



Regulatory Affairs Committee

Tuesday, February 9, 2016
11:30 AM
Sumner Hall (404 HOB)

MEETING PACKET

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Regulatory Affairs Committee

Start Date and Time: Tuesday, February 09, 2016 11:30 am
End Date and Time: Tuesday, February 09, 2016 02:30 pm
Location: Sumner Hall (404 HOB)
Duration: 3.00 hrs

Consideration of the following proposed committee bill(s):

PCB RAC 16-01 -- Gaming Compact Between the Seminole Tribe of Florida and the State of Florida
PCB RAC 16-02 -- Gaming
PCB RAC 16-03 -- Voter Control of Gambling Expansion in Florida

Pursuant to rule 7.12, the filing deadline for amendments to bills on the agenda by a member who is not a member of the committee or subcommittee considering the bill is 6:00 p.m., Monday, February 8, 2016.

By request of the Chair, all Regulatory Affairs Committee members are asked to have amendments to bills on the agenda submitted to staff by 6:00 p.m., Monday, February 8, 2016.

NOTICE FINALIZED on 02/05/2016 4:26PM by Ellinor.Martha



The Florida House of Representatives

Regulatory Affairs Committee

Steve Crisafulli
Speaker

Jose Diaz
Chair

AGENDA

February 9, 2016

404 HOB 11:30 AM – 2:30 PM

- I. Call to Order and Roll Call
- II. PCB RAC 16-01 by *Regulatory Affairs Committee*
Gaming Compact Between the Seminole Tribe of Florida and the State of Florida
- III. PCB RAC 16-02 by *Regulatory Affairs Committee*
Gaming
- IV. PCB RAC 16-03 by *Regulatory Affairs Committee*
Voter Control of Gambling Expansion in Florida
- V. ADJOURNMENT

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB RAC 16-01 Gaming Compact Between the Seminole Tribe of Florida and the State of Florida

SPONSOR(S): Regulatory Affairs Committee

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

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Regulatory Affairs Committee		Brown-Blake	Hamon <i>K. W. H.</i>

SUMMARY ANALYSIS

The Seminole Indian Tribe of Florida (the Tribe) is a federally recognized Indian tribe whose reservations and trust lands are located in the State. Florida entered a compact governing gambling with the Tribe on April 7, 2010 (the 2010 Compact). Gaming compacts are regulated by the Federal Indian Gaming Regulatory Act, s. 25 U.S.C. 2701, et seq., and part II, ch. 285, F.S.

The Division of Pari-mutuel Wagering (Division) within the Department of Business and Professional Regulation (Department), as the State Compliance Agency, has an oversight role in ensuring gaming at the Tribe's facilities is conducted in compliance with the compact.

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). If ratified, the 2015 Compact will supersede the 2010 Compact. The 2015 Compact has a term of 20 years.

The 2015 Compact permits the Tribe to offer the following types of gaming at all its facilities:

- 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 games authorized pursuant to a compact with a qualifying Indian Tribe.

The 2015 Compact establishes a guarantee minimum payment period, 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 in the 2015 Compact, to total at least \$3 billion. At the end of the seven year period, a true-up payment may be required if the amount due using the revenue share percentages outlined in the 2015 Compact would have generated more than \$3 billion. After the guarantee minimum payment period, the tribe will make payments based on percentages of net win that range from 13 percent to 25 percent.

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 will have a significant positive fiscal impact to the state.

The bill is effective upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

General Gambling

In general, gambling is illegal in Florida.¹ Chapter 849, F.S., prohibits keeping a gambling house,² running a lottery,³ or the manufacture, sale, lease, play, or possession of slot machines.⁴ Certain exceptions have been authorized, with restrictions on permitted locations, operators, and prizes, including penny-ante games,⁵ bingo,⁶ cardrooms,⁷ charitable drawings,⁸ game promotions (sweepstakes),⁹ and bowling tournaments.¹⁰

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.¹¹

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.¹²

Lotteries

Lotteries are prohibited by the Florida Constitution.¹³ 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.¹⁴ 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.

¹ s. 849.08, F.S.

² s. 849.01, F.S.

³ s. 849.09, F.S.

⁴ s. 849.16, F.S.

⁵ s. 849.085, F.S.

⁶ s. 849.0931, F.S.

⁷ s. 849.086, F.S.

⁸ s. 849.0935, F.S.

⁹ Section 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.

¹⁰ s. 546.10, F.S.

¹¹ Florida House of Representatives Select Committee on Gaming, Final Bill Analysis of 2013 CS/HB 155, p. 1 (Apr. 19, 2013).

¹² s. 546.10, F.S.

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

¹⁴ *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. 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. 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.¹⁵

Slot Machines

Slot machines have been generally prohibited in Florida since 1937.¹⁶ 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 non-Tribe facilities in Broward and Miami-Dade counties by constitutional amendment or statute and are regulated under ch. 551, F.S.¹⁷

Pari-mutuel Wagering

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."¹⁸

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.¹⁹ 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.²⁰

Except for the Tribal casinos authorized in the 2010 Compact, free-standing, commercial casinos are not authorized, and gaming activity, other than what is expressly authorized, is illegal.

The Division collects revenue in the form of taxes and fees from permitholders for the conduct of gaming activities outlined above. 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.²¹

Indian Gaming

The Indian Gaming Regulatory Act

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.

¹⁵ *Little River Theatre Corp.*, *supra* at 868.

¹⁶ s. 849.15, F.S., originally enacted by s. 1, ch. 18143, L.O.F. (1937).

¹⁷ See Article X, Section 23, Florida Constitution; ch. 2010-29, L.O.F. and chapter 551, F.S.

¹⁸ s. 550.002(22), F.S.

¹⁹ Section 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.

²⁰ 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."

²¹ s. 550.0251(1), F.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.”²² 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.²³

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.”²⁴ Class I games are within the exclusive jurisdiction of the Indian tribes.²⁵
- Class II games are bingo and card games that are explicitly authorized or are not explicitly prohibited by the laws of the State.²⁶ 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.”²⁷ Class II games are also within the jurisdiction of the Indian tribes, but are also subject to the provisions of IGRA.²⁸
- 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.²⁹

The 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.³⁰
- 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.³¹ 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.”³²

²² United States Senate Report No. 100-446, Aug. 3, 1988.

²³ *Id.*

²⁴ 25 U.S.C. 2703(6).

²⁵ 25 U.S.C. 2710(a)(1).

²⁶ 25 U.S.C. 2703(7)(A).

²⁷ 25 U.S.C. 2703(7)(B).

²⁸ 25 U.S.C. 2710(a)(2) and (b).

²⁹ 25 U.S.C. 2703 and 25 C.F.R. § 502.4.

³⁰ 25 U.S.C. 2710(d)(1).

³¹ 25 U.S.C. 2710 (d)(3)(A).

³² 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).

Generally, in accordance with IRGA 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.³³

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.³⁴ Upon receipt of a proposed compact, the Secretary has 45 days to approve or disapprove the compact.³⁵ 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.³⁶

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.³⁷

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.³⁸

2010 Indian Gaming Compact

The Tribe is federally recognized with reservations and trust lands located in the State. Section 285.710, F.S., ratified the gaming compact with the Seminole Tribe of Florida. 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.³⁹ 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 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 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

³³ 25 U.S.C. 2710 (d)(3)(C).

³⁴ 25 U.S.C. 2710(d)(3)(B).

³⁵ 25 U.S.C. 2710(d)(8)(C).

³⁶ See *Pueblo of Santa Ana v. Kelly*, 104 F.3d 1546, (10th Cir. 1997), cert. denied, 522 U.S. 807 (1997).

³⁷ 25 U.S.C. 2710(d)(4).

³⁸ 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.

³⁹ s. 285.710, F.S.

the Federal Register on July 6, 2010 and lasts for 20 years, with the exception of the authorization for banked card games which lasted five years (until July 31, 2015), expiring July 31, 2030, unless renewed.

The Tribe has seven gambling facilities located on tribal lands as follows:

- The Seminole Indian Casino on the Brighton Indian Reservation in Okeechobee County,
- The Seminole Indian Casino in Immokalee in Collier County,
- The Seminole Indian Casino in the City of Hollywood in Broward County,
- The Seminole Indian Casino in the City of Coconut Creek in Broward County,
- The Seminole Hard Rock Hotel & Casino in the City of Hollywood in Broward County,
- The Seminole Indian Big Cypress Casino in the City of Clewiston in Hendry County, and
- The Seminole Hard Rock Hotel & Casino in the City of Tampa in Hillsborough County.

The 2010 Compact permits the Tribe to offer the following games at all seven of its tribal casinos:

- Slot machines;
- Raffles and drawings; and
- Any other game authorized for any person for any purpose, except for a compact with a qualifying Indian Tribe.

Banked card games include blackjack, chemin de fer, and baccarat. The play of the banked card games is not allowed at the Brighton or Big Cypress facilities, but is permitted at the other five facilities.

In exchange for the Tribe's exclusive right to conduct slot machine gaming outside of Miami-Dade and Broward counties and the exclusive right to offer banked card games at the specified facilities, the compact provides for revenue sharing payments to the state⁴⁰ as follows:

- During the initial period (first 24 months), the Tribe paid \$12.5 million per month (\$150 million per year).
- During the guarantee minimum payment period (five years), the Tribe guaranteed a payment of \$1 billion but paid a total of \$1.03648 billion in revenue sharing.⁴¹
- After the guarantee minimum payment period, the Tribe pays based on a variable percentage of annual net win that ranges from 12 percent of net win up to \$2 billion, to 25 percent of net win greater than \$4.5 billion.
- The Tribe is currently making payments to the state based on the percentage of net win without a guaranteed minimum payment.
- The 2010 Compact expires in 2030.

The authorization for banked card games expired after five years in July 2015. The 2010 Compact provided that, in the event that the authorization to offer banked and banking card games is terminated, the Tribe has 90 days to close the games, after which, the state is entitled to seek immediate injunctive relief. Although the 2010 Compact indicated that banked card games be shut down by the Tribe and that revenue sharing payments would be made excluding the net win from the Tribe's facilities in Broward County, the Tribe instead sued the State to continue to offer banked card games and continues to make revenue sharing payments to the state.⁴²

⁴⁰ Revenues are deposited in the General Revenue Fund.

⁴¹ The Florida Legislature, Office of Economic and Demographic Research, *Proposed 2015 Compact: Revenue Overview*, found at: http://www.google.com/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=2&cad=rja&uact=8&ved=0ahUKEwiFgpjUqePKAhWCpx4KHSPKAIYQFggiMAE&url=http%3A%2F%2Ffedr.state.fl.us%2Fcontent%2Fpresentations%2Fgaming%2Fgamingrevenueoverview_3-26-15.pdf&usq=AFQjCNEYD8mjFf5_Dn5QGjbg72WJ8xIgGw (last visited February 6, 2016).

⁴² The Miami Herald, *Seminole Tribe sues the State despite progress in gaming talks*, located at <http://www.miamiherald.com/news/state/florida/article41460426.html> (last viewed February 10, 2016).

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 with slot licenses 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.⁴³

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.

A new compact was signed 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.⁴⁴ If the 2015 Compact is ratified and approved, it will provide the Tribe exclusivity to operate certain games, with certain exceptions.⁴⁵ In exchange, the Tribe will share revenue with the state with a Guaranteed Minimum Compact Term Payment of \$3 billion over seven years.

Effect of the Bill

Ratification

The bill ratifies and approves the 2015 Compact between the Tribe and the State of Florida. If ratified, the 2015 Compact will supersede the 2010 Compact. 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.

The bill authorizes the Tribe to conduct dice games, such as craps and sic-bo, and wheel games, such as roulette and big six, in addition to the already authorized Class III games.

2015 Indian Gaming Compact

The 2015 Gaming 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.

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

⁴⁴ s. 285.710, F.S.

⁴⁵ *2015 Gaming Compact Between the Seminole Tribe of Florida and the State of Florida*, p. 43 (Dec. 7, 2015), on file with the Business & Professions Subcommittee.

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 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

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 – 1st year;
 - \$350 million – 2nd year;
 - \$375 million – 3rd year;
 - \$425 million – 4th year;
 - \$475 million – 5th year;
 - \$500 million – 6th year; and
 - \$550 million – 7th 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

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 Requirements

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 have 750 slot machines and 750 video race terminals, subject to limitations, if approved by a county-wide referendum;
- One new location in Palm Beach may have 750 slot machines and 750 video race terminals, subject to limitations, if approved by a county-wide referendum.

B. SECTION DIRECTORY:

Section 1 amends s. 285.711, F.S., ratifying the Gaming Compact between the Seminole Tribe of Florida and the State of Florida, executed by the Governor and the Tribe on December 7, 2015.

Section 2 amends s. 285.712(4), F.S., correcting a reference.

Section 3 provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference (REC) estimated the 2015 Compact will have the following positive fiscal impact to the General Revenue Fund:

Fiscal Year	Current Forecast under 2010 Compact (in millions)	Forecast under 2015 Compact (in millions)	Revenue Increase for the State (in millions)
2015-16	\$215.4	\$286.2	\$70.7
2016-17	\$126.2	\$303.9	\$177.7
2017-18	\$124.4	\$325.0	\$200.6
2018-19	\$126.4	\$350.0	\$223.6
2019-20	\$128.3	\$375.0	\$246.7
2020-21	\$130.3	\$425.0	\$294.7
2021-22	\$132.4	\$475.0	\$342.6
2022-23	\$134.4	\$500.0	\$365.6
2023-24	\$136.5	\$550.0	\$413.5

2. Expenditures:

Indeterminate. Direct costs of regulation are able to be recovered pursuant to the terms of the bill. The Division currently enforces the 2010 Gaming Compact. Any additional expenditure related to

law enforcement, courts, infrastructure and social services will likely be minimal and absorbed by current staff.

To offset the cost of regulation, the Division receives an Annual Oversight Assessment, to be paid to the State as reimbursement for the actual and reasonable costs of the Division to perform monitoring functions, as provided for in the 2010 Compact. The assessment shall not exceed \$250,000 per year, indexed for inflation by the Consumer Price Index (CPI), and paid in quarterly installments. The 2015 Compact increases the Annual Oversight Assessment to \$400,000 per year, also indexed as determined by the CPI and paid in quarterly installments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill provides that, of the amounts paid to the state, three percent shall be distributed to local governments, including counties and municipalities, affected by the Tribe's operation of covered games.

Extrapolating from the REC figures, \$8.5 million would be allocated to local governments in FY 2015-16 and \$9.1 million in FY 2016-17.

