  
 2416 totalisator system for wagers placed on pari-mutuel performances  
 2417 in this state. Such tax shall be paid in accordance with rules  
 2418 established by the division and shall be subject to the payment



2419 schedules and penalties set forth in s. 550.0951.

2420 (6) Except as otherwise provided in this section, pari-  
 2421 mutuel wagering through a hub is subject to the provisions of s.  
 2422 849.01.

2423 (7) Pari-mutuel wagers placed through a hub may only be  
 2424 made within the enclosure of a pari-mutuel facility licensed  
 2425 under this chapter or through a device owned or leased for a  
 2426 period of at least 12 months by the person making the wager.

2427 Section 38. Section 551.101, Florida Statutes, is amended  
 2428 to read:

2429 551.101 Slot machine gaming authorized.—Any licensed  
 2430 eligible facility ~~pari-mutuel facility located in Miami-Dade~~  
 2431 ~~County or Broward County existing at the time of adoption of s.~~  
 2432 ~~23, Art. X of the State Constitution that has conducted live~~  
 2433 ~~racing or games during calendar years 2002 and 2003~~ may possess  
 2434 slot machines and conduct slot machine gaming at the location  
 2435 where the pari-mutuel permitholder is authorized to conduct  
 2436 pari-mutuel wagering activities pursuant to such permitholder's  
 2437 valid pari-mutuel permit or as otherwise authorized by law  
 2438 ~~provided that a majority of voters in a countywide referendum~~  
 2439 ~~have approved slot machines at such facility in the respective~~  
 2440 ~~county.~~ Notwithstanding any other ~~provision of~~ law, it is not a  
 2441 crime for a person to participate in slot machine gaming at a  
 2442 pari-mutuel facility licensed to possess slot machines and  
 2443 conduct slot machine gaming or to participate in slot machine  
 2444 gaming described in this chapter.

2445 Section 39. Subsections (4), (10), and (11) of section  
 2446 551.102, Florida Statutes, are amended to read:  
 2447 551.102 Definitions.—As used in this chapter, the term:  
 2448 (4) "Eligible facility" means a ~~any~~ licensed pari-mutuel  
 2449 facility located in Miami-Dade County or Broward County existing  
 2450 at the time of adoption of s. 23, Art. X of the State  
 2451 Constitution that has conducted live racing or games during  
 2452 calendar years 2002 and 2003 and has been approved by a majority  
 2453 of voters in a countywide referendum to have slot machines at  
 2454 such facility in the respective county; ~~any licensed pari-mutuel~~  
 2455 ~~facility located within a county as defined in s. 125.011,~~  
 2456 ~~provided such facility has conducted live racing for 2~~  
 2457 ~~consecutive calendar years immediately preceding its application~~  
 2458 ~~for a slot machine license, pays the required license fee, and~~  
 2459 ~~meets the other requirements of this chapter;~~ or any licensed  
 2460 pari-mutuel facility in any ~~other~~ county in which a majority of  
 2461 voters have approved slot machines ~~at such facilities~~ in a  
 2462 countywide referendum which was held before the effective date  
 2463 of this act or before January 1, 2017 ~~held pursuant to a~~  
 2464 ~~statutory or constitutional authorization after the effective~~  
 2465 ~~date of this section in the respective county,~~ provided the  
 2466 permitholder at such facility has conducted a full schedule of  
 2467 live racing for 2 consecutive calendar years immediately  
 2468 preceding its application for a slot machine license, pays the  
 2469 required license ~~licensed~~ fee, and meets the other requirements  
 2470 of this chapter. An eligible facility may not be located within

2471 100 miles of the Seminole Hard Rock Hotel and Casino-Tampa  
 2472 located at 5223 Orient Road, Tampa, Florida.

2473 (10) "Slot machine license" means a license issued by the  
 2474 division authorizing a pari-mutuel permitholder to place and  
 2475 operate slot machines as provided by ~~s. 23, Art. X of the State~~  
 2476 ~~Constitution, the provisions of this chapter,~~ and division  
 2477 rules.

2478 (11) "Slot machine licensee" means a pari-mutuel  
 2479 permitholder that ~~who~~ holds a slot machine license ~~issued by the~~  
 2480 ~~division pursuant to this chapter that authorizes such person to~~  
 2481 ~~possess a slot machine within facilities specified in s. 23,~~  
 2482 ~~Art. X of the State Constitution and allows slot machine gaming.~~

2483 Section 40. Subsections (2) and (3), paragraph (c) of  
 2484 subsection (4), and paragraph (a) of subsection (10) of section  
 2485 551.104, Florida Statutes, are amended to read:

2486 551.104 License to conduct slot machine gaming.—

2487 (2) An application may be approved by the division only:

2488 (a) After the voters of the county where the applicant's  
 2489 facility is located have authorized by referendum slot machines  
 2490 within pari-mutuel facilities in that county; or

2491 (b) Pursuant to s. 551.1041 ~~as specified in s. 23, Art. X~~  
 2492 ~~of the State Constitution.~~

2493 (3) (a) A slot machine license may be issued only to a  
 2494 licensed pari-mutuel permitholder, and slot machine gaming may  
 2495 be conducted only at the eligible facility at which the  
 2496 permitholder is authorized under its valid pari-mutuel wagering

2497 permit to conduct pari-mutuel wagering activities.

2498 (b) The division may not issue a slot machine license to  
 2499 any pari-mutuel permitholder if issuance of the license would  
 2500 trigger a reduction in revenue-sharing payments under the Gaming  
 2501 Compact between the Seminole Tribe of Florida and the State of  
 2502 Florida authorized pursuant to s. 285.710(3)(b).