2. Expenditures:

Indeterminate. There may be expenditures and impacts on local government infrastructure as a result of increased gaming activities.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill authorizes a gaming compact that would permit the Tribe to conduct banked card games and live table games at all seven tribal locations. Therefore, the Tribe's facilities will have a revenue increase. The REC estimated the 2015 Compact will have the following positive fiscal impact to the Tribe's net wins:

Fiscal Year	Current Net Win Forecast 2010 Compact (in billions)	Forecast of Net Win 2015 Compact (in billions)	Revenue Increase for the Tribe (in billions)
2015-16	\$1.428	\$2.3077	\$0.8797
2016-17	\$1.0178	\$2.4261	\$1.4083
2017-18	\$1.0382	\$2.4746	\$1.4365
2018-19	\$1.0544	\$2.5132	\$1.4589
2019-20	\$1.0708	\$2.5524	\$1.4816
2020-21	\$1.0875	\$2.5922	\$1.5047
2021-22	\$1.1045	\$2.6327	\$1.5282
2022-23	\$1.1217	\$2.6738	\$1.5521
2023-24	\$1.1392	\$2.7155	\$1.5763

Additionally, the 2010 Compact requires the Tribe to make an annual donation to the Florida Council on Compulsive Gaming (FCCG), in an amount not less than \$250,000 for each facility. The 2015 Compact requires the Tribe to make an annual donation to the FCCG in an amount not less than \$1.75 million.

D. FISCAL COMMENTS:

See above.

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:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to the Gaming Compact between the
 3 Seminole Tribe of Florida and the State of Florida;
 4 amending s. 285.710, F.S.; superseding the Gaming
 5 Compact; ratifying and approving a specified compact
 6 executed by the Governor and the Tribe; directing the
 7 Governor to cooperate with the Tribe in seeking
 8 approval of the compact from the United States
 9 Secretary of the Interior; expanding the games
 10 authorized to be conducted and the counties in which
 11 such games may be offered; amending s. 285.712, F.S.;
 12 correcting a citation; providing a contingent
 13 effective date.

14
 15 Be It Enacted by the Legislature of the State of Florida:

16
 17 Section 1. Paragraph (a) of subsection (1) and subsections
 18 (3) and (13) of section 285.710, Florida Statutes, are amended
 19 to read:

20 285.710 Compact authorization.—

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

22 (a) "Compact" means the Gaming Compact between the
 23 Seminole Tribe of Florida and the State of Florida, ~~executed on~~
 24 ~~April 7, 2010.~~

25 (3) (a) A The Gaming Compact between the Seminole Tribe of
 26 Florida and the State of Florida, executed by the Governor and

27 the Tribe on April 7, 2010, was ~~is~~ ratified and approved by
 28 chapter 2010-29, Laws of Florida. ~~The Governor shall cooperate~~
 29 ~~with the Tribe in seeking approval of the compact from the~~
 30 ~~United States Secretary of the Interior.~~

31 (b) The Gaming Compact between the Seminole Tribe of
 32 Florida and the State of Florida, which was executed by the
 33 Governor and the Tribe on December 7, 2015, is ratified and
 34 approved and supersedes the Gaming Compact ratified and approved
 35 under paragraph (a). The Governor shall cooperate with the Tribe
 36 in seeking approval of the compact ratified and approved by this
 37 paragraph from the United States Secretary of the Interior.

38 (13) For the purpose of satisfying the requirement in 25
 39 U.S.C. s. 2710(d)(1)(B) that the gaming activities authorized
 40 under an Indian gaming compact must be permitted in the state
 41 for any purpose by any person, organization, or entity, the
 42 following class III games or other games specified in this
 43 section are hereby authorized to be conducted by the Tribe
 44 pursuant to the compact:

45 (a) Slot machines, as defined in s. 551.102(8).

46 (b) Banking or banked card games, including baccarat,
 47 chemin de fer, and blackjack or 21 ~~at the tribal facilities in~~
 48 ~~Broward County, Collier County, and Hillsborough County.~~

49 (c) Dice games, such as craps and sic-bo.

50 (d) Wheel games, such as roulette and big six.

51 (e)-(e) Raffles and drawings.

52 Section 2. Subsection (4) of section 285.712, Florida

PCB RAC 16-01

2016

53 Statutes, is amended to read:

54 285.712 Tribal-state gaming compacts.—

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

60 Section 3. This act shall take effect upon becoming a law,
 61 if PCB RAC 16-02 or similar legislation is adopted in the same
 62 legislative session or an extension thereof and becomes law.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB RAC 16-02 Gaming
SPONSOR(S): Regulatory Affairs Committee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Regulatory Affairs Committee		Butler BSB	Hamon <i>K.W.H.</i>

SUMMARY ANALYSIS

The bill makes changes to the pari-mutuel wagering, slot machines, and gambling chapters of the Florida Statutes, related to operating requirements for pari-mutuel wagering permitholders, including:

- Permitting greyhound, harness, quarterhorse, and certain thoroughbred permitholders to conduct pari-mutuel wagering, cardrooms and slots without the requirement of live races;
- Providing for the revocation of dormant permits based on a permitholder's failure to conduct live races, obtain an operating license, or failing to pay taxes and fees for a period of more than two years;
- Providing for a new limited slot machine permitholder to be selected pursuant to specified criteria that shall be prohibited from operating live racing or games;
- 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%;
- Authorizing video race terminals at certain facilities;
- Removing provisions that allow for reissuance of permits after they escheat to the state;
- Revising purse requirements of a greyhound permitholder that conducts live racing;
- 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 limiting the issuance of slot machine licenses;
- Providing that slot machine gaming may be performed at a licensed facility, that may be located outside of Miami-Dade or Broward counties;
- Providing that complimentary or reduced-cost alcoholic beverages may be served to persons playing slot machines;
- Providing that an automated teller machine may be located within the designated slot machine gaming areas of a slot machine licensees' facility;
- Providing for the relinquishment of permits in order to obtain a limited slot license.

The bill is expected to have a fiscal impact on state funds; however a fiscal analysis is unavailable at this time.

The bill provides for an effective date upon coming law.

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.¹ Chapter 849, F.S., prohibits keeping a gambling house,² running a lottery,³ or the manufacture, sale, lease, play, or possession of slot machines.⁴ Certain exceptions have been authorized, with restrictions on permitted locations, operators, and prizes, including penny-ante games,⁵ bingo,⁶ cardrooms,⁷ charitable drawings,⁸ game promotions (sweepstakes),⁹ and bowling tournaments.¹⁰

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.¹¹

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.¹²

Lotteries

Lotteries are prohibited by the Florida Constitution.¹³ 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.¹⁴ 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.

¹ s. 849.08, F.S.

² s. 849.01, F.S.

³ s. 849.09, F.S.

⁴ s. 849.16, F.S.

⁵ s. 849.085, F.S.

⁶ s. 849.0931, F.S.

⁷ s. 849.086, F.S.

⁸ s. 849.0935, F.S.

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

¹⁰ s. 546.10, F.S.

¹¹ Florida House of Representatives Select Committee on Gaming, Final Bill Analysis of 2013 CS/HB 155, p. 1 (Apr. 19, 2013).

¹² s. 546.10, F.S.

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

¹⁴ *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.¹⁵

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."¹⁶

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.¹⁷

Slot machines

Slot machines have been generally prohibited in Florida since 1937.¹⁸ 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.¹⁹ 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

¹⁵ *Little River Theatre Corp., supra* at 868.

¹⁶ 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.

¹⁷ 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.

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

¹⁹ 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.²⁰ 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."²¹

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.²² 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.²³

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.²⁴

Indian Gaming in Florida

Gambling on Indian lands is subject to federal law, with limited state involvement, by the federal Indian Gaming Regulatory Act (IGRA),²⁵ and is regulated under Florida law by part II, ch. 285, F.S. Gaming activities are separated by IGRA into three categories, Class I games, which are generally social games with prizes of minimal value,²⁶ Class II games such as bingo and card games that are explicitly authorized or are not explicitly prohibited by the laws of the State,²⁷ and Class III games, which are any games that are not Class I or Class II.²⁸ Class III games include slot machine and banked card games such as blackjack, baccarat and chemin de fir.²⁹ Indian tribes are authorized to offer Class I and Class II games at any facility on tribal lands; however, are prohibited from offering Class III games on tribal lands located within a state that prohibits Class III gaming activities, except under certain circumstances.³⁰

²⁰ 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.

²¹ s. 550.002(22), F.S.

²² 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.

²³ 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."

²⁴ s. 550.0251(1), F.S.

²⁵ s. 25 U.S.C. 2701, et seq.

²⁶ 25 U.S.C. 2703(6).

²⁷ 25 U.S.C. 2703(7)(A).

²⁸ 25 U.S.C. 2703(8).

²⁹ 25 U.S.C. 2703 and 25 C.F.R. § 502.4.

³⁰

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.³¹ 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 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.³²

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.

³¹ s. 285.710, F.S.

³² The Tribe would automatically be authorized to conduct the same games authorized for any other person at any location.

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:

	2015 Compact	2010 Compact
Revenue Sharing	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)
Class III Gaming Authorizations	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).
Banked Card Game Exclusivity	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. ³³	No facility in Florida may offer banked card games.
Slot Machine Exclusivity	No facility except for specifically authorized facilities in Miami-Dade, Broward, or Palm Beach County may offer slot machines. ³⁴	No facility except for specifically authorized PMW facilities in Miami-Dade or Broward County may offer slot machines.
Compulsive Gambling Exclusivity Payment	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.
Class III Gaming is authorized in non-specified facilities within Miami-Dade, Palm Beach, or Broward County	Guaranteed minimum payments and revenue sharing payments cease.	Guaranteed minimum payments cease and revenue sharing payments are calculated excluding Broward County facilities.
Class III Gaming is authorized outside of Miami-Dade, Palm Beach, or Broward County	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.

³³ Blackjack must be authorized by state law before it may be offered at any facility in Broward or Miami-Dade.

³⁴ 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.

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.

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,³⁵ cardrooms,³⁶ and slot machines.³⁷

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.³⁸ Quarter horse racing involves horses developed in the western United States which are capable of high speed for a short distance.³⁹ 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 permitholders currently operating at 29 facilities throughout Florida.⁴⁰ 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

³⁵ s. 550.0115, F.S.

³⁶ s. 849.086, F.S.

³⁷ s. 551.104, F.S.

³⁸ s. 550.002(33), F.S.

³⁹ s. 550.002(28), F.S.

⁴⁰ Florida Department of Business & Professional Regulation, Division of Pari-Mutuel Wagering, *Para-Mutuel Permitholders with 2015-2016 Operating Licenses*, available at <http://www.myfloridalicense.com/dbpr/pmw/documents/MAP-Permitholders--WITH--2015-2016-OperatingLicenses.pdf>

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.⁴¹ 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.⁴² 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.

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.⁴³ In the past, quarter horse permits have been converted to limited thoroughbred permits,⁴⁴ jai alai to greyhound racing,⁴⁵ etc.

Permit holders may also convert to conduct summer jai alai, in certain circumstances.⁴⁶ This provision, enacted in 1980, has been subject to competing interpretations.⁴⁷ 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

⁴¹ s. 550.054(10), F.S.

⁴² s. 550.09515(3)(a), F.S.

⁴³ 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).

⁴⁴ See s. 550.3345, F.S.

⁴⁵ ch. 89-219, Laws of Fla.

⁴⁶ s. 550.0745, F.S.

⁴⁷ 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 Para-mutuel Wagering, Consent Order, Case No. 2014-042577* (July 31, 2015).

ratification requirements. If a permitholder converts a quarter horse racing permit pursuant to this section, this section does not prohibit the permitholder 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, permitholders must conduct a full schedule of live racing and meet other requirements.⁴⁸

A limited amount of intertrack wagering is also authorized by statute for one permanent thoroughbred sales facility.⁴⁹ 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.⁵⁰ To conduct intertrack or simulcast wagering, permitholders must conduct a full schedule of live racing as defined in ch. 550 and meet other requirements.⁵¹ To continue to offer slot machines, permitholders must conduct a full schedule of live racing as defined in ch. 550.⁵²

Effect of the Bill: Pari-Mutuel Wagering

Annual Report by the Division

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.

⁴⁸ See s. 550.615, F.S.

⁴⁹ s. 550.6308, F.S.

⁵⁰ s. 849.086(5)(b), F.S.

⁵¹ See s. 550.615, F.S.

⁵² s. 551.104(1)(c), F.S.

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.
- Any suggestions to more effectively achieve the purposes of ch. 550, 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 permit holder has failed to obtain an operating license to conduct live events for a period of more than 24 consecutive months.
- If a permit holder 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. 550.3345, F.S., or ss. 551.1041-551.1044, F.S., after meeting the requirements of s. 551.104(2)(a)4., F.S.
- If a permit holder fails to pay taxes on handle 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 permit holder is ineligible for licensure for pari-mutuel wagering, cardrooms or slot machines.

Permit Relocation

The bill repeals all relocation provisions, with the exception of allowing permit holders that converted their permit from a jai alai permit to a greyhound permit to relocate within 30 miles of the current facility, as long as they do not cross county lines and apply prior to July 31, 2018.

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 permit holder 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 permit holders may still need to obtain written consent if the same class of live race or game is conducted within the market area of the permit holder 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.

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 with a population of more than 2.5 million who have had an operating license for 25 years and a slot license for 5 years. 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.

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.

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.

Current Situation: Cardrooms

Cardrooms in Florida

Cardrooms were authorized at pari-mutuel facilities in 1996.⁵³ 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.⁵⁴

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."⁵⁵ The licensed cardrooms are prohibited from offering "banked" card games in which players bet against the house.

Under the Division's rule 61D-11.002, cardroom operators are required to determine house rules for the operation of designated player games.⁵⁶ 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.⁵⁷ From the play of designated player games, the pari-mutuel facilities have seen revenues at some facilities increase by up to 20 percent.⁵⁸

In October 2015, the Division proposed rules to ban designated player games and delete the requirements for operation of designated player games.⁵⁹ 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.⁶⁰ In January 2016, the Division issued administrative complaints against seven pari-mutuel facilities, stating that the

⁵³ s. 20, Ch. 96-364, Laws of Fla.

⁵⁴ s. 849.086(5)(b), F.S.

⁵⁵ s. 849.086, F.S.

⁵⁶ Rule 61D-11.002, F.A.C.

⁵⁷ *Id.*

⁵⁸ 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).

⁵⁹ Proposed Rule 61D-11.002, F.A.C. (Published in F.A.R. Oct. 19, 2015).

⁶⁰ Proposed Rule 61D-11.002, F.A.C. (Notice of Change. Jan. 15, 2016).

facilities are "operating a banking game or a game not specifically authorized" by state law.⁶¹ 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:⁶²

- 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.
- 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 or video race terminals 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.

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:

1. 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;

⁶¹ 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).

⁶² *Id.*

2. 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
3. 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"⁶³ - 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.⁶⁴ Permitholders have disputed this interpretation and, after appealing one case to the 1st District Court of Appeal, cases are currently pending in the Florida Supreme Court and the 4th District Court of Appeal on the issue.⁶⁵

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.⁶⁶ 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

⁶³ 2012-01 Fla. Op. Att'y Gen. (2012).

⁶⁴ 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>.

⁶⁵ 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).

⁶⁶ s. 551.104(1)(c), F.S.

races.⁶⁷ 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.⁶⁸

Video Race Terminals

Video race terminals, also known as instant racing or historical racing machines, are a form of electronic gaming that may resemble slot machines and are based on video replays of previously conducted in-state or out-of-state horse or dog races.

To use a video race terminal, a player deposits a wager and a race is randomly selected from a video library of previously conducted races. Identifying information about the race, horses, or jockeys is not shown, but players may be able to view statistics of the jockey or trainer's past performance. Players can choose a winner or have the video race terminal automatically select a winner at random.

Video race terminals have previously not been authorized in Florida. Other states, including Oregon⁶⁹ and Kentucky,⁷⁰ operate video race terminals legally. Video race terminals are currently illegal in both Idaho⁷¹ and Texas.⁷² Both states have been involved in disputes over the legality of the terminals. Wyoming allowed video race terminals on and off for several years, but as of late 2015, the terminals were shut down after a Wyoming Attorney General opinion found the terminals to be illegal.⁷³ Legislation to allow video race terminals in Colorado⁷⁴ and Virginia⁷⁵ has previously failed.

The Seminole Compacts and Video Race Terminals

The 2010 Compact provides that if slot machines, other than lottery vending machines as defined by the 2010 Compact, are authorized or offered in Florida outside of the preexisting facilities in Miami-Dade and Broward County, than the exclusivity provision of the Compact is violated and certain revenue sharing and guaranteed minimum payments shall cease. A "video race terminal" may be considered a slot machine under the 2010 Compact if the machines are not operated in accordance with the limitations provided in the 2010 Compact for a similar machine called "historic racing machines."

The 2010 Compact also provides that if slot machines are authorized or offered in Florida outside of the preexisting facilities in Miami-Dade and Broward County, then the exclusivity provision of the Compact is violated and certain revenue sharing payments may cease.

However, the 2015 Compact authorizes the operation of 500 slot machines and 250 video race terminals before October 1, 2018 and 750 slot machines and 750 video race terminals after October 1,

⁶⁷ s. 551.104(10)(a)1, F.S.

⁶⁸ s. 551.104(10)(a)2, F.S.

⁶⁹ THE OREGONIAN, *Oregon Legislature Oks instant racing machines at Portland Meadows*,

http://www.oregonlive.com/politics/index.ssf/2013/05/oregon_legislature_oks_instant.html (last visited Feb. 6, 2016).

⁷⁰ 810 KAR 1:011 and 1:120, *see Wagering on Historical Races Totals*, KENTUCKY HORSE RACING COMMISSION, *available at* <http://khrc.ky.gov/Documents/HRWOctober2015.pdf>; *see also* LEGISLATIVE RESEARCH COMMISSION, *State racing commission seeks more regulations on 'historical race wagering' despite looming lawsuit*, <http://www.nkytribune.com/2015/10/state-racing-commission-seeks-more-regulations-on-historical-race-wagering-despite-looming-lawsuit/> (last visited Feb. 6, 2016). Additional regulations pending.

⁷¹ Betsy Russell, *Idaho Supreme Court rejects Otter veto; 'instant racing' machines banned*, THE SPOKESMAN-REVIEW, Sept. 11, 2015, *available at* <http://www.spokesman.com/stories/2015/sep/11/idaho-supreme-court-rejects-otter-veto-instant/>.

⁷² Aman Batheja, *Judge Strikes Down State Plans for "Historical Racing"*, THE TEXAS TRIBUNE, Nov. 10, 2014, *available at* <http://www.texastribune.org/2014/11/10/judge-strikes-down-state-plans-historical-racing/>.

⁷³ Memorandum from Wyo. Attorney Gen. Peter K. Michael (Sept. 23, 2015), *available at* http://trib.com/ag-opinion-on-historic-horse-racing-terminals/pdf_7ccea36a-7a1e-59dc-8e3b-b60c49678328.html; *see also* Wyo. Stat. Ann. § 11-25-102.

⁷⁴ HB 2313 (VA 2015).

⁷⁵ HB 09-1152 (CO 2009).

2018, at two new facilities, beyond the 8 currently operating pari-mutuel facilities with authorized slot machine licenses in Miami-Dade and Broward County. One of the new pari-mutuel facilities that may offer slot machines and video race terminals under these provisions must be located in Miami-Dade County, and the other pari-mutuel facility must be located in Palm Beach County. Additionally, the operation of slot machines and video race terminals must be approved by a county-wide referendum held after the effective date of the 2015 Compact.⁷⁶

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 all the following requirements:

1. All data on previously conducted horse races must be stored in a secure format on the central server, which is located at the pari-mutuel facility.
2. Only horse races that were recorded at licensed pari-mutuel facilities in the United States after January 1, 2005, may be used.
3. After each wager is placed, the Video Race Terminal must display a video of at least the final seconds of the horse race before any prize is awarded or indicated on the Video Race Terminal.
4. The display of the video of the horse race must be shown on the Video Race Terminal's video screen.
5. No mechanical reel displays are permitted.
6. No Video Race Terminal may contain more than one player position for placing wagers.
7. No coins, currency or tokens may be dispensed from a Video Race Terminal.
8. Prizes must be awarded based solely on the results of a previously conducted horse race, No additional element of chance may be used. However, a random number generator must be used to select the race from the central server to be displayed to the player(s) and to select numbers or other designations of race entrants that will be used in the various bet types for any "Quick Pick" bets. To prevent an astute player from recognizing the race based on the entrants and thus knowing the results before placing a wager, the entrants of the race may not be identified until after all wagers for that race have been placed."⁷⁷

To comply with this exception, a wager on a video race terminal or slot machine located at the two pari-mutuel facilities may not exceed \$5, only one game or race may be played at a time, and terminals may not offer games using tangible playing cards.⁷⁸

Effect of the Bill: Cardrooms

Designated Player Games

The bill defines designated player games and restricts which cardroom operators and licensed pari-mutuel facilities may offer designated player games. The bill requires cardroom operators that offer designated player 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.

⁷⁶ *Id.* at 47-48.

⁷⁷ 2015 Compact Between the Seminole Tribe of Florida and the State of Florida, p. 14 (Dec. 7, 2015), on file with the Business and Professions Subcommittee.

⁷⁸ *Id.*

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 game, who pays winning players and collects from losing players."

The bill defines a "designated player 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."

The bill permits the Division to authorize cardroom operators that do not possess slot machines or a slot machine license to offer designated player games, provided the maximum wager may not exceed \$25.

The bill provides that designated player games offered by a cardroom operator may not make up more than 25 percent of the total authorized game tables. The bill also prohibits licensed pari-mutuel facilities that offer video race terminals and slot machines from offering designated player games.

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 or more than 10 times the minimum posted wager for seated players.

The bill requires that the designated player position be rotated amongst the seated players in the game and the designated player position to be offered in a clockwise position after each hand. A player may decline the opportunity to be designated player. The bill provides that a player who participates as a designated player for 30 hands must play as a non-designated player for at least two hands before resuming as designated player.

The bill requires that a designated player operate independently and only wager personal funds or funds from a sole proprietorship. The bill prohibits a cardroom operator from serving as a designated player and from having a financial interest in a designated player.

Video Race Terminals

The bill defines a "video race terminal" as an "individual race terminal linked to an in-state central server as part of a network-based video game where the terminals allow a form of pari-mutuel wagering on the results of previously conducted in-state or out-of-state thoroughbred races."

The bill authorizes video race terminals for slot machine licensees operating at a facility authorized pursuant to s. 551.104(2)(a)3., F.S., and at a limited slot machine facility selected pursuant to ss. 551.1041-551.1044, F.S.

The bill provides several conditions for the operation of video game terminals. All of the conditions required under the 2015 Compact to meet the exception to exclusivity are included in the bill.

Additionally, the bill requires that handicapping data regarding past performance be provided before the wager is placed and specifies that identifying information about the race or horse may not be displayed until after the wager is irrevocably placed.

The bill provides additional consumer protections and regulation of payouts, including the following:

- Players must be 21 years of age or older;
- A player will be offered a full refund of his or her balance on the terminal if there is a breakdown of the terminal; and,
- The licensee must fund the initial seed pool, payouts must be paid exclusively from the pools of video race wagers, and payment of wins can only be paid by cash.

The bill imposes requirements on the licensee regarding handling of money from wagers. The bill requires the licensee to separate money received from wagers on video race terminals from money received from all other pari-mutuel wagers. The bill also requires the licensee to return proceeds of video race terminal tickets that are not redeemed within 1 year after the date of purchase as follows: 50% are retained by the licensee and 50% are provided to thoroughbred racing permitholders with an operating permit for use in purses or awards on live thoroughbred racing.

The bill requires DBPR to adopt rules to implement, administer, and regulate the operation of video race terminals, including rules related to recordkeeping, accounting, security, testing of video race terminals, and technical requirements to ensure that the blended takeout from wagers on video race terminals is not more than 12 percent of the total wagers on video race terminals at the facility. The bill imposes a 2% tax for each licensee on the total amount of wagers placed at video terminals at the licensed facility. The bill also requires each licensee to pay a \$50,000 fee to DBPR upon authorization to operate video race terminals and annually thereafter. The bill requires the fee to be paid into the Pari-mutuel Wagering Trust Fund for DBPR and DLE to use for regulation, enforcement, and investigation of video race terminals.

Effect of the Bill: Slot Machines

The bill moves the requirements for obtaining a license to conduct slot machines into the licensing provision and out of the definition and authorization provisions.

The bill continues to require that a slot machine license can only be issued as provided for in current law but removes the provision that caused litigation, discussed above, under which no license has been issued by the state.

In order for a pari-mutuel permitholder to obtain slot machine licensure, the applicant must meet several requirements. First, the facility at which the applicant seeks to operate slot machines must be:

- A licensed pari-mutuel facility where live racing or games were conducted during calendar years 2002 and 2003, located in Miami-Dade County or Broward County, and authorized for slot machine licensure pursuant to s. 23, Art. X of the State Constitution;
- A licensed pari-mutuel facility where a full schedule of live horseracing has been conducted for 2 consecutive calendar years immediately preceding its application for a slot machine license and located within a county as defined in s. 125.011, F.S.;
- A licensed pari-mutuel facility located in a county that has a total population of at least 1.25 million, has at least 30 incorporated municipalities, that is located in a county other than Miami-Dade and Broward Counties, in which a majority of voters approve slot machines at such facility in a countywide referendum held after the effective date of this act and concurrently with a general election in which the offices of President and Vice President of the United States are on the ballot, and that pays the required license fee and meets the other requirements of this chapter. However, a license to conduct slot machine gaming may not be granted by the Division pursuant to this subparagraph unless the gaming compact, authorized pursuant to s. 285.710 (3)(b), between the Seminole Tribe of Florida and the State of Florida indicates that slot machine gaming conducted by such slot machine licensee does not violate any of the compact's provisions. Licensure in accordance with this subparagraph is only permitted if the permitholder relinquishes one pari-mutuel permit issued in accordance with chapter 550 to the state before issuance of the license. Any relinquished pari-mutuel permit is void and shall not be reissued. Any permitholder licensed in accordance with this subparagraph is exempt from all of the live racing requirements of chapter 550 and this chapter; or,
- Selected pursuant to ss. 551.1041-551.1044, is located within a county with a population of at least 2.5 million people in which a majority of voters in a countywide referendum voted to allow slot machines before December 30, 2011, and a majority of voters approve slot machines at such facility in a countywide referendum held after the effective date of this act and concurrently with a general election in which the offices of President and Vice President of the United States are on the

ballot, and pays the required license fee and meets the other requirements of this chapter. However, a license to conduct slot machine gaming may not be granted by the Division pursuant to this subparagraph unless the gaming compact, authorized pursuant to s. 285.710 (3)(b), between the Seminole Tribe of Florida and the State of Florida indicates that slot machine gaming conducted by such slot machine licensee does not violate any of the compact's provisions. Any permit holder licensed in accordance with this subparagraph is exempt from all live racing requirements contained in chapter 550 and this chapter.

If a facility meets one of the above four requirements, the voters of the county where the applicant's facility is located must authorize, by referendum, slot machines within pari-mutuel facilities in that county.

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

The following changes are also made to the operation of cardrooms and slot machines in Florida, specifically the bill:

- Extends the hours of operation for all slot machine licensees from 18 to 24 hours 7 days a week.
- Extends the hours of operation for all cardrooms from 18 to 24 hours 7 days a week.
- Lowers the tax rate on slot machine revenues from 35 percent to 30 percent, with the option for a facility to acquire a tax rate of 25 percent if the facility voluntarily elects to permanently reduce its authorized total number of slot machines to 1,500 machines or less.
- Reduced the maximum number of slot machines that a facility may make available for play from 2,000 machines to 1,750 machines, except for slot machine licensees licensed under s. 551.104(2)(a)3. or 4.
- 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.

New Slot Machine Licenses

Up to two new slot machine licenses may be issued under the provisions of s. 551.104(2)(a)3. and 4., F.S. The facilities granted slot machine licenses under these subparagraphs may only offer 250 slot machines and 250 video race terminals after being granted a slot machine license and prior to October 1, 2018. These licensees may offer 750 slot machines and 750 video race terminals after being granted a license and after October 1, 2018.

A licensee who is granted a slot machine license under either of these two provisions may not offer designated player games, if the licensee also maintains a cardroom license.

New Limited Slot Machine License in a County Other Than Miami-Dade or Broward

The bill amends s. 551.104(2)(a)3., F.S., to permit the Division to approve an application for licensure to conduct slot machine gaming if the applicant's facility **is a licensed pari-mutuel facility** located in a county that:

- Has a population of at least 1.25 million people;
- Has at least 30 incorporated municipalities; and
- Has approved slot machines in a countywide referendum held after the effective date of the bill, concurrently with a presidential election;
- Is not Miami-Dade or Broward Counties.