2503 (c) The division may not issue a slot machine license to  
 2504 any pari-mutuel permitholder that includes, or previously  
 2505 included within its ownership group, an ultimate equitable owner  
 2506 that was also an ultimate equitable owner of a pari-mutuel  
 2507 permitholder whose permit was voluntarily or involuntarily  
 2508 surrendered, suspended, or revoked by the division within 10  
 2509 years before the date of the permitholder's filing an  
 2510 application for a slot machine license.

2511 (4) As a condition of licensure and to maintain continued  
 2512 authority for the conduct of slot machine gaming, the slot  
 2513 machine licensee shall:

2514 (c)1. For slot machines licensees conducting live racing  
 2515 or games, conduct no fewer than a full schedule of live racing  
 2516 or games as defined in s. 550.002(11). A permitholder's  
 2517 responsibility to conduct such number of live races or games  
 2518 shall be reduced by the number of races or games that could not  
 2519 be conducted due to the direct result of fire, war, hurricane,  
 2520 or other disaster or event beyond the control of the  
 2521 permitholder. The races or games may be conducted at the  
 2522 facility of the slot machine licensee or at another pari-mutuel

2523 facility leased pursuant to s. 550.3345.

2524 1. A greyhound racing permitholder is exempt from the live  
 2525 racing requirement of this subsection if the permitholder  
 2526 conducted a full schedule of live racing for a period of at  
 2527 least 10 consecutive state fiscal years after the 2002-2003  
 2528 state fiscal year.

2529 2. Harness racing and quarter horse racing permitholders  
 2530 that have held an operating license for at least 5 years and  
 2531 either a slot machine license for at least 5 years or a cardroom  
 2532 license for at least 2 years are exempt from the live racing  
 2533 requirements of this subsection.

2534 3. Thoroughbred racing permitholders that have had an  
 2535 operating license for at least 25 years, and that operated a  
 2536 slot machine facility and held a slot machine license for at  
 2537 least 5 years are exempt from the live racing requirements of  
 2538 this subsection.

2539 (10)(a)1. Unless no live thoroughbred races are conducted  
 2540 at a licensee's pari-mutuel facility, a ~~no~~ slot machine license  
 2541 or renewal thereof may not ~~shall~~ be issued to an applicant  
 2542 holding a permit under chapter 550 to conduct pari-mutuel  
 2543 wagering meets of thoroughbred racing unless the applicant has  
 2544 on file with the division a binding written agreement between  
 2545 the applicant and the Florida Horsemen's Benevolent and  
 2546 Protective Association, Inc., governing the payment of purses on  
 2547 live thoroughbred races conducted at the licensee's pari-mutuel  
 2548 facility. In addition, no slot machine license or renewal

2549 thereof shall be issued to such an applicant unless the  
 2550 applicant has on file with the division a binding written  
 2551 agreement between the applicant and the Florida Thoroughbred  
 2552 Breeders' Association, Inc., governing the payment of breeders',  
 2553 stallion, and special racing awards on live thoroughbred races  
 2554 conducted at the licensee's pari-mutuel facility. The agreement  
 2555 governing purses and the agreement governing awards may direct  
 2556 the payment of such purses and awards from revenues generated by  
 2557 any wagering or gaming the applicant is authorized to conduct  
 2558 under Florida law. All purses and awards shall be subject to the  
 2559 terms of chapter 550. All sums for breeders', stallion, and  
 2560 special racing awards shall be remitted monthly to the Florida  
 2561 Thoroughbred Breeders' Association, Inc., for the payment of  
 2562 awards subject to the administrative fee authorized in s.  
 2563 550.2625(3).

2564       2. Unless no live quarter horse races are conducted at a  
 2565 licensee's pari-mutuel facility, a ~~no~~ slot machine license or  
 2566 renewal thereof may not ~~shall~~ be issued to an applicant holding  
 2567 a permit under chapter 550 to conduct pari-mutuel wagering meets  
 2568 of quarter horse racing unless the applicant has on file with  
 2569 the division a binding written agreement between the applicant  
 2570 and the Florida Quarter Horse Racing Association or the  
 2571 association representing a majority of the horse owners and  
 2572 trainers at the applicant's eligible facility, governing the  
 2573 payment of purses on live quarter horse races conducted at the  
 2574 licensee's pari-mutuel facility. The agreement governing purses

2575 may direct the payment of such purses from revenues generated by  
 2576 any wagering or gaming the applicant is authorized to conduct  
 2577 under Florida law. All purses shall be subject to the terms of  
 2578 chapter 550.

2579 Section 41. Section 551.1041, Florida Statutes, is created  
 2580 to read:

2581 551.1041 Slot machine license.-In recognition of the  
 2582 important and long-standing economic contribution of the pari-  
 2583 mutuel industry to this state as a whole and the state's vested  
 2584 interest in the revenue generated therefrom and promoting the  
 2585 continued viability of the important statewide agricultural  
 2586 activities it supports, the Legislature finds that it is in the  
 2587 state's interest to provide a limited opportunity for the  
 2588 establishment of an additional slot machine license to be  
 2589 awarded and renewed annually to a pari-mutuel permit holder  
 2590 located within a county as defined in s. 125.011.

2591 (1) (a) Within 120 days after the effective date of this  
 2592 section, any pari-mutuel permit holder that is located within a  
 2593 county as defined in s. 125.011 and is not a slot machine  
 2594 licensee may apply pursuant to s. 551.104 to the division for  
 2595 the slot machine license created by this section.