To obtain the license, the applicant must:

- Pay the required license fees;
- Relinquish one pari-mutuel permit issued in accordance with ch. 550, F.S. to the state;
- Meet all other requirements of ch. 551, F.S., for licensure.

The relinquished pari-mutuel permit is void and shall not be reissued by the Division.

The Division may only grant the license to conduct slot machine gaming to this applicant if the license does not violate the provisions of the 2015 Compact authorized pursuant to s. 285.710(3)(b), F.S. The licensee granted a license to conduct slot machine gaming pursuant to s. 551.104(2)(a)3., F.S., is exempt from all live racing requirements set forth in chs. 550 and 551, F.S.

New Limited Slot Machine Permit in Miami-Dade County

The bill amends s. 551.104(2)(a)4., F.S., to permit the Division to approve an application for licensure to conduct slot machine gaming if the applicant's facility:

- Has been selected pursuant to requirements set forth in newly created ss. 551.1041 through 551.1044, F.S.;
- Is located in a county that has a population of at least 2.5 million people;
- A majority of voters in the county voted to allow slot machines before December 30, 2011; and
- A countywide referendum is held after the effective date of the bill, concurrently with a presidential election, which approves slot machines at such a facility.

To obtain the license, the applicant must:

- Pay the required license fees;
- Meet all other requirements of ch. 551, F.S., for licensure.

The Division may only grant the license to conduct slot machine gaming to this applicant if the license does not violate the provisions of the 2015 Compact, authorized pursuant to s. 285.710(3)(b), F.S. The licensee granted a license to conduct slot machine gaming pursuant to s. 551.104(2)(a)4., F.S., is exempt from all live racing requirements set forth in chs. 550 and 551, F.S., and must comply with ch. 550, F.S.

Selection of Limited Slot Machine Permitholder

The bill creates s. 551.1041, F.S., which provides for the authorization of a limited slot machine permitholder.

The Division may grant a slot machine license to a limited slot machine facility only if the majority of the electors in the county in which the facility will be located have passed a referendum allowing for slot machines prior to December 30, 2011, and passed a countywide referendum allowing slot machines at a limited slot machine facility after the effective date of the bill.

The bill creates s. 551.1042, F.S., providing a process by which the Division may select a limited slot machine facility. The Division may grant a slot machine license to an applicant that is best suited to operate the facility.

The bill creates s. 551.1043, F.S., providing criteria for the Division to use to select a limited slot machine facility. The Division shall evaluate proposals for selection as a limited slot machine facility based on set criteria.

At a minimum, the applicant must demonstrate:

- The capacity to increase tourism, generate jobs, and provide revenue to the local economy and the General Revenue Fund;
- A history of, or a bona fide plan for, involvement or investment in the community;
- A history of investment in the communities in which its previous developments have been located or propose a plan to increase community investment;
- That it has adequate capital to develop and maintain the facility in accordance to laws and rules and to meet financial and contractual agreements.
- Management expertise and experience in building and managing a similar facility;
- How it will integrate with local businesses, including restaurants, hotels, retail outlets, and impacted live entertainment venues;
- How the facility's design will integrate into the community;
- Its ability to develop a facility with high quality amenities that enhance the state's tourism industry and economy;
- The ability to generate substantial gross receipts and revenue for state and local governments.

The Division shall also base its evaluation on the applicant's ability to contribute to a decrease in the amount of gaming in the state. In order to meet this requirement the applicant must acquire eligible permits that total a minimum of five points under the Division's point system. The applicant may either actually acquire an eligible permit or acquire an eligible permit-contingent on the applicant's obtaining approval for a limited slot machine facility.

If the applicant's proposal is selected as the limited slot machine facility and receives a license, the applicant shall obtain and forfeit to the Division the acquired eligible permits. A forfeited permit is void and may not be reissued. A permitholder who transfers a permit under chapter 551, F.S., forfeits any right to conduct slot machine gaming at the facility.

The bill creates s. 551.1044, F.S., which requires the proposal, submitted in response to a request for proposals to include documents, statements and other information to illustrate the applicant's ability build and operate a slot machine license facility while improving the surrounding community.

A nonrefundable proposal fee of \$1 million must be submitted with the proposal for a limited slot machine facility license. The Division shall deposit the fee into the Pari-mutuel Wagering Trust Fund to be used to defray costs associated with the review and investigation of the proposal and to conduct a background investigation on the applicant. If the cost to complete the review and investigation exceeds \$1 million, the applicant must pay the additional amount to the Division within 30 days after the receipt of a request for additional payment.

An incomplete proposal for a limited slot machine facility is grounds for the Division to deny the proposal. The Division shall refund 70 percent of the proposal fee within 30 days after the denial of an incomplete proposal.

The bill amends s. 550.054(1), F.S., to require an applicant that has been selected to receive a license to conduct slot machine gaming to submit an application to conduct pari-mutuel operations. The applicant shall receive the permit. The permitholder is prohibited from operating live racing or games, shall be designated as a limited slot machine permitholder, and is exempt from all live racing requirements in chs. 550, 551, and 849, F.S.

B. SECTION DIRECTORY:

Section 1 amends s. 550.002, F.S., updating the definition of "full schedule of races" and defining a "video race terminal."

Section 2 amends s. 550.01215, F.S., revising provisions for applications for pari-mutuel operating licenses; authorizing a greyhound racing permitholder to specify certain information on its application; authorizing a greyhound racing permitholder to receive an operating license to conduct pari-mutuel wagering activities at another permitholder's greyhound racing facility; authorizing the Division to approve changes in racing dates for greyhound racing permitholders under certain circumstances; providing requirements for licensure of certain jai alai permitholders; deleting a provision for conversion of certain converted permits to jai alai permits.

Section 3 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 4 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 5 repeals s. 550.0555, F.S., relating to the relocation of greyhound racing permits.

Section 6 repeals s. 550.0745, F.S., relating to the conversion of pari-mutuel permits to summer jai alai permits.

Section 7 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; requiring a tax on handle and fees for video racing terminal licensees; providing for use of the fees by the DBPR and the Department of Law Enforcement.

Section 8 amends s. 550.09511, F.S., conforming a cross-reference.

Section 9 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 10 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 11 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 12 amends s. 550.1625, F.S., deleting the requirement that a greyhound racing permitholder pay the breaks tax.

Section 13 repeals s. 550.1647, F.S., relating to unclaimed tickets and breaks held by greyhound racing permitholders.

Section 14 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 15 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 16 amends s. 550.26165, F.S., conforming a cross-reference.

Section 17 amends s. 550.334, F.S., revising a requirement for quarter horse racing permitholders to conduct intertrack wagering.

Section 18 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 19 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 20 amends s. 550.375, F.S., conforming a cross-reference.

Section 21 amends s. 550.6308, F.S.; revising the number of days of thoroughbred horse sales required to obtain a limited intertrack wagering license; revising provisions for such wagering.

Section 22 amends s. 550.615, F.S., revising provisions relating to intertrack wagering.

Section 23 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 24 amends s. 551.101, F.S., revising provisions that authorize slot machine gaming at certain facilities.

Section 25 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 26 amends s. 551.104, F.S., revising provisions for approval of a license to conduct slot machine gaming; specifying that a greyhound racing permitholder is not required to conduct a full schedule of live racing to receive and maintain a license to conduct slot machine gaming.

Section 27 creates s. 551.1041, F.S.; authorizing the Division to grant a slot machine license to a limited slot machine facility under certain circumstances; providing requirements for a countywide referendum;

Section 28 creates s. 551.1042, F.S., authorizing the Division to grant a slot machine license to a limited slot machine facility under certain circumstances; requiring the Division to use a request for proposals process to select a limited slot machine facility; providing criteria, procedures, and deadlines for a request for proposals process.

Section 29 creates s. 551.1043, F.S., specifying the criteria for evaluation of proposals and selection of a limited slot machine facility; specifying conditions that disqualify an applicant from eligibility to be considered for selection as a limited slot machine facility.

Section 30 creates s. 551.1044, F.S., providing for the submission of proposals by applicants that are seeking selection as a limited slot machine facility; specifying the information that must be on or included with a proposal for a limited slot machine facility; providing that the Division is solely

authorized to determine the information or documentation that must be included in a proposal; providing procedures for a proposal determined to be incomplete by the Division; requiring supplemental information regarding changes to information on the proposal; requiring a nonrefundable proposal fee; providing for refund of the fee under certain circumstances.

Section 31 creates s. 551.1055, F.S., providing for certain licensees to operate video race terminals; providing conditions for such operation; providing for rules; providing for distribution of certain unclaimed funds.

Section 32 amends s. 551.106, F.S., revising the tax rate on slot machine revenues.

Section 33 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 greyhound racing permitholders to locate their slot machine gaming area in certain locations.

Section 34 amends s. 551.116, F.S., revising the times that a slot machine gaming area may be open.

Section 35 amends s. 551.121, F.S., allowing complimentary or reduced-cost alcoholic beverages to be served to persons playing slot machines.

Section 36 amends s. 849.086, F.S., revising definitions; defining the terms "designated player" and "designated player game"; exempting greyhound racing permitholders from a requirement that they conduct a minimum number of live races as a condition of cardroom licensure under certain conditions; requiring certain greyhound racing permitholders to conduct intertrack wagering on thoroughbred signals as a condition of cardroom licensure; revising times that a cardroom may operate; providing for the Division to authorize designated player 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 37 amends s. 285.710, F.S., providing for a portion of the amount paid by the Tribe to the state to be designated as the thoroughbred purse pool share; directing the Division to revoke certain pari-mutuel permits; specifying that the revoked permits may not be reissued.

Section 38 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. 550.3345, F.S., or ss. 551.1041-551.1044, F.S., after meeting the requirements of s. 551.104(2)(a)4., F.S. A permit revoked under this section may not be reissued.

Section 39 provides severability.

Section 40 provides a contingent effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The fiscal impact of this bill is indeterminate at this time. The bill has been referred to the Office of Economic & Demographic Research for assessment at a forthcoming Revenue Estimating Impact Conference. A similar measure, HB 1233 (2015), had an estimated significant recurring positive fiscal impact to the General Revenue Fund.

2. Expenditures:

The fiscal impact of this bill is indeterminate at this time. A similar measure, HB 1233 (2015), had an estimated significant negative recurring fiscal impact to the State Schools Trust Fund.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

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

2. Expenditures:

The bill amends s. 551.104, F.S., creating an additional way for pari-mutuel permitholders to obtain a slot machine license if the county in which the permitholder is located has conducted a referendum after the effective date of this bill. This could have an indeterminate negative fiscal impact on Palm Beach and Miami-Dade Counties. However, the bill does not require that the referendum be conducted. Should the county commission decide to conduct the referendum; the fiscal impact will be limited to costs for increased ballot size and advertising costs because the majority of the cost would be included in the cost of the Presidential Election.

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 a greyhound permitholder, and limited intertrack wagering licensees, it may reduce private sector costs through increased flexibility.

D. FISCAL COMMENTS:

None.

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."⁷⁹ 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.⁸⁰

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."⁸¹ 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"⁸² 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."⁸³

Furthermore, compensation may not be warranted if the Legislature is deemed to have exercised its police powers, rather than powers of eminent domain.⁸⁴ "[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."⁸⁵ Thus, the loss of licenses to sell alcoholic beverages, for example, is not compensable.⁸⁶

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."⁸⁷

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.

⁷⁹ *Board of Regents of State Colleges v. Roth*, 408 U.S. 564, 577 (1972).

⁸⁰ *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).

⁸¹ *Solimena v. State, Dept. of Business Regulation, Division of Pari-Mutuel Wagering*, 402 So.2d 1240 (Fla. 3rd DCA 1981).

⁸² *Hialeah Race Course v. Gulfstream Park Racing Ass'n*, 37 So.2d 692, 694 (Fla. 1948).

⁸³ *State ex rel. Biscayne Kennel Club v. Stein*, 130 Fla. 517, 520 (Fla. 1938).

⁸⁴ *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.")

⁸⁵ *U. S. v. Fuller*, 409 U.S. 488, 491-492, 93 S.Ct. 801, 804 (U.S. Ariz.1973).

⁸⁶ *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).

⁸⁷ *Carney v. Attorney General*, 451 Mass. 803 (2008).

B. RULE-MAKING AUTHORITY:

The bill provides DBPR rulemaking authority to adopt rules for the reporting of greyhound injuries and to define the term "injury."

C. DRAFTING ISSUES OR OTHER COMMENTS:

Substantive Drafting Issues:

Section 4, Line 419: To be uniform with the provision for revocation below, a date could be inserted, after June 30, 2012 or before July 1, 2016, depending on the intent of the provision.

Section 9, Line 769: The words "who does not pay tax" can be changed to "who has not paid tax".

Section 9, Line 771: A date should be indicated for determining the failure to pay tax on live handle based on the change in law that does not require live racing. (Insert "prior to July 1, 2016" after "months".)

Section 22, Lines 1440-1519: Based on the decoupling of greyhound, quarter horse, harness and some thoroughbred permitholders, it is unclear whether those permitholders who no longer conduct live racing will be limited by their former status as a particular type of permitholder when conducting intertrack wagering.

Section 26, Line 1682: The word "does" should be changed to "would".

Section 26, Line 1705: The word "does" should be changed to "would".