2596 (b) The application shall be accompanied by a license  
 2597 application fee of \$2 million, which shall be nonrefundable. The  
 2598 license application fee shall be deposited into the Pari-mutuel  
 2599 Wagering Trust Fund of the Department of Business and  
 2600 Professional Regulation to be used by the division and the

2601 Department of Law Enforcement for investigations, regulation of  
 2602 slot machine gaming, and enforcement of slot machine gaming  
 2603 provisions under this chapter. If the applicant is awarded the  
 2604 license created pursuant to this section, the license  
 2605 application fee shall be credited to the license fee required  
 2606 pursuant to s. 551.106.

2607 (2) If there is more than one applicant for the slot  
 2608 machine license created pursuant to this section, the division  
 2609 shall award the license to the applicant that best meets the  
 2610 selection criteria, as demonstrated in the application. The  
 2611 selection criteria include:

2612 (a) The extent to which the proposed slot machine facility  
 2613 will increase tourism, generate jobs, provide revenue to the  
 2614 local economy, and provide revenue to the state as evidenced by  
 2615 an evaluation by the applicant and its partners of their history  
 2616 in constructing premier facilities with high-quality amenities  
 2617 that complement the local tourism industry.

2618 (b) The financial history of the applicant and its  
 2619 partners in making capital investments in slot machine gaming  
 2620 and pari-mutuel facilities and its bona fide plan for future  
 2621 community involvement and financial investment.

2622 (c) The history of investment by the applicant and its  
 2623 partners in the communities in which its previous developments  
 2624 have been located.

2625 (d) The applicant's ability to purchase and maintain a  
 2626 surety bond in an amount established by the division, to



2627 represent the projected annual revenues generated by the  
 2628 proposed slot machine facility.

2629 (e) The applicant's ability to demonstrate the financial  
 2630 wherewithal to adequately capitalize, develop, construct,  
 2631 maintain, and operate a proposed slot machine facility, which  
 2632 shall cost at least \$100 million in costs related to  
 2633 construction and development of the facility, excluding purchase  
 2634 price and costs associated with acquisition of real property and  
 2635 any impact fees. This shall include the ability to meet any  
 2636 projected secured and unsecured debt obligations and complete  
 2637 construction within 2 years after the awarding of the slot  
 2638 machine license.

2639 (f) The applicant's ability to implement a program to  
 2640 train and employ residents of South Florida at the facility and  
 2641 contract with local business owners for goods and services.

2642 (g) The ability of the applicant and its partners to  
 2643 generate substantial gross gaming revenue after the award of  
 2644 gaming licenses.

2645 (3) (a) Notwithstanding the timelines set forth in s.  
 2646 120.60, the division shall complete its evaluation within 120  
 2647 days after the submission of applications and notice its intent  
 2648 to award the license within that timeframe. Within 30 days after  
 2649 the submission of an application, the division shall issue, if  
 2650 necessary, requests for additional information or any notices of  
 2651 deficiency to the license applicant. The applicant shall have 15  
 2652 days to respond to such requests or notices. Failure to properly

2653 respond and provide sufficient information or correct identified  
 2654 deficiencies shall serve as grounds for denial of the  
 2655 application.

2656 (b) Any protest of the intent to award the license must be  
 2657 submitted within 3 business days after the issuance of the  
 2658 notice of intent to award and shall be forwarded to the Division  
 2659 of Administrative Hearings which shall conduct an administrative  
 2660 hearing before an administrative law judge regarding the protest  
 2661 within 30 days after the notice of intent to award. The  
 2662 administrative law judge shall issue a proposed recommended  
 2663 order not more than 30 days after the completion of the final  
 2664 hearing. The division shall issue a final order within 15 days  
 2665 after receipt of the proposed recommended order.

2666 (c) Any appeal of a license denial shall be made to the  
 2667 First District Court of Appeals.

2668 (4) The division may adopt emergency rules pursuant to s.  
 2669 120.54 to implement this section. The Legislature finds that  
 2670 such emergency rulemaking power is necessary for the  
 2671 preservation of the rights and welfare of the people in order to  
 2672 provide additional funds to benefit the public. The Legislature  
 2673 further finds that the unique nature of the competitive award of  
 2674 the slot machine license under this section requires that the  
 2675 department respond as quickly as is practicable to implement  
 2676 these provisions. Therefore, in adopting such emergency rules,  
 2677 the division need not make the findings required by s.  
 2678 120.54(4)(a). Emergency rules adopted under this section are

2679 exempt from s. 120.54(4)(c) and shall remain in effect until  
 2680 replaced by other emergency rules or by rules adopted under the  
 2681 nonemergency rulemaking procedures of the Administrative  
 2682 Procedure Act.

2683 Section 42. Section 551.1044, Florida Statutes, is created  
 2684 to read:

2685 551.1044 House banked blackjack table games authorized.—

2686 (1) Notwithstanding the provisions of s. 849.086(12)(a),  
 2687 the pari-mutuel permitholder of each of the following pari-  
 2688 mutuel wagering facilities may operate up to 25 house banked  
 2689 blackjack table games at the permitholder's facility:

2690 (a) A licensed pari-mutuel facility at which live racing  
 2691 or games were conducted during calendar years 2002 and 2003,  
 2692 located in Miami-Dade County or Broward County, and authorized  
 2693 for slot machine licensure pursuant to s. 23, Art. X of the  
 2694 State Constitution.

2695 (b) A licensed pari-mutuel facility where a full schedule  
 2696 of live racing has been conducted for 2 consecutive calendar  
 2697 years immediately preceding its application for a slot machine  
 2698 license and located within a county as defined in s. 125.011.

2699 (2) Wagers on authorized house banked blackjack table  
 2700 games may not exceed \$25 for each initial two card wager.  
 2701 Subsequent wagers on splits or double downs are allowed but may  
 2702 not exceed the initial two card wager. Single side bets of not  
 2703 more than \$5 are allowed.

2704 (3) Each pari-mutuel permitholder offering banked

2705 blackjack pursuant to this section shall pay a tax to the state  
 2706 of 10 percent of the blackjack operation's monthly gross  
 2707 receipts. All provisions of s. 849.086(13), except s.  
 2708 849.086(13)(b), shall apply to taxes owed pursuant to this  
 2709 section.

2710 Section 43. Subsections (3) through (5) of section  
 2711 551.106, Florida Statutes, are renumbered as subsections (4)  
 2712 through (6), respectively, paragraph (a) of subsection (2) is  
 2713 amended, and a new subsection (3) is added to that section, to  
 2714 read:

2715 551.106 License fee; tax rate; penalties.—

2716 (2) TAX ON SLOT MACHINE REVENUES.—

2717 (a) The tax rate on slot machine revenues at each facility  
 2718 shall be 35 percent. Effective January 1, 2017, the tax rate on  
 2719 slot machine revenues at each facility shall be 30 percent.

2720 However, notwithstanding s. 551.114(1), a slot machine licensee  
 2721 offering slot machines for play that agrees and elects to  
 2722 permanently reduce its authorized total number of slot machines  
 2723 to up to 1,700 and attests to do so in its annual license  
 2724 renewal application approved by the division on or before July  
 2725 1, 2017, shall have a tax rate on slot machine revenues at such  
 2726 facility of 25 percent effective July 1, 2017. Slot machine  
 2727 licensees licensed after the effective date of this act shall  
 2728 have a tax rate on slot machine revenues at such facility of 25  
 2729 percent, effective July 1, 2017. ~~If, during any state fiscal~~  
 2730 year, the aggregate amount of tax paid to the state by all slot

2731 ~~machine licensees in Broward and Miami-Dade Counties is less~~  
 2732 ~~than the aggregate amount of tax paid to the state by all slot~~  
 2733 ~~machine licensees in the 2008-2009 fiscal year, each slot~~  
 2734 ~~machine licensee shall pay to the state within 45 days after the~~  
 2735 ~~end of the state fiscal year a surcharge equal to its pro rata~~  
 2736 ~~share of an amount equal to the difference between the aggregate~~  
 2737 ~~amount of tax paid to the state by all slot machine licensees in~~  
 2738 ~~the 2008-2009 fiscal year and the amount of tax paid during the~~  
 2739 ~~fiscal year. Each licensee's pro rata share shall be an amount~~  
 2740 ~~determined by dividing the number 1 by the number of facilities~~  
 2741 ~~licensed to operate slot machines during the applicable fiscal~~  
 2742 ~~year, regardless of whether the facility is operating such~~  
 2743 ~~machines.~~

2744 (3) NEW FACILITY GUARANTEE FEE.-

2745 (a) For any slot machine licensee located within a county  
 2746 that has conducted a successful slot machine referendum after  
 2747 January 1, 2012, the following aggregate tax payment guarantee  
 2748 shall apply in a pro rata amount pursuant to paragraph (b):

2749 1. Thirty-four million seven hundred fifty thousand  
 2750 dollars for the 2018-2019 fiscal year;

2751 2. Sixty-nine million five hundred thousand dollars for  
 2752 the 2019-2020 fiscal year; and

2753 3. One hundred twenty-one million four hundred thousand  
 2754 dollars for the 2020-2021 fiscal year and for every fiscal year  
 2755 thereafter.

2756 (b) Each slot machine licensee located within a county

2757 that has conducted a successful slot machine referendum after  
 2758 January 1, 2012, shall pay to the state within 45 days after the  
 2759 end of the state fiscal year a surcharge equal to its pro rata  
 2760 share of an amount equal to the difference between the tax  
 2761 payment guarantee in paragraph (a) and the aggregate amount of  
 2762 tax paid during the immediately preceding fiscal year by all  
 2763 slot machine licensees located within counties which conducted a  
 2764 successful slot machine referendum after January 1, 2012. No  
 2765 such slot machine licensee shall be responsible for a pro rata  
 2766 share of more than 25 percent of the aggregate difference, if  
 2767 applicable, in any fiscal year.

2768 Section 44. Subsections (1), (2), and (4) of section  
 2769 551.114, Florida Statutes, are amended to read:

2770 551.114 Slot machine gaming areas.-

2771 (1)(a) The cumulative total of slot machines made  
 2772 available for play by all slot machine licensees in this state  
 2773 may not exceed 16,000. If the statewide cumulative total exceeds  
 2774 16,000, each facility making slots available for play must  
 2775 reduce the total number of slots at the facility on a pro rata  
 2776 basis, based on the facility's share of the total slots made  
 2777 available for play in this state. The division may adopt rules  
 2778 to administer this paragraph.

2779 (b) Except as provided in paragraph (c) or s.  
 2780 551.106(2)(a), a slot machine licensee may make available for  
 2781 play up to ~~2,000~~ 1,850 slot machines within the property of the  
 2782 facilities of the slot machine licensee.

2783           (c) Effective January 1, 2017, a slot machine licensee  
 2784 operating at a facility authorized after the effective date of  
 2785 this act may make available for play up to 1,000 slot machines.  
 2786 Effective October 1, 2018, such licensee may make available for  
 2787 play up to 1,500 slot machines.