Section 36, Lines 2442-2445: This language needs clarified or removed because it is partially repetitive of the language in lines 2461-2477 with the exception of the exemption for facilities "licensed in accordance with 551.104(2)(a)4.", which could be added. The later more specific provision should control.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
2 An act relating to gaming; amending s. 550.002, F.S.;
3 redefining the term "full schedule of live racing or
4 games"; defining the term "video race terminal";
5 amending s. 550.01215, F.S.; revising provisions for
6 applications for pari-mutuel operating licenses;
7 authorizing a greyhound racing permitholder to specify
8 certain information on its application; authorizing a
9 greyhound racing permitholder to receive an operating
10 license to conduct pari-mutuel wagering activities at
11 another permitholder's greyhound racing facility;
12 authorizing the Division of Pari-mutuel Wagering of
13 the Department of Business and Professional Regulation
14 to approve changes in racing dates for greyhound
15 racing permitholders under certain circumstances;
16 providing requirements for licensure of certain jai
17 alai permitholders; deleting a provision for
18 conversion of certain converted permits to jai alai
19 permits; amending s. 550.0251, F.S.; requiring the
20 division to annually report to the Governor and the
21 Legislature; specifying requirements for the content
22 of the report; amending s. 550.054, F.S.; requiring
23 the division to revoke a pari-mutuel wagering
24 operating permit under certain circumstances;
25 prohibiting issuance or approval of new pari-mutuel
26 permits after a specified date; providing exceptions;

27 | authorizing a permitholder to apply to the division to
 28 | place a permit in inactive status; revising provisions
 29 | that prohibit transfer or assignment of a pari-mutuel
 30 | permit; prohibiting transfer or assignment of a pari-
 31 | mutuel permit or license under certain conditions;
 32 | prohibiting relocation of a pari-mutuel facility,
 33 | cardroom, or slot machine facility or conversion of
 34 | pari-mutuel permits to a different class; providing
 35 | for an exception; deleting provisions for certain
 36 | converted permits; repealing s. 550.0555, F.S.,
 37 | relating to the relocation of greyhound racing
 38 | permits; repealing s. 550.0745, F.S., relating to the
 39 | conversion of pari-mutuel permits to summer jai alai
 40 | permits; amending s. 550.0951, F.S.; deleting
 41 | provisions for specified tax credits for a greyhound
 42 | racing permitholder; revising the tax on handle for
 43 | live greyhound racing and intertrack wagering if the
 44 | host track is a greyhound track; requiring a tax on
 45 | handle and fees for video racing terminal licensees;
 46 | providing for use of the fees by the department and
 47 | the Department of Law Enforcement; amending s.
 48 | 550.09511, F.S.; conforming a cross-reference; amending
 49 | s. 550.09512, F.S.; providing for the revocation of
 50 | certain harness horse racing permits; specifying that
 51 | a revoked permit may not be reissued; amending s.
 52 | 550.09514, F.S.; deleting certain provisions that

53 prohibit tax on handle until a specified amount of tax
 54 savings have resulted; revising purse requirements of
 55 a greyhound racing permitholder that conducts live
 56 racing; amending s. 550.09515, F.S.; providing for the
 57 revocation of certain thoroughbred racing permits;
 58 specifying that a revoked permit may not be reissued;
 59 removing an obsolete provision; amending s. 550.1625,
 60 F.S.; deleting the requirement that a greyhound racing
 61 permitholder pay the breaks tax; repealing s.
 62 550.1647, F.S., relating to unclaimed tickets and
 63 breaks held by greyhound racing permitholders;
 64 amending s. 550.1648, F.S.; revising requirements for
 65 a greyhound racing permitholder to provide a greyhound
 66 adoption booth at its facility; requiring
 67 sterilization of greyhounds before adoption;
 68 authorizing the fee for such sterilization to be
 69 included in the cost of adoption; defining the term
 70 "bona fide organization that promotes or encourages
 71 the adoption of greyhounds"; creating s. 550.2416,
 72 F.S.; requiring injuries to racing greyhounds to be
 73 reported within a certain timeframe on a form adopted
 74 by the division; requiring such form to be completed
 75 and signed under oath or affirmation by certain
 76 individuals; providing penalties; specifying
 77 information that must be included in the form;
 78 requiring the division to maintain the forms as public

79 records for a specified time; specifying disciplinary
 80 action that may be taken against a licensee of the
 81 Department of Business and Professional Regulation who
 82 fails to report an injury or who makes false
 83 statements on an injury form; exempting injuries to
 84 certain animals from reporting requirements; requiring
 85 the division to adopt rules; amending s. 550.26165,
 86 F.S.; conforming a cross-reference; amending s.
 87 550.334, F.S.; revising a requirement for quarter
 88 horse racing permitholders to conduct intertrack
 89 wagering; amending s. 550.3345, F.S.; revising
 90 provisions for a permit previously converted from a
 91 quarter horse racing permit to a limited thoroughbred
 92 racing permit; amending s. 550.3551, F.S.; revising
 93 conditions for receiving and accept wagers on out-of-
 94 state broadcasts of races and games; deleting a
 95 requirement that a harness permitholder conduct a
 96 certain number of races; deleting a provision that
 97 limits the number of out-of-state races on which
 98 wagers are accepted by a greyhound racing
 99 permitholder; amending s. 550.375; conforming a cross-
 100 reference; amending s. 550.6308, F.S.; revising
 101 requirements for certain Limited intertrack wagering
 102 licensure; amending s. 550.615, F.S.; revising
 103 provisions relating to intertrack wagering; amending
 104 s. 550.6305, F.S.; revising provisions requiring

105 certain simulcast signals be made available to certain
 106 permitholders; providing for certain permitholders of
 107 a converted permit to accept wagers on certain
 108 rebroadcasts; amending s. 550.6308, F.S.; revising the
 109 number of days of thoroughbred horse sales required to
 110 obtain a limited intertrack wagering license; revising
 111 provisions for such wagering; creating s. 551.1055,
 112 F.S.; providing for certain licensees to operate video
 113 race terminals; providing conditions for such
 114 operation; providing for rules; providing for
 115 distribution of certain unclaimed funds; amending s.
 116 551.101, F.S.; revising provisions that authorize slot
 117 machine gaming at certain facilities; amending s.
 118 551.102, F.S.; revising the definition of the terms
 119 "eligible facility" and "slot machine licensee" for
 120 purposes of provisions relating to slot machines;
 121 amending s. 551.104, F.S.; revising provisions for
 122 approval of a license to conduct slot machine gaming;
 123 specifying that a greyhound racing permitholder is not
 124 required to conduct a full schedule of live racing to
 125 receive and maintain a license to conduct slot machine
 126 gaming; creating s. 551.1041, F.S.; authorizing the
 127 division to grant a slot machine license to a limited
 128 slot machine facility under certain circumstances;
 129 providing requirements for a countywide referendum;
 130 creating s. 551.1042, F.S.; authorizing the division

131 to grant a slot machine license to a limited slot
 132 machine facility under certain circumstances;
 133 requiring the division to use a request for proposals
 134 process to select a limited slot machine facility;
 135 providing criteria, procedures, and deadlines for a
 136 request for proposals process; creating s. 551.1043,
 137 F.S.; specifying the criteria for evaluation of
 138 proposals and selection of a limited slot machine
 139 facility; specifying conditions that disqualify an
 140 applicant from eligibility to be considered for
 141 selection as a limited slot machine facility; creating
 142 s. 551.1044, F.S.; providing for the submission of
 143 proposals by applicants that are seeking selection as
 144 a limited slot machine facility; specifying the
 145 information that must be on or included with a
 146 proposal for a limited slot machine facility;
 147 providing that the division is solely authorized to
 148 determine the information or documentation that must
 149 be included in a proposal; providing procedures for a
 150 proposal determined to be incomplete by the division;
 151 requiring supplemental information regarding changes
 152 to information on the proposal; requiring a
 153 nonrefundable proposal fee; providing for refund of
 154 the fee under certain circumstances; amending s.
 155 551.106, F.S.; revising the tax rate on slot machine
 156 revenues; amending s. 551.114, F.S.; revising the

157 maximum number of slot machines that may be available;
 158 limiting the number of slot machines available for
 159 play at certain facilities; revising requirements for
 160 designated slot machine gaming areas; requiring
 161 certain greyhound racing permitholders to locate their
 162 slot machine gaming area in certain locations;
 163 amending s. 551.116, F.S.; revising the times that a
 164 slot machine gaming area may be open; amending s.
 165 551.121, F.S.; allowing complimentary or reduced-cost
 166 alcoholic beverages to be served to persons playing
 167 slot machines amending s. 849.086, F.S.; revising
 168 definitions; defining the terms "designated player"
 169 and "designated player game"; exempting greyhound
 170 racing permitholders from a requirement that they
 171 conduct a minimum number of live races as a condition
 172 of cardroom licensure under certain conditions;
 173 requiring certain greyhound racing permitholders to
 174 conduct intertrack wagering on thoroughbred signals as
 175 a condition of cardroom licensure; revising times that
 176 a cardroom may operate; providing for the division to
 177 authorize designated player games in certain
 178 cardrooms; providing requirements for such games;
 179 providing that such games may be authorized by the
 180 division only if they would not trigger a reduction in
 181 certain payments; deleting provisions relating to a
 182 referendum election for the transfer of certain

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183 cardroom gaming licenses; amending s. 285.710, F.S.;

184 providing for a portion of the amount paid by the

185 Tribe to the state to be designated as the

186 thoroughbred purse pool share; directing the division

187 to revoke certain pari-mutuel permits; specifying that

188 the revoked permits may not be reissued; providing

189 severability; providing a contingent effective date.

190

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

192

193 Section 1. Subsection (11) of section 550.002, Florida

194 Statutes, is amended, present subsections (15) through (39) of

195 that section are redesignated as subsections (16) through (40),

196 respectively, and a new subsection (15) is added to that

197 section, to read:

198 550.002 Definitions.—As used in this chapter, the term:

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

200 1. For a greyhound racing permitholder or jai alai

201 permitholder, the conduct of a combination of at least 100 live

202 evening or matinee performances during the preceding year; ~~for~~

203 ~~a permitholder who has a converted permit or filed an~~

204 ~~application on or before June 1, 1990, for a converted permit,~~

205 ~~the conduct of a combination of at least 100 live evening and~~

206 ~~matinee wagering performances during either of the 2 preceding~~

207 ~~years;~~

208 2. For a jai alai permitholder that ~~who~~ does not operate

209 slot machines in its pari-mutuel facility, ~~who~~ has conducted at
 210 least 100 live performances per year for at least 10 years after
 211 December 31, 1992, and has had ~~whose~~ handle on live jai alai
 212 games conducted at its pari-mutuel facility which was ~~has been~~
 213 less than \$4 million per state fiscal year for at least 2
 214 consecutive years after June 30, 1992, the conduct of a
 215 ~~combination of~~ at least 40 live ~~evening or matinee~~ performances.
 216 ~~during the preceding year;~~

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

221 4. For a summer jai alai permitholder, the conduct of at
 222 least 58 live performances during the preceding year, unless the
 223 permitholder meets the requirements of subparagraph 2.

224 5. For a harness horse racing permitholder, the conduct of
 225 at least 100 live regular wagering performances. ~~during the~~
 226 ~~preceding year;~~

227 6. For a quarter horse racing permitholder at its
 228 facility, unless an alternative schedule of at least 20 live
 229 regular wagering performances each year is agreed upon by the
 230 permitholder and either the Florida Quarter Horse Racing
 231 Association or the horsemen ~~horsemen's~~ association representing
 232 the majority of the quarter horse owners and trainers at the
 233 facility and filed ~~with the division along~~ with its annual
 234 operating license ~~date~~ application:7

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235 a. In the 2010-2011 fiscal year, the conduct of at least
236 20 regular wagering performances.

237 b. In the 2011-2012 and 2012-2013 fiscal years, the
238 conduct of at least 30 live regular wagering performances.

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

241 7. For a quarter horse racing permitholder leasing another
242 licensed racetrack, the conduct of 160 events at the leased
243 facility during the preceding year.

244 8. For a thoroughbred racing permitholder, the conduct of
245 at least 40 live regular wagering performances ~~during the~~
246 ~~preceding year.~~

247 (b) ~~For a permitholder which is restricted by statute to~~
248 ~~certain operating periods within the year when other members of~~
249 ~~its same class of permit are authorized to operate throughout~~
250 ~~the year, the specified number of live performances which~~
251 ~~constitute a full schedule of live racing or games shall be~~
252 ~~adjusted pro rata in accordance with the relationship between~~
253 ~~its authorized operating period and the full calendar year and~~
254 ~~the resulting specified number of live performances shall~~
255 ~~constitute the full schedule of live games for such permitholder~~
256 ~~and all other permitholders of the same class within 100 air~~
257 ~~miles of such permitholder. A live performance must consist of~~
258 no fewer than eight races or games conducted live for each of a
259 minimum of three performances each week at the permitholder's
260 licensed facility under a single admission charge.

261 (15) "Video race terminal" means an individual race
 262 terminal linked to an in-state central server as part of a
 263 network-based video game where the terminals allow a form of
 264 pari-mutuel wagering on the results of previously conducted in-
 265 state or out-of-state thoroughbred races.

266 Section 2. Subsections (1), (3), and (6) of section
 267 550.01215, Florida Statutes, are amended to read:

268 550.01215 License application; periods of operation; bond,
 269 conversion of permit.—

270 (1) Each permitholder shall annually, during the period
 271 between December 15 and January 4, file in writing with the
 272 division its application for an operating a license for to
 273 conduct performances during the next state fiscal year. Each
 274 application for live performances must shall specify the number,
 275 dates, and starting times of all live performances that which
 276 the permitholder intends to conduct. It must shall also specify
 277 which performances will be conducted as charity or scholarship
 278 performances.

279 (a) In addition, Each application for an operating a
 280 license also must shall include:;

281 1. For each permitholder that which elects to accept
 282 wagers on broadcast events, the dates for all such events.

283 2. For each permitholder that elects to operate a
 284 cardroom, the dates and periods of operation the permitholder
 285 intends to operate the cardroom. or,

286 3. For each thoroughbred racing permitholder that which

287 elects to receive or rebroadcast out-of-state races after 7
 288 p.m., the dates for all performances which the permitholder
 289 intends to conduct.

290 (b) A greyhound racing permitholder that conducted a full
 291 schedule of live racing for a period of at least 10 consecutive
 292 state fiscal years after the 1996-1997 state fiscal year, or
 293 that converted its permit to a permit to conduct greyhound
 294 racing after the 1996-1997 state fiscal year, may specify in its
 295 application for an operating license that it does not intend to
 296 conduct live racing, or that it intends to conduct less than a
 297 full schedule of live racing, in the next state fiscal year. A
 298 greyhound racing permitholder may receive an operating license
 299 to conduct pari-mutuel wagering activities at another
 300 permitholder's greyhound racing facility pursuant to s. 550.475.
 301 Harness racing and quarter horse racing permitholders that have
 302 held an operating license for 5 years and a cardroom license for
 303 5 years are exempt from the live racing requirements of this
 304 subsection. Thoroughbred racing permitholders located in a
 305 county with a population of more than 2.5 million who have had
 306 an operating license for 25 years and a slot license for 5 years
 307 are exempt from the live racing requirements of this subsection

308 (c) Permitholders ~~may~~ shall be entitled to amend their
 309 applications through February 28. (3) The division shall issue
 310 each license no later than March 15. Each permitholder shall
 311 operate all performances at the date and time specified on its
 312 license. The division shall have the authority to approve minor

313 changes in racing dates after a license has been issued. The
 314 division may approve changes in racing dates after a license has
 315 been issued when there is no objection from any operating
 316 permitholder located within 50 miles of the permitholder
 317 requesting the changes in operating dates. In the event of an
 318 objection, the division shall approve or disapprove the change
 319 in operating dates based upon the impact on operating
 320 permitholders located within 50 miles of the permitholder
 321 requesting the change in operating dates. In making the
 322 determination to change racing dates, the division shall take
 323 into consideration the impact of such changes on state revenues.
 324 Notwithstanding any other provision of law, and for the 2016-
 325 2017 fiscal year only, the division may approve changes in
 326 racing dates for permitholders if the request for such changes
 327 is received before August 31, 2016.