2788           (2) The slot machine licensee shall display pari-mutuel  
 2789 races or games within the designated slot machine gaming areas  
 2790 and offer patrons within the designated slot machine gaming  
 2791 areas the ability to engage in pari-mutuel wagering on any live,  
 2792 intertrack, and simulcast races conducted or offered to patrons  
 2793 of the licensed facility.

2794           (4) Designated slot machine gaming areas may be located  
 2795 within the current live gaming facility or in an existing  
 2796 building that is ~~must be~~ contiguous and connected to the live  
 2797 gaming facility. If a designated slot machine gaming area is to  
 2798 be located in a building that is to be constructed, that new  
 2799 building must be contiguous and connected to the live gaming  
 2800 facility. For any permitholder licensed to conduct pari-mutuel  
 2801 activities pursuant to a current year's operating license that  
 2802 does not require live performances, designated slot machine  
 2803 gaming areas may be located only within the eligible facility  
 2804 licensed pursuant to s. 551.104.

2805           Section 45. Section 551.116, Florida Statutes, is amended  
 2806 to read:

2807           551.116 Days and hours of operation.—Slot machine gaming  
 2808 areas may be open daily throughout the year. The slot machine

2809 gaming areas may be open ~~a cumulative amount of 18 hours per day~~  
 2810 ~~on Monday through Friday and 24 hours per day on Saturday and~~  
 2811 ~~Sunday and on those holidays specified in s. 110.117(1).~~

2812 Section 46. Section 551.121, Florida Statutes, is amended  
 2813 to read:

2814 551.121 Prohibited activities and devices; exceptions.—

2815 ~~(1) Complimentary or reduced cost alcoholic beverages may~~  
 2816 ~~not be served to persons playing a slot machine. Alcoholic~~  
 2817 ~~beverages served to persons playing a slot machine shall cost at~~  
 2818 ~~least the same amount as alcoholic beverages served to the~~  
 2819 ~~general public at a bar within the facility.~~

2820 (1)~~(2)~~ A slot machine licensee may not make any loan,  
 2821 provide credit, or advance cash in order to enable a person to  
 2822 play a slot machine. This subsection shall not prohibit  
 2823 automated ticket redemption machines that dispense cash  
 2824 resulting from the redemption of tickets from being located in  
 2825 the designated slot machine gaming area of the slot machine  
 2826 licensee.

2827 ~~(3) A slot machine licensee may not allow any automated~~  
 2828 ~~teller machine or similar device designed to provide credit or~~  
 2829 ~~dispense cash to be located within the designated slot machine~~  
 2830 ~~gaming areas of a facility of a slot machine licensee.~~

2831 (2)~~(4)~~(a) A slot machine licensee may not accept or cash  
 2832 any check from any person within the designated slot machine  
 2833 gaming areas of a facility of a slot machine licensee.

2834 (b) Except as provided in paragraph (c) for employees of



2835 the facility, a slot machine licensee or operator shall not  
 2836 accept or cash for any person within the property of the  
 2837 facility any government-issued check, third-party check, or  
 2838 payroll check made payable to an individual.

2839 (c) Outside the designated slot machine gaming areas, a  
 2840 slot machine licensee or operator may accept or cash a check for  
 2841 an employee of the facility who is prohibited from wagering on a  
 2842 slot machine under s. 551.108(5), a check made directly payable  
 2843 to a person licensed by the division, or a check made directly  
 2844 payable to the slot machine licensee or operator from:

- 2845 1. A pari-mutuel patron; or
- 2846 2. A pari-mutuel facility in this state or in another  
 2847 state.

2848 (d) Unless accepting or cashing a check is prohibited by  
 2849 this subsection, nothing shall prohibit a slot machine licensee  
 2850 or operator from accepting and depositing in its accounts checks  
 2851 received in the normal course of business.

2852 (3)~~(5)~~ A slot machine, or the computer operating system  
 2853 linking the slot machine, may be linked by any means to any  
 2854 other slot machine or computer operating system within the  
 2855 facility of a slot machine licensee. A progressive system may be  
 2856 used in conjunction with slot machines between licensed  
 2857 facilities in Florida or in other jurisdictions.

2858 (4)~~(6)~~ A slot machine located within a licensed facility  
 2859 shall accept only tickets or paper currency or an electronic  
 2860 payment system for wagering and return or deliver payouts to the

2861 | player in the form of tickets that may be exchanged for cash,  
 2862 | merchandise, or other items of value. The use of coins, credit  
 2863 | or debit cards, tokens, or similar objects is specifically  
 2864 | prohibited. However, an electronic credit system may be used for  
 2865 | receiving wagers and making payouts.

2866 |       Section 47. Subsections (9) through (17) of section  
 2867 | 849.086, Florida Statutes, are renumbered as subsections (10)  
 2868 | through (18), respectively, and a new subsection (9) is added to  
 2869 | that section, and subsection (2), paragraphs (a) and (b) of  
 2870 | subsection (5), paragraph (b) of subsection (7), paragraphs (d)  
 2871 | and (h) of present subsection (13), and present subsections (16)  
 2872 | and (17) of that section are amended, to read:

2873 |       849.086 Cardrooms authorized.—

2874 |       (2) DEFINITIONS.—As used in this section:

2875 |       (a) "Authorized game" means a game or series of games of  
 2876 | poker, including designated player poker games, or dominoes  
 2877 | which are played in conformance with this section and in which  
 2878 | hands are ranked consistent with the definition of traditional  
 2879 | poker hand rankings provided in the 1974 edition of Hoyle's  
 2880 | Modern Encyclopedia of Card Games ~~a nonbanking manner.~~

2881 |       (b) "Banking game" means a game in which the house is a  
 2882 | participant in the game, taking on players, paying winners, and  
 2883 | collecting from losers or in which the cardroom establishes a  
 2884 | bank against which participants play. The term does not include  
 2885 | a designated player poker game if played in accordance with this  
 2886 | chapter and if hands are ranked consistent with the definition

2887 of traditional poker hand rankings provided in the 1974 edition  
 2888 of Hoyle's Modern Encyclopedia of Card Games.

2889 (c) "Cardroom" means a facility where authorized games are  
 2890 played for money or anything of value and to which the public is  
 2891 invited to participate in such games and charged a fee for  
 2892 participation by the operator of such facility. Authorized games  
 2893 and cardrooms do not constitute casino gaming operations.

2894 (d) "Cardroom management company" means any individual not  
 2895 an employee of the cardroom operator, any proprietorship,  
 2896 partnership, corporation, or other entity that enters into an  
 2897 agreement with a cardroom operator to manage, operate, or  
 2898 otherwise control the daily operation of a cardroom.

2899 (e) "Cardroom distributor" means any business that  
 2900 distributes cardroom paraphernalia such as card tables, betting  
 2901 chips, chip holders, dominoes, dominoes tables, drop boxes,  
 2902 banking supplies, playing cards, card shufflers, and other  
 2903 associated equipment to authorized cardrooms.

2904 (f) "Cardroom operator" means a licensed pari-mutuel  
 2905 permitholder which holds a valid permit and license issued by  
 2906 the division pursuant to chapter 550 and which also holds a  
 2907 valid cardroom license issued by the division pursuant to this  
 2908 section which authorizes such person to operate a cardroom and  
 2909 to conduct authorized games in such cardroom.

2910 (g) "Designated player" means the player identified as the  
 2911 player in the dealer position, seated at a traditional player  
 2912 position in a designated player poker game, who pays winning

2913 players and collects from losing players, but is not required to  
 2914 cover all wagers.

2915 (h) "Designated player poker game" means a game consisting  
 2916 of at least three cards in which the players compare their cards  
 2917 only to the cards of the designated player, and in which hands  
 2918 are ranked consistent with the definition of traditional poker  
 2919 hand rankings provided in the 1974 edition of Hoyle's Modern  
 2920 Encyclopedia of Card Games.

2921 (i)~~(g)~~ "Division" means the Division of Pari-mutuel  
 2922 Wagering of the Department of Business and Professional  
 2923 Regulation.

2924 (j)~~(h)~~ "Dominoes" means a game of dominoes typically  
 2925 played with a set of 28 flat rectangular blocks, called "bones,"  
 2926 which are marked on one side and divided into two equal parts,  
 2927 with zero to six dots, called "pips," in each part. The term  
 2928 also includes larger sets of blocks that contain a  
 2929 correspondingly higher number of pips. The term also means the  
 2930 set of blocks used to play the game.

2931 (k)~~(i)~~ "Gross receipts" means the total amount of money  
 2932 received by a cardroom from any person for participation in  
 2933 authorized games.

2934 (l)~~(j)~~ "House" means the cardroom operator and all  
 2935 employees of the cardroom operator.

2936 (m)~~(k)~~ "Net proceeds" means the total amount of gross  
 2937 receipts received by a cardroom operator from cardroom  
 2938 operations less direct operating expenses related to cardroom

2939 operations, including labor costs, admission taxes only if a  
 2940 separate admission fee is charged for entry to the cardroom  
 2941 facility, gross receipts taxes imposed on cardroom operators by  
 2942 this section, the annual cardroom license fees imposed by this  
 2943 section on each table operated at a cardroom, and reasonable  
 2944 promotional costs excluding officer and director compensation,  
 2945 interest on capital debt, legal fees, real estate taxes, bad  
 2946 debts, contributions or donations, or overhead and depreciation  
 2947 expenses not directly related to the operation of the cardrooms.

2948 (n)~~(1)~~ "Rake" means a set fee or percentage of the pot  
 2949 assessed by a cardroom operator for providing the services of a  
 2950 dealer, table, or location for playing the authorized game.

2951 (o)~~(m)~~ "Tournament" means a series of games that have more  
 2952 than one betting round involving one or more tables and where  
 2953 the winners or others receive a prize or cash award.

2954 (5) LICENSE REQUIRED; APPLICATION; FEES.—No person may  
 2955 operate a cardroom in this state unless such person holds a  
 2956 valid cardroom license issued pursuant to this section.

2957 (a) Only those persons holding a valid cardroom license  
 2958 issued by the division may operate a cardroom. A cardroom  
 2959 license may only be issued to a licensed pari-mutuel  
 2960 permitholder and an authorized cardroom may only be operated at  
 2961 the same facility at which the permitholder is authorized under  
 2962 its valid pari-mutuel wagering permit to conduct pari-mutuel  
 2963 wagering activities. An initial cardroom license shall be issued  
 2964 to a pari-mutuel permitholder only after its facilities are in

2965 place and after it conducts its first day of live racing or  
 2966 games, except for a summer jai alai permitholder receiving its  
 2967 initial cardroom license.