328 (6) A summer jai alai permitholder may apply for a
 329 operating license to operate a jai alai fronton only during the
 330 summer season beginning May 1 and ending November 30 of each
 331 year on the dates selected by the permitholder. Such
 332 permitholder is subject to the same taxes, rules, and provisions
 333 of this chapter which apply to the operation of winter jai alai
 334 frontons. A summer jai alai permitholder is not eligible for
 335 licensure to conduct a cardroom or a slot machine facility. A
 336 summer jai alai permitholder and a winter jai alai permitholder
 337 may not operate on the same days or in competition with each
 338 other. This subsection does not prevent a summer jai alai

339 licensee from leasing the facilities of a winter jai alai
 340 licensee for the operation of a summer meet ~~Any permit which was~~
 341 ~~converted from a jai alai permit to a greyhound permit may be~~
 342 ~~converted to a jai alai permit at any time if the permitholder~~
 343 ~~never conducted greyhound racing or if the permitholder has not~~
 344 ~~conducted greyhound racing for a period of 12 consecutive~~
 345 ~~months.~~

346 Section 3. Subsection (1) of section 550.0251, Florida
 347 Statutes, is amended to read:

348 550.0251 The powers and duties of the Division of Pari-
 349 mutuel Wagering of the Department of Business and Professional
 350 Regulation.—The division shall administer this chapter and
 351 regulate the pari-mutuel industry under this chapter and the
 352 rules adopted pursuant thereto, and:

353 (1) The division shall make an annual report to the
 354 Governor, the President of the Senate, and the Speaker of the
 355 House of Representatives. The report shall include, at a
 356 minimum:

357 (a) Recent events in the gaming industry, including
 358 pending litigation; pending permitholder, facility, cardroom,
 359 slot, and operating license applications; and new and pending
 360 rules.

361 (b) Actions of the department relating to the
 362 implementation and administration of this chapter, chapter 551,
 363 and s. 849.086.

364 (c) The state revenues and expenses associated with each

365 form of authorized gaming. Revenues and expenses associated with
366 pari-mutuel wagering must be further delineated by the class of
367 license.

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

370 (e) A summary of disciplinary actions taken by the
371 department.

372 (f) Any recommendations to more effectively achieve
373 ~~showing its own actions, receipts derived under the provisions~~
374 ~~of this chapter, the practical effects of the application of~~
375 ~~this chapter, and any suggestions it may approve for the more~~
376 ~~effectual accomplishments of the purposes of this chapter,~~
377 chapter 551, and s. 849.086.

378 Section 4. Subsection (1) and paragraph (b) of subsection
379 (9) of section 550.054, Florida Statutes, are amended,
380 paragraphs (c) through (f) are added to that subsection, and
381 paragraph (a) of subsection (11) and subsections (13) and (14)
382 of that section are amended, to read:

383 550.054 Application for permit to conduct pari-mutuel
384 wagering.—

385 (1) Any person who possesses the qualifications prescribed
386 in this chapter may apply to the division for a permit to
387 conduct pari-mutuel operations under this chapter.

388 (a) An applicant selected pursuant to ss. 551.1041-
389 551.1044, after meeting the requirements of s. 551.104(2)(a)4.,
390 must submit an application to conduct pari-mutuel operations

391 under this chapter and shall receive such permit. Such
 392 permitholder is prohibited from operating live racing or games,
 393 shall be designated as a limited slot machine permitholder, and
 394 is exempt from all live racing requirements in chapters 550,
 395 551, and 849.

396 (b) Applications for a pari-mutuel permit are exempt from
 397 the 90-day licensing requirement of s. 120.60. Within 120 days
 398 after receipt of a complete application, the division shall
 399 grant or deny the permit. A completed application that is not
 400 acted upon within 120 days after receipt is deemed approved, and
 401 the division shall grant the permit.

402 (9)

403 (b) The division may revoke or suspend any permit or
 404 license issued under this chapter upon a ~~the~~ willful violation
 405 by the permitholder or licensee ~~of any provision of this chapter~~
 406 ~~or rules of any rule adopted pursuant thereto under this~~
 407 ~~chapter.~~ With the exception of the revocation of permits
 408 required in paragraphs (c) and (f), ~~In lieu of suspending or~~
 409 ~~revoking a permit or license,~~ the division may, in lieu of
 410 suspending or revoking a permit or license, impose a civil
 411 penalty against the permitholder or licensee for a violation of
 412 this chapter or rules adopted pursuant thereto ~~any rule adopted~~
 413 ~~by the division.~~ The penalty so imposed may not exceed \$1,000
 414 for each count or separate offense. All penalties imposed and
 415 collected must be deposited with the Chief Financial Officer to
 416 the credit of the General Revenue Fund.

417 (c)1. The division shall revoke the permit of any
 418 permitholder that fails to make payments pursuant to s.
 419 550.0951(5) for more than 24 consecutive months unless such
 420 failure to pay tax on handle was the direct result of fire,
 421 strike, war, or other disaster or event beyond the
 422 permitholder's control. Financial hardship to the permitholder
 423 does not, in and of itself, constitute just cause for failure to
 424 pay tax on handle.

425 2. The division shall revoke the permit of any
 426 permitholder that has not obtained an operating license in
 427 accordance with s. 550.01215 for a period of more than 24
 428 consecutive months after June 30, 2012. The division shall
 429 revoke the permit upon adequate notice to the permitholder.
 430 Financial hardship to the permitholder does not, in and of
 431 itself, constitute just cause for failure to operate.

432 (d) Except as provided in paragraph (1)(a) and s.
 433 551.104(2)(a)4., a new permit to conduct pari-mutuel wagering
 434 may not be approved or issued after July 1, 2016.

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

437 (f) A permitholder may apply to the division to place the
 438 permit into inactive status for a period of 12 months pursuant
 439 to division rule. The division, upon good cause shown by the
 440 permitholder, may renew inactive status for a period of up to 12
 441 months, but a permit may not be in inactive status for a period
 442 of more than 24 consecutive months. Holders of permits in

443 inactive status are not eligible for licensure for pari-mutuel
 444 wagering, slot machines, or cardrooms. The division shall revoke
 445 any permitholder in inactive status for more than 24 months.

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

451 (13)(a) Notwithstanding any provision ~~provisions~~ of this
 452 chapter or chapter 551, a pari-mutuel ~~no thoroughbred horse~~
 453 ~~racetrack permit or license issued under this chapter may not shall~~
 454 ~~be transferred, or reissued when such reissuance is in the~~
 455 ~~nature of a transfer so as to permit or authorize a licensee to~~
 456 ~~change the location of a pari-mutuel facility, cardroom, or slot~~
 457 ~~machine facility. thoroughbred horse racetrack except upon proof~~
 458 ~~in such form as the division may prescribe that a referendum~~
 459 ~~election has been held.~~

460 1. ~~If the proposed new location is within the same county~~
 461 ~~as the already licensed location, in the county where the~~
 462 ~~licensee desires to conduct the race meeting and that a majority~~
 463 ~~of the electors voting on that question in such election voted~~
 464 ~~in favor of the transfer of such license.~~

465 2. ~~If the proposed new location is not within the same~~
 466 ~~county as the already licensed location, in the county where the~~
 467 ~~licensee desires to conduct the race meeting and in the county~~
 468 ~~where the licensee is already licensed to conduct the race~~

469 ~~meeting and that a majority of the electors voting on that~~
 470 ~~question in each such election voted in favor of the transfer of~~
 471 ~~such license.~~

472 ~~(b) Each referendum held under the provisions of this~~
 473 ~~subsection shall be held in accordance with the electoral~~
 474 ~~procedures for ratification of permits, as provided in s.~~
 475 ~~550.0651. The expense of each such referendum shall be borne by~~
 476 ~~the licensee requesting the transfer.~~

477 (14) (a) Notwithstanding any other provision of law, a
 478 pari-mutuel facility, cardroom, or slot machine facility may not
 479 be relocated except as provided in paragraph (b), and a pari-
 480 mutuel permit may not be converted to another class of permit.
 481 ~~Any holder of a permit to conduct jai alai may apply to the~~
 482 ~~division to convert such permit to a permit to conduct greyhound~~
 483 ~~racing in lieu of jai alai if:~~

484 ~~1. Such permit is located in a county in which the~~
 485 ~~division has issued only two pari mutuel permits pursuant to~~
 486 ~~this section;~~

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

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

492 (b) Upon application from the holder of a permit to
 493 conduct greyhound racing which was converted from a permit to
 494 conduct jai alai pursuant to former s. 550.054(14), Florida

495 Statutes, 2014, as created by s. 6, chapter 2009-170, Laws of
 496 Florida, the division may approve the relocation of such permit
 497 to another location within a 30-mile radius of the location
 498 fixed in the permit if the application is received by July 31,
 499 2018, the new location is within the same county, and the new
 500 location is approved under the zoning regulations of the county
 501 or municipality in which the permit is located ~~The division,~~
 502 ~~upon application from the holder of a jai alai permit meeting~~
 503 ~~all conditions of this section, shall convert the permit and~~
 504 ~~shall issue to the permitholder a permit to conduct greyhound~~
 505 ~~racing. A permitholder of a permit converted under this section~~
 506 ~~shall be required to apply for and conduct a full schedule of~~
 507 ~~live racing each fiscal year to be eligible for any tax credit~~
 508 ~~provided by this chapter. The holder of a permit converted~~
 509 ~~pursuant to this subsection or any holder of a permit to conduct~~
 510 ~~greyhound racing located in a county in which it is the only~~
 511 ~~permit issued pursuant to this section who operates at a leased~~
 512 ~~facility pursuant to s. 550.475 may move the location for which~~
 513 ~~the permit has been issued to another location within a 30 mile~~
 514 ~~radius of the location fixed in the permit issued in that~~
 515 ~~county, provided the move does not cross the county boundary and~~
 516 ~~such location is approved under the zoning regulations of the~~
 517 ~~county or municipality in which the permit is located, and upon~~
 518 ~~such relocation may use the permit for the conduct of pari-~~
 519 ~~mutuel wagering and the operation of a cardroom. The provisions~~
 520 ~~of s. 550.6305(9)(d) and (f) shall apply to any permit converted~~

521 ~~under this subsection and shall continue to apply to any permit~~
 522 ~~which was previously included under and subject to such~~
 523 ~~provisions before a conversion pursuant to this section~~
 524 ~~occurred.~~

525 Section 5. Section 550.0555, Florida Statutes, is
 526 repealed.

527 Section 6. Section 550.0745, Florida Statutes, is
 528 repealed.

529 Section 7. Section 550.0951, Florida Statutes, is amended
 530 to read:

531 550.0951 Payment of daily license fee and taxes;
 532 penalties.-

533 (1) ~~(a)~~ DAILY LICENSE FEE.-Each person engaged in the
 534 business of conducting race meetings or jai alai games under
 535 this chapter, hereinafter referred to as the "permitholder,"
 536 "licensee," or "permittee," shall pay to the division, for the
 537 use of the division, a daily license fee on each live or
 538 simulcast pari-mutuel event of \$100 for each horserace, and \$80
 539 for each greyhound race, dograce and \$40 for each jai alai game,
 540 any of which is conducted at a racetrack or fronton licensed
 541 under this chapter. A ~~In addition to the tax exemption specified~~
 542 ~~in s. 550.09514(1) of \$360,000 or \$500,000 per greyhound~~
 543 ~~permitholder per state fiscal year, each greyhound permitholder~~
 544 ~~shall receive in the current state fiscal year a tax credit~~
 545 ~~equal to the number of live greyhound races conducted in the~~
 546 ~~previous state fiscal year times the daily license fee specified~~

547 ~~for each dograce in this subsection applicable for the previous~~
 548 ~~state fiscal year. This tax credit and the exemption in s.~~
 549 ~~550.09514(1) shall be applicable to any tax imposed by this~~
 550 ~~chapter or the daily license fees imposed by this chapter except~~
 551 ~~during any charity or scholarship performances conducted~~
 552 ~~pursuant to s. 550.0351. Each permitholder may not be required~~
 553 ~~to shall pay daily license fees in excess of not to exceed \$500~~
 554 ~~per day on any simulcast races or games on which such~~
 555 ~~permitholder accepts wagers, regardless of the number of out-of-~~
 556 ~~state events taken or the number of out-of-state locations from~~
 557 ~~which such events are taken. This license fee shall be deposited~~
 558 ~~with the Chief Financial Officer to the credit of the Pari-~~
 559 ~~mutuel Wagering Trust Fund.~~

560 ~~(b) Each permitholder that cannot utilize the full amount~~
 561 ~~of the exemption of \$360,000 or \$500,000 provided in s.~~
 562 ~~550.09514(1) or the daily license fee credit provided in this~~
 563 ~~section may, after notifying the division in writing, elect once~~
 564 ~~per state fiscal year on a form provided by the division to~~
 565 ~~transfer such exemption or credit or any portion thereof to any~~
 566 ~~greyhound permitholder which acts as a host track to such~~
 567 ~~permitholder for the purpose of intertrack wagering. Once an~~
 568 ~~election to transfer such exemption or credit is filed with the~~
 569 ~~division, it shall not be rescinded. The division shall~~
 570 ~~disapprove the transfer when the amount of the exemption or~~
 571 ~~credit or portion thereof is unavailable to the transferring~~
 572 ~~permitholder or when the permitholder who is entitled to~~

573 ~~transfer the exemption or credit or who is entitled to receive~~
 574 ~~the exemption or credit owes taxes to the state pursuant to a~~
 575 ~~deficiency letter or administrative complaint issued by the~~
 576 ~~division. Upon approval of the transfer by the division, the~~
 577 ~~transferred tax exemption or credit shall be effective for the~~
 578 ~~first performance of the next payment period as specified in~~
 579 ~~subsection (5). The exemption or credit transferred to such host~~
 580 ~~track may be applied by such host track against any taxes~~
 581 ~~imposed by this chapter or daily license fees imposed by this~~
 582 ~~chapter. The greyhound permitholder host track to which such~~
 583 ~~exemption or credit is transferred shall reimburse such~~
 584 ~~permitholder the exact monetary value of such transferred~~
 585 ~~exemption or credit as actually applied against the taxes and~~
 586 ~~daily license fees of the host track. The division shall ensure~~
 587 ~~that all transfers of exemption or credit are made in accordance~~
 588 ~~with this subsection and shall have the authority to adopt rules~~
 589 ~~to ensure the implementation of this section.~~

590 (2) ADMISSION TAX.—

591 (a) An admission tax equal to 15 percent of the admission
 592 charge for entrance to the permitholder's facility and
 593 grandstand area, or 10 cents, whichever is greater, is imposed
 594 on each person attending a horserace, greyhound race ~~degrae~~, or
 595 jai alai game. The permitholder is ~~shall be~~ responsible for
 596 collecting the admission tax.