2968 (b)1. After the initial cardroom license is granted, the  
 2969 application for the annual license renewal shall be made in  
 2970 conjunction with the applicant's annual application for its  
 2971 pari-mutuel operating license. Except as provided in  
 2972 subparagraph 2., and except for any facility licensed in  
 2973 accordance with s. 551.1041, ~~If a permitholder has operated a~~  
 2974 ~~cardroom during any of the 3 previous fiscal years and fails to~~  
 2975 ~~include a renewal request for the operation of the cardroom in~~  
 2976 ~~its annual application for license renewal, the permitholder may~~  
 2977 ~~amend its annual application to include operation of the~~  
 2978 ~~cardroom.~~ in order for a cardroom license to be renewed the  
 2979 applicant must have requested, as part of its pari-mutuel annual  
 2980 operating license application, to conduct at least 90 percent of  
 2981 the total number of live performances conducted by such  
 2982 permitholder during either the state fiscal year in which its  
 2983 initial cardroom license was issued or the state fiscal year  
 2984 immediately prior thereto if the permitholder ran at least a  
 2985 full schedule of live racing or games in the prior year. Except  
 2986 as provided in subparagraphs 2., 3., and 4. and except for any  
 2987 facility licensed in accordance with s. 551.1041, ~~If the~~  
 2988 ~~application is for a harness permitholder cardroom, the~~  
 2989 ~~applicant must have requested authorization to conduct a minimum~~  
 2990 ~~of 140 live performances during the state fiscal year~~

2991 ~~immediately prior thereto.~~ if more than one permitholder is  
 2992 operating at a facility, each permitholder must have applied for  
 2993 a license to conduct a full schedule of live racing.

2994 2. A greyhound racing permitholder is exempt from the live  
 2995 racing requirements of this subsection if it conducted a full  
 2996 schedule of live racing for a period of at least 10 consecutive  
 2997 state fiscal years after the 1996-1997 state fiscal year, or if  
 2998 it converted its permit to a permit to conduct greyhound racing  
 2999 after that fiscal year. However, as a condition of cardroom  
 3000 licensure, greyhound racing permitholders who are not conducting  
 3001 a full schedule of live racing must conduct intertrack wagering  
 3002 on thoroughbred signals, to the extent available, on each day of  
 3003 cardroom operation.

3004 3. Harness racing and quarter horse racing permitholders  
 3005 that have held an operating license for at least 5 years and a  
 3006 cardroom license for at least 2 years are exempt from the live  
 3007 racing requirements of this subsection.

3008 4. Thoroughbred racing permitholders that have had an  
 3009 operating license for at least 25 years, and that operated a  
 3010 slot machine facility and held a slot machine license for at  
 3011 least 5 years are exempt from the live racing requirements of  
 3012 this subsection.

3013 (7) CONDITIONS FOR OPERATING A CARDROOM.—

3014 (b) Any cardroom operator may operate a cardroom at the  
 3015 pari-mutuel facility daily throughout the year, if the  
 3016 permitholder meets the requirements under paragraph (5)(b). The

3017 cardroom may be open a ~~cumulative amount of 18 hours per day on~~  
 3018 ~~Monday through Friday and 24 hours per day on Saturday and~~  
 3019 ~~Sunday and on the holidays specified in s. 110.117(1).~~

3020 (9) DESIGNATED PLAYER POKER GAMES AUTHORIZED.-

3021 (a) The division may authorize a cardroom operator to  
 3022 offer designated player poker games as defined in this section.

3023 (b) The designated player must occupy a playing position  
 3024 at the table and may not be required to cover all wagers for  
 3025 players seated during a single game.

3026 (c) The cardroom operator may not serve as a designated  
 3027 player in any game. The cardroom operator may not have any  
 3028 direct or indirect financial or pecuniary interest in a  
 3029 designated player in any game.

3030 (d) Designated player poker games offered by a cardroom  
 3031 operator may not make up more than 50 percent of the total  
 3032 authorized game tables at the cardroom.

3033 (e) The division may only authorize cardroom operators to  
 3034 conduct designated player poker games if such games would not  
 3035 trigger a reduction in revenue-sharing payments under the Gaming  
 3036 Compact between the Seminole Tribe of Florida and the State of  
 3037 Florida.

3038 (14)~~(13)~~ TAXES AND OTHER PAYMENTS.-

3039 (d)1. Each ~~greyhound and jai alai~~ permitholder that  
 3040 operates a cardroom facility and is licensed to conduct at least  
 3041 a full schedule of live racing or games shall use at least 4  
 3042 percent of such permitholder's cardroom monthly gross receipts



3043 to supplement ~~greyhound~~ purses or jai alai prize money,  
 3044 respectively, during the permitholder's current or next ensuing  
 3045 pari-mutuel meet.

3046 2. Each ~~thoroughbred and harness horse racing~~ permitholder  
 3047 that operates a cardroom facility and is not licensed to conduct  
 3048 at least a full schedule of live racing or games shall pay 4  
 3049 percent of such permitholder's cardroom monthly gross receipts  
 3050 to the division for use in the thoroughbred purse supplement  
 3051 program established by s. 550.1752 shall use at least 50 percent  
 3052 ~~of such permitholder's cardroom monthly net proceeds as follows:~~  
 3053 ~~47 percent to supplement purses and 3 percent to supplement~~  
 3054 ~~breeders' awards during the permitholder's next ensuing racing~~  
 3055 ~~meet.~~

3056 3. ~~No cardroom license or renewal thereof shall be issued~~  
 3057 ~~to an applicant holding a permit under chapter 550 to conduct~~  
 3058 ~~pari-mutuel wagering meets of quarter horse racing unless the~~  
 3059 ~~applicant has on file with the division a binding written~~  
 3060 ~~agreement between the applicant and the Florida Quarter Horse~~  
 3061 ~~Racing Association or the association representing a majority of~~  
 3062 ~~the horse owners and trainers at the applicant's eligible~~  
 3063 ~~facility, governing the payment of purses on live quarter horse~~  
 3064 ~~races conducted at the licensee's pari-mutuel facility. The~~  
 3065 ~~agreement governing purses may direct the payment of such purses~~  
 3066 ~~from revenues generated by any wagering or gaming the applicant~~  
 3067 ~~is authorized to conduct under Florida law. All purses shall be~~  
 3068 ~~subject to the terms of chapter 550.~~