597 (b) The ~~No~~ admission tax imposed under this chapter and ~~or~~
 598 chapter 212 may not ~~shall~~ be imposed on any free passes or

599 complimentary cards issued to persons for which there is no cost
600 to the person for admission to pari-mutuel events.

601 (c) A permitholder may issue tax-free passes to its
602 officers, officials, and employees and to ~~or~~ other persons
603 actually engaged in working at the racetrack, including
604 accredited media ~~press~~ representatives such as reporters and
605 editors, and may also issue tax-free passes to other
606 permitholders for the use of their officers and officials. The
607 permitholder shall file with the division a list of all persons
608 to whom tax-free passes are issued under this paragraph.

609 (3) TAX ON HANDLE.—Each permitholder shall pay a tax on
610 contributions to pari-mutuel pools, the aggregate of which is
611 hereinafter referred to as "handle," on races or games conducted
612 by the permitholder. The tax is imposed daily and is based on
613 the total contributions to all pari-mutuel pools conducted
614 during the daily performance. If a permitholder conducts more
615 than one performance daily, the tax is imposed on each
616 performance separately.

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

619 (b)1. The tax on handle for greyhound racing ~~degrading~~ is
620 1.28 ~~5.5~~ percent of the handle, ~~except that for live charity~~
621 ~~performances held pursuant to s. 550.0351, and for intertrack~~
622 ~~wagering on such charity performances at a guest greyhound track~~
623 ~~within the market area of the host, the tax is 7.6 percent of~~
624 ~~the handle.~~

625 2. The tax on handle for jai alai is 7.1 percent of the
 626 handle.

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

628 a. If the host track is a horse track, 2.0 percent of the
 629 handle.

630 b. If the host track is a harness horse track, 3.3 percent
 631 of the handle.

632 c. If the host track is a greyhound harness track, 1.28
 633 5.5 percent of the handle, to be remitted by the guest track. if
 634 the host track is a dog track, and

635 d. If the host track is a jai alai fronton, 7.1 percent of
 636 the handle if the host track is a jai alai fronton.

637 e. The tax on handle for intertrack wagering is 0.5
 638 percent If the host track and the guest track are thoroughbred
 639 racing permitholders or if the guest track is located outside
 640 the market area of a the host track that is not a greyhound
 641 racing track and within the market area of a thoroughbred racing
 642 permitholder currently conducting a live race meet, 0.5 percent
 643 of the handle.

644 f. The tax on handle For intertrack wagering on
 645 rebroadcasts of simulcast thoroughbred horseraces, is 2.4
 646 percent of the handle and 1.5 percent of the handle for
 647 intertrack wagering on rebroadcasts of simulcast harness
 648 horseraces, 1.5 percent of the handle.

649 2. The tax collected under subparagraph 1. shall be
 650 deposited into the Pari-mutuel Wagering Trust Fund.

651 3.2. The tax on handle for intertrack wagers accepted by
 652 any greyhound ~~dog~~ track located in an area of the state in which
 653 there are only three permitholders, all of which are greyhound
 654 racing permitholders, located in three contiguous counties, from
 655 any greyhound racing permitholder also located within such area
 656 or any greyhound ~~dog~~ track or jai alai fronton located as
 657 specified in s. 550.615(7) ~~s. 550.615(6) or (9)~~, on races or
 658 games received from any jai alai the same class of permitholder
 659 located within the same market area is 3.9 percent of the handle
 660 if the host facility is a greyhound racing permitholder. ~~and,~~ If
 661 the host facility is a jai alai permitholder, the tax is rate
 662 ~~shall be 6.1 percent of the handle until except that it shall be~~
 663 ~~2.3 percent on handle at~~ such time as the total tax on
 664 intertrack handle paid to the division by the permitholder
 665 during the current state fiscal year exceeds the total ~~tax on~~
 666 ~~intertrack handle~~ paid to the division by the permitholder
 667 during the 1992-1993 state fiscal year, in which case the tax is
 668 2.3 percent of the handle.

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

673 (4) BREAKS TAX.—Effective October 1, 1996, each
 674 permitholder conducting jai alai performances shall pay a tax
 675 equal to the breaks. As used in this subsection, the term
 676 "breaks" means the money that remains in each pari-mutuel pool

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677 after funds are ~~The "breaks" represents that portion of each~~
 678 ~~pari-mutuel pool which is not~~ redistributed to the contributors
 679 and commissions are ~~or~~ withheld by the permitholder as
 680 commission.

681 (5) VIDEO RACE TERMINAL; TAX AND FEE.-

682 (a) Each licensee under this chapter which operates video
 683 race terminals pursuant to s. 551.1055 shall pay a tax equal to
 684 2 percent of the handle from the video race terminals located at
 685 its facility.

686 (b) Upon authorization to operate video race terminals
 687 pursuant to s. 551.1055, and annually thereafter on the
 688 anniversary date of the authorization, the licensee shall pay a
 689 \$50,000 fee to the department. The fee shall be deposited into
 690 the Pari-mutuel Wagering Trust Fund to be used by the department
 691 and the Department of Law Enforcement for regulation of video
 692 race terminals, enforcement of video race terminal provisions,
 693 and related investigations.

694 (6) (5) PAYMENT AND DISPOSITION OF FEES AND TAXES.- Payments
 695 imposed by this section shall be paid to the division. The
 696 division shall deposit such payments ~~these sums~~ with the Chief
 697 Financial Officer, to the credit of the Pari-mutuel Wagering
 698 Trust Fund, hereby established. The permitholder shall remit to
 699 the division payment for the daily license fee, the admission
 700 tax, the tax on handle, and the breaks tax. Such payments must
 701 ~~shall~~ be remitted by 3 p.m. on Wednesday of each week for taxes
 702 imposed and collected for the preceding week ending on Sunday.

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703 Beginning on July 1, 2012, such payments must ~~shall~~ be remitted
 704 by 3 p.m. on the 5th day of each calendar month for taxes
 705 imposed and collected for the preceding calendar month. If the
 706 5th day of the calendar month falls on a weekend, payments must
 707 ~~shall~~ be remitted by 3 p.m. the first Monday following the
 708 weekend. Permitholders shall file a report under oath by the 5th
 709 day of each calendar month for all taxes remitted during the
 710 preceding calendar month. Such payments must ~~shall~~ be
 711 accompanied by a report under oath showing the total of all
 712 admissions, the pari-mutuel wagering activities for the
 713 preceding calendar month, and any ~~such~~ other information ~~as may~~
 714 be prescribed by the division.

715 (7) ~~(6)~~ PENALTIES.—

716 (a) The failure of any permitholder to make payments as
 717 prescribed in subsection (6) ~~(5)~~ is a violation of this section,
 718 and the ~~permitholder may be subjected by the division~~ may impose
 719 ~~to~~ a civil penalty against the permitholder of up to \$1,000 for
 720 each day the tax payment is not remitted. All penalties imposed
 721 and collected shall be deposited in the General Revenue Fund. If
 722 a permitholder fails to pay penalties imposed by order of the
 723 division under this subsection, the division may suspend or
 724 revoke the license of the permitholder, cancel the permit of the
 725 permitholder, or deny issuance of any further license or permit
 726 to the permitholder.

727 (b) In addition to the civil penalty prescribed in
 728 paragraph (a), any willful or wanton failure by any permitholder

729 | to make payments of the daily license fee, admission tax, tax on
 730 | handle, or breaks tax constitutes sufficient grounds for the
 731 | division to suspend or revoke the license of the permitholder,
 732 | to cancel the permit of the permitholder, or to deny issuance of
 733 | any further license or permit to the permitholder.

734 | Section 8. Paragraph (e) of subsection (2) of section
 735 | 550.09511, Florida Statutes, is amended to read:

736 | 550.09511 Jai alai taxes; abandoned interest in a permit
 737 | for nonpayment of taxes.-

738 | (2) Notwithstanding the provisions of s. 550.0951(3)(b),
 739 | wagering on live jai alai performances shall be subject to the
 740 | following taxes:

741 | (e) The payment of taxes pursuant to paragraphs (b), (c),
 742 | and (d) shall be calculated and commence beginning the day in
 743 | which the permitholder is first entitled to the reduced rate
 744 | specified in this section and the report of taxes required by s.
 745 | 550.0951(6) ~~s. 550.0951(5)~~ is submitted to the division.

746 | Section 9. Section 550.09512, Florida Statutes, is amended
 747 | to read:

748 | 550.09512 Harness horse racing taxes; abandoned interest
 749 | in a permit for nonpayment of taxes.-

750 | (1) Pari-mutuel wagering at harness horse racetracks in
 751 | this state is an important business enterprise, and taxes
 752 | derived therefrom constitute a part of the tax structure which
 753 | funds operation of the state. Harness horse permitholders should
 754 | pay their fair share of these taxes to the state. This business

755 interest should not be taxed to such an extent as to cause any
 756 racetrack which is operated under sound business principles to
 757 be forced out of business. Due to the need to protect the public
 758 health, safety, and welfare, the gaming laws of the state
 759 provide for the harness horse industry to be highly regulated
 760 and taxed. The state recognizes that there exist identifiable
 761 differences between harness horse permitholders based upon their
 762 ability to operate under such regulation and tax system.

763 (2) (a) The tax on handle for live harness horse
 764 performances is 0.5 percent of handle per performance.

765 (b) For purposes of this section, the term "handle" shall
 766 have the same meaning as in s. 550.0951, and shall not include
 767 handle from intertrack wagering.

768 (3) ~~(a)~~ The division shall revoke the permit of a harness
 769 horse racing permitholder who does not pay tax on handle for
 770 live harness horse performances for a full schedule of live
 771 races for more than 24 consecutive months during any 2
 772 ~~consecutive state fiscal years shall be void and shall escheat~~
 773 ~~to and become the property of the state~~ unless such failure to
 774 operate and pay tax on handle was the direct result of fire,
 775 strike, war, or other disaster or event beyond the ability of
 776 the permitholder to control. Financial hardship to the
 777 permitholder does shall not, in and of itself, constitute just
 778 cause for failure to operate and pay tax on handle. A permit
 779 revoked under this subsection is void and may not be reissued.

780 ~~(b) In order to maximize the tax revenues to the state,~~

781 | ~~the division shall reissue an escheated harness horse permit to~~
 782 | ~~a qualified applicant pursuant to the provisions of this chapter~~
 783 | ~~as for the issuance of an initial permit. However, the~~
 784 | ~~provisions of this chapter relating to referendum requirements~~
 785 | ~~for a pari mutuel permit shall not apply to the reissuance of an~~
 786 | ~~escheated harness horse permit. As specified in the application~~
 787 | ~~and upon approval by the division of an application for the~~
 788 | ~~permit, the new permitholder shall be authorized to operate a~~
 789 | ~~harness horse facility anywhere in the same county in which the~~
 790 | ~~escheated permit was authorized to be operated, notwithstanding~~
 791 | ~~the provisions of s. 550.054(2) relating to mileage limitations.~~

792 | (4) In the event that a court of competent jurisdiction
 793 | determines any of the provisions of this section to be
 794 | unconstitutional, it is the intent of the Legislature that the
 795 | provisions contained in this section shall be null and void and
 796 | that the provisions of s. 550.0951 shall apply to all harness
 797 | horse permitholders beginning on the date of such judicial
 798 | determination. To this end, the Legislature declares that it
 799 | would not have enacted any of the provisions of this section
 800 | individually and, to that end, expressly finds them not to be
 801 | severable.

802 | Section 10. Section 550.09514, Florida Statutes, is
 803 | amended to read:

804 | 550.09514 Greyhound racing ~~degraeing~~ taxes; purse
 805 | requirements.-

806 | ~~(1) Wagering on greyhound racing is subject to a tax on~~

807 ~~handle for live greyhound racing as specified in s. 550.0951(3).~~
 808 ~~However, each permitholder shall pay no tax on handle until such~~
 809 ~~time as this subsection has resulted in a tax savings per state~~
 810 ~~fiscal year of \$360,000. Thereafter, each permitholder shall pay~~
 811 ~~the tax as specified in s. 550.0951(3) on all handle for the~~
 812 ~~remainder of the permitholder's current race meet. For the three~~
 813 ~~permitholders that conducted a full schedule of live racing in~~
 814 ~~1995, and are closest to another state that authorizes greyhound~~
 815 ~~pari mutuel wagering, the maximum tax savings per state fiscal~~
 816 ~~year shall be \$500,000. The provisions of this subsection~~
 817 ~~relating to tax exemptions shall not apply to any charity or~~
 818 ~~scholarship performances conducted pursuant to s. 550.0351.~~

819 (1)(2)(a) The division shall determine for each greyhound
 820 racing permitholder the annual purse percentage rate of live
 821 handle for the state fiscal year 1993-1994 by dividing total
 822 purses paid on live handle by the permitholder, exclusive of
 823 payments made from outside sources, during the 1993-1994 state
 824 fiscal year by the permitholder's live handle for the 1993-1994
 825 state fiscal year. A greyhound racing ~~Each~~ permitholder
 826 conducting live racing during a fiscal year shall pay as purses
 827 for such live races conducted during its current race meet a
 828 percentage of its live handle not less than the percentage
 829 determined under this paragraph, exclusive of payments made by
 830 outside sources, for its 1993-1994 state fiscal year.

831 (b) Except as otherwise set forth herein, in addition to
 832 the minimum purse percentage required by paragraph (a), each

833 | greyhound racing permitholder conducting live racing during a
 834 | fiscal year shall pay as purses an annual amount of \$60 for each
 835 | live race conducted equal to 75 percent of the daily license
 836 | ~~fees paid by the greyhound racing each permitholder in for the~~
 837 | preceding 1994-1995 fiscal year. These ~~This~~ purse supplement
 838 | ~~shall be disbursed weekly during the permitholder's race meet in~~
 839 | ~~an amount determined by dividing the annual purse supplement by~~
 840 | ~~the number of performances approved for the permitholder~~
 841 | ~~pursuant to its annual license and multiplying that amount by~~
 842 | ~~the number of performances conducted each week. For the~~
 843 | ~~greyhound permitholders in the county where there are two~~
 844 | ~~greyhound permitholders located as specified in s. 550.615(6),~~
 845 | ~~such permitholders shall pay in the aggregate an amount equal to~~
 846 | ~~75 percent of the daily license fees paid by such permitholders~~
 847 | ~~for the 1994-1995 fiscal year. These permitholders shall be~~
 848 | ~~jointly and severally liable for such purse payments. The~~
 849 | ~~additional purses provided by this paragraph must be used~~
 850 | ~~exclusively for purses other than stakes and must be disbursed~~
 851 | weekly during the permitholder's race meet. The division shall
 852 | conduct audits necessary to ensure compliance with this section.