3069 (h) One-quarter of the moneys deposited into the Pari-  
 3070 mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by  
 3071 October 1 of each year, be distributed to the local government  
 3072 that approved the cardroom under subsection (17) ~~(16)~~; however,  
 3073 if two or more pari-mutuel racetracks are located within the  
 3074 same incorporated municipality, the cardroom funds shall be  
 3075 distributed to the municipality. If a pari-mutuel facility is  
 3076 situated in such a manner that it is located in more than one  
 3077 county, the site of the cardroom facility shall determine the  
 3078 location for purposes of disbursement of tax revenues under this  
 3079 paragraph. The division shall, by September 1 of each year,  
 3080 determine: the amount of taxes deposited into the Pari-mutuel  
 3081 Wagering Trust Fund pursuant to this section from each cardroom  
 3082 licensee; the location by county of each cardroom; whether the  
 3083 cardroom is located in the unincorporated area of the county or  
 3084 within an incorporated municipality; and, the total amount to be  
 3085 distributed to each eligible county and municipality.

3086 (17) ~~(16)~~ LOCAL GOVERNMENT APPROVAL.—The Division of Pari-  
 3087 mutuel Wagering may ~~shall~~ not issue any initial license under  
 3088 this section except upon proof in such form as the division may  
 3089 prescribe that the local government where the applicant for such  
 3090 license desires to conduct cardroom gaming has voted to approve  
 3091 such activity by a majority vote of the governing body of the  
 3092 municipality or the governing body of the county if the facility  
 3093 is not located in a municipality.

3094 (18) ~~(17)~~ CHANGE OF LOCATION; ~~REFERENDUM.~~—

3095           ~~(a)~~ Notwithstanding any provisions of this section, ~~a~~ ~~no~~  
 3096 cardroom gaming license issued under this section may not ~~shall~~  
 3097 be transferred, or reissued when such reissuance is in the  
 3098 nature of a transfer, so as to permit or authorize a licensee to  
 3099 change the location of the cardroom, except that a permitholder  
 3100 that relocated pursuant to ss. 550.0555(2)(a), 550.0555(2)(b),  
 3101 or 550.3345 is entitled to a cardroom license at the new  
 3102 location. ~~except upon proof in such form as the division may~~  
 3103 ~~prescribe that a referendum election has been held:~~

3104           ~~1. If the proposed new location is within the same county~~  
 3105 ~~as the already licensed location, in the county where the~~  
 3106 ~~licensee desires to conduct cardroom gaming and that a majority~~  
 3107 ~~of the electors voting on the question in such election voted in~~  
 3108 ~~favor of the transfer of such license. However, the division~~  
 3109 ~~shall transfer, without requirement of a referendum election,~~  
 3110 ~~the cardroom license of any permitholder that relocated its~~  
 3111 ~~permit pursuant to s. 550.0555.~~

3112           ~~2. If the proposed new location is not within the same~~  
 3113 ~~county as the already licensed location, in the county where the~~  
 3114 ~~licensee desires to conduct cardroom gaming and that a majority~~  
 3115 ~~of the electors voting on that question in each such election~~  
 3116 ~~voted in favor of the transfer of such license.~~

3117           ~~(b) The expense of each referendum held under the~~  
 3118 ~~provisions of this subsection shall be borne by the licensee~~  
 3119 ~~requesting the transfer.~~

3120           Section 48. The Division of Pari-mutuel Wagering of the

3121 Department of Business and Professional Regulation shall revoke  
 3122 any permit to conduct pari-mutuel wagering if a permit holder has  
 3123 not conducted live events within the 24 months immediately  
 3124 preceding the effective date of this act, unless the permit was  
 3125 issued under s. 551.1041, Florida Statutes, or unless the permit  
 3126 was issued on or after July 1, 2015. A permit revoked under this  
 3127 section may not be reissued.

3128 Section 49. If any provision of this act or its  
 3129 application to any person or circumstance is held invalid, the  
 3130 invalidity does not affect other provisions or applications of  
 3131 this act which can be given effect without the invalid provision  
 3132 or application, and to this end the provisions of this act are  
 3133 severable.

3134 Section 50. For the 2016-2017 fiscal year, the sum of  
 3135 \$150,000 in recurring funds from the Pari-Mutuel Wagering Trust  
 3136 Fund is appropriated to the Department of Business and  
 3137 Professional Regulation, and the associated salary rate of  
 3138 45,000 is authorized, for the purpose of implementing the state  
 3139 oversight responsibilities of this act.

3140 Section 51. Except for the amendments to ss. 285.710(1)  
 3141 and 285.710(3), Florida Statutes, the amendments made to  
 3142 chapters 285, 546, 550, 551, and 849, Florida Statutes, by this  
 3143 act are contingent upon the December 7, 2015, Gaming Compact  
 3144 becoming effective pursuant to s. 285.710(3)(c), Florida  
 3145 Statutes, as amended by this act, and shall not take effect if  
 3146 such Gaming Compact does not become effective. The amendments to

3147 ss. 285.710(1) and 285.710(3), Florida Statutes, shall take  
 3148 effect upon this act becoming a law.

3149 Section 52. Except as otherwise expressly provided in this  
 3150 act, this act shall take effect July 1, 2016, or upon approval  
 3151 by the United States Department of the Interior of the December  
 3152 7, 2015, Gaming Compact ratified pursuant to s. 285.710, Florida  
 3153 Statutes, as amended by this act, whichever occurs later.