853 | (c)1. Each greyhound racing permitholder, when conducting
 854 | at least three live performances during any week, shall pay
 855 | purses in that week on wagers it accepts as a guest track on
 856 | intertrack and simulcast greyhound races at the same rate as it
 857 | pays on live races. Each greyhound racing permitholder, when
 858 | conducting at least three live performances during any week,

859 shall pay purses in that week, at the same rate as it pays on
 860 live races, on wagers accepted on greyhound races at a guest
 861 track that ~~which~~ is not conducting live racing and is located
 862 within the same market area as the greyhound racing permitholder
 863 conducting at least three live performances during any week.

864 2. Each host greyhound racing permitholder shall pay
 865 purses on its simulcast and intertrack broadcasts of greyhound
 866 races to guest facilities that are located outside its market
 867 area in an amount equal to one quarter of an amount determined
 868 by subtracting the transmission costs of sending the simulcast
 869 or intertrack broadcasts from an amount determined by adding the
 870 fees received for greyhound simulcast races plus 3 percent of
 871 the greyhound intertrack handle at guest facilities that are
 872 located outside the market area of the host and that paid
 873 contractual fees to the host for such broadcasts of greyhound
 874 races.

875 (d) The division shall require sufficient documentation
 876 from each greyhound racing permitholder regarding purses paid on
 877 live racing to assure that the annual purse percentage rates
 878 paid by each greyhound racing permitholder conducting ~~on the~~
 879 live races are not reduced below those paid during the 1993-1994
 880 state fiscal year. The division shall require sufficient
 881 documentation from each greyhound racing permitholder to assure
 882 that the purses paid by each permitholder on the greyhound
 883 intertrack and simulcast broadcasts are in compliance with the
 884 requirements of paragraph (c).

885 (e) In addition to the purse requirements of paragraphs
 886 (a)-(c), each greyhound racing permitholder conducting live
 887 races shall pay as purses an amount equal to one-third of the
 888 amount of the tax reduction on live and simulcast handle
 889 applicable to such permitholder as a result of the reductions in
 890 tax rates provided by s. 6, chapter 2000-354, Laws of Florida
 891 ~~this act through the amendments to s. 550.0951(3)~~. With respect
 892 to intertrack wagering when the host and guest tracks are
 893 greyhound racing permitholders not within the same market area,
 894 an amount equal to the tax reduction applicable to the guest
 895 track handle as a result of the reduction in tax rate provided
 896 by s. 6, chapter 2000-354, Laws of Florida, ~~this act through the~~
 897 ~~amendment to s. 550.0951(3)~~ shall be distributed to the guest
 898 track, one-third of which amount shall be paid as purses at the
 899 guest track. However, if the guest track is a greyhound racing
 900 permitholder within the market area of the host or if the guest
 901 track is not a greyhound racing permitholder, an amount equal to
 902 such tax reduction applicable to the guest track handle shall be
 903 retained by the host track, one-third of which amount shall be
 904 paid as purses at the host track. These purse funds shall be
 905 disbursed in the week received if the permitholder conducts at
 906 least one live performance during that week. If the permitholder
 907 does not conduct at least one live performance during the week
 908 in which the purse funds are received, the purse funds shall be
 909 disbursed weekly during the permitholder's next race meet in an
 910 amount determined by dividing the purse amount by the number of

911 performances approved for the permitholder pursuant to its
 912 annual license, and multiplying that amount by the number of
 913 performances conducted each week. The division shall conduct
 914 audits necessary to ensure compliance with this paragraph.

915 (f) Each greyhound racing permitholder conducting live
 916 racing shall, during the permitholder's race meet, supply kennel
 917 operators and the Division of Pari-Mutuel Wagering with a weekly
 918 report showing purses paid on live greyhound races and all
 919 greyhound intertrack and simulcast broadcasts, including both as
 920 a guest and a host together with the handle or commission
 921 calculations on which such purses were paid and the transmission
 922 costs of sending the simulcast or intertrack broadcasts, so that
 923 the kennel operators may determine statutory and contractual
 924 compliance.

925 (g) Each greyhound racing permitholder conducting live
 926 racing shall make direct payment of purses to the greyhound
 927 owners who have filed with such permitholder appropriate federal
 928 taxpayer identification information based on the percentage
 929 amount agreed upon between the kennel operator and the greyhound
 930 owner.

931 (h) At the request of a majority of kennel operators under
 932 contract with a greyhound racing permitholder conducting live
 933 racing, the permitholder shall make deductions from purses paid
 934 to each kennel operator electing such deduction and shall make a
 935 direct payment of such deductions to the local association of
 936 greyhound kennel operators formed by a majority of kennel

937 operators under contract with the permitholder. The amount of
 938 the deduction shall be at least 1 percent of purses, as
 939 determined by the local association of greyhound kennel
 940 operators. ~~No~~ Deductions may not be taken pursuant to this
 941 paragraph without a kennel operator's specific approval before
 942 or after the effective date of this act.

943 (2)~~(3)~~ For the purpose of this section, the term "live
 944 handle" means the handle from wagers placed at the
 945 permitholder's establishment on the live greyhound races
 946 conducted at the permitholder's establishment.

947 Section 11. Section 550.09515, Florida Statutes, is
 948 amended to read:

949 550.09515 Thoroughbred racing ~~horse~~ taxes; abandoned
 950 interest in a permit for nonpayment of taxes.—

951 (1) Pari-mutuel wagering at thoroughbred horse racetracks
 952 in this state is an important business enterprise, and taxes
 953 derived therefrom constitute a part of the tax structure which
 954 funds operation of the state. Thoroughbred horse permitholders
 955 should pay their fair share of these taxes to the state. This
 956 business interest should not be taxed to such an extent as to
 957 cause any racetrack which is operated under sound business
 958 principles to be forced out of business. Due to the need to
 959 protect the public health, safety, and welfare, the gaming laws
 960 of the state provide for the thoroughbred horse industry to be
 961 highly regulated and taxed. The state recognizes that there
 962 exist identifiable differences between thoroughbred horse

963 | permitholders based upon their ability to operate under such
 964 | regulation and tax system and at different periods during the
 965 | year.

966 | (2) (a) The tax on handle for live thoroughbred horserace
 967 | performances shall be 0.5 percent.

968 | (b) For purposes of this section, the term "handle" shall
 969 | have the same meaning as in s. 550.0951, and shall not include
 970 | handle from intertrack wagering.

971 | (3) ~~(a)~~ The division shall revoke the permit of a
 972 | thoroughbred racing horse permitholder that ~~who~~ does not pay tax
 973 | on handle for live thoroughbred horse performances for a full
 974 | schedule of live races for more than 24 consecutive months
 975 | ~~during any 2 consecutive state fiscal years shall be void and~~
 976 | ~~shall escheat to and become the property of the state unless~~
 977 | such failure to operate and pay tax on handle was the direct
 978 | result of fire, strike, war, or other disaster or event beyond
 979 | the ability of the permitholder to control. Financial hardship
 980 | to the permitholder does ~~shall~~ not, in and of itself, constitute
 981 | just cause for failure to operate and pay tax on handle. A
 982 | permit revoked under this subsection is void and may not be
 983 | reissued.

984 | ~~(b) In order to maximize the tax revenues to the state,~~
 985 | ~~the division shall reissue an escheated thoroughbred horse~~
 986 | ~~permit to a qualified applicant pursuant to the provisions of~~
 987 | ~~this chapter as for the issuance of an initial permit. However,~~
 988 | ~~the provisions of this chapter relating to referendum~~

989 ~~requirements for a pari-mutuel permit shall not apply to the~~
 990 ~~reissuance of an escheated thoroughbred horse permit. As~~
 991 ~~specified in the application and upon approval by the division~~
 992 ~~of an application for the permit, the new permit holder shall be~~
 993 ~~authorized to operate a thoroughbred horse facility anywhere in~~
 994 ~~the same county in which the escheated permit was authorized to~~
 995 ~~be operated, notwithstanding the provisions of s. 550.054(2)~~
 996 ~~relating to mileage limitations.~~

997 (4) In the event that a court of competent jurisdiction
 998 determines any of the provisions of this section to be
 999 unconstitutional, it is the intent of the Legislature that the
 1000 provisions contained in this section shall be null and void and
 1001 that the provisions of s. 550.0951 shall apply to all
 1002 thoroughbred horse permit holders beginning on the date of such
 1003 judicial determination. To this end, the Legislature declares
 1004 that it would not have enacted any of the provisions of this
 1005 section individually and, to that end, expressly finds them not
 1006 to be severable.

1007 (5) Notwithstanding the provisions of s. 550.0951(3)(c),
 1008 the tax on handle for intertrack wagering on rebroadcasts of
 1009 simulcast horseraces is 2.4 percent of the handle; provided
 1010 however, that if the guest track is a thoroughbred track located
 1011 more than 35 miles from the host track, the host track shall pay
 1012 a tax of .5 percent of the handle, and additionally the host
 1013 track shall pay to the guest track 1.9 percent of the handle to
 1014 be used by the guest track solely for purses. The tax shall be

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1015 deposited into the Pari-mutuel Wagering Trust Fund.

1016 (6) A credit equal to the amount of contributions made by
 1017 a thoroughbred permitholder during the taxable year directly to
 1018 the Jockeys' Guild or its health and welfare fund to be used to
 1019 provide health and welfare benefits for active, disabled, and
 1020 retired Florida jockeys and their dependents pursuant to
 1021 reasonable rules of eligibility established by the Jockeys'
 1022 Guild is allowed against taxes on live handle due for a taxable
 1023 year under this section. A thoroughbred permitholder may not
 1024 receive a credit greater than an amount equal to 1 percent of
 1025 its paid taxes for the previous taxable year.

1026 ~~(7) If a thoroughbred permitholder fails to operate all~~
 1027 ~~performances on its 2001-2002 license, failure to pay tax on~~
 1028 ~~handle for a full schedule of live races for those performances~~
 1029 ~~in the 2001-2002 fiscal year does not constitute failure to pay~~
 1030 ~~taxes on handle for a full schedule of live races in a fiscal~~
 1031 ~~year for the purposes of subsection (3). This subsection may not~~
 1032 ~~be construed as forgiving a thoroughbred permitholder from~~
 1033 ~~paying taxes on performances conducted at its facility pursuant~~
 1034 ~~to its 2001-2002 license other than for failure to operate all~~
 1035 ~~performances on its 2001-2002 license. This subsection expires~~
 1036 ~~July 1, 2003.~~

1037 Section 12. Section 550.1625, Florida Statutes, is amended
 1038 to read:

1039 550.1625 Greyhound racing degraeing; taxes.-

1040 (1) The operation of a greyhound deg track and legalized

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1041 pari-mutuel betting at greyhound ~~dog~~ tracks in this state is a
 1042 privilege and is an operation that requires strict supervision
 1043 and regulation in the best interests of the state. Pari-mutuel
 1044 wagering at greyhound ~~dog~~ tracks in this state is a substantial
 1045 business, and taxes derived therefrom constitute part of the tax
 1046 structures of the state and the counties. The operators of
 1047 greyhound ~~dog~~ tracks should pay their fair share of taxes to the
 1048 state; at the same time, this substantial business interest
 1049 should not be taxed to such an extent as to cause a track that
 1050 is operated under sound business principles to be forced out of
 1051 business.

1052 (2) A permitholder that conducts a greyhound race ~~degrace~~
 1053 meet under this chapter must pay the daily license fee, the
 1054 admission tax, ~~the breaks tax,~~ and the tax on pari-mutuel handle
 1055 as provided in s. 550.0951 and is subject to all penalties and
 1056 sanctions provided in s. 550.0951(7) ~~s. 550.0951(6)~~.

1057 Section 13. Section 550.1647, Florida Statutes, is
 1058 repealed.

1059 Section 14. Section 550.1648, Florida Statutes, is amended
 1060 to read:

1061 550.1648 Greyhound adoptions.—

1062 ~~(1)~~ A greyhound racing ~~Each degracing~~ permitholder that
 1063 conducts live racing at ~~operating~~ a greyhound racing ~~degracing~~
 1064 facility in this state shall provide for a greyhound adoption
 1065 booth to be located at the facility.

1066 (1) (a) The greyhound adoption booth must be operated on

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1067 weekends by personnel or volunteers from a bona fide
 1068 organization that promotes or encourages the adoption of
 1069 greyhounds ~~pursuant to s. 550.1647.~~ Such bona fide organization,
 1070 as a condition of adoption, must provide sterilization of
 1071 greyhounds by a licensed veterinarian before relinquishing
 1072 custody of the greyhound to the adopter. The fee for
 1073 sterilization may be included in the cost of adoption. As used
 1074 in this section, the term "weekend" includes the hours during
 1075 which live greyhound racing is conducted on Friday, Saturday, or
 1076 Sunday, and the term "bona fide organization that promotes or
 1077 encourages the adoption of greyhounds" means an organization
 1078 that provides evidence of compliance with chapter 496 and
 1079 possesses a valid exemption from federal taxation issued by the
 1080 Internal Revenue Service. Information pamphlets and application
 1081 forms shall be provided to the public upon request.

1082 (b) ~~In addition,~~ The kennel operator or owner shall notify
 1083 the permitholder that a greyhound is available for adoption and
 1084 the permitholder shall provide information concerning the
 1085 adoption of a greyhound in each race program and shall post
 1086 adoption information at conspicuous locations throughout the
 1087 greyhound racing ~~degrading~~ facility. Any greyhound that is
 1088 participating in a race and that will be available for future
 1089 adoption must be noted in the race program. The permitholder
 1090 shall allow greyhounds to be walked through the track facility
 1091 to publicize the greyhound adoption program.

1092 (2) In addition to the charity days authorized under s.

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1093 550.0351, a greyhound racing permitholder may fund the greyhound
 1094 adoption program by holding a charity racing day designated as
 1095 "Greyhound Adopt-A-Pet Day." All profits derived from the
 1096 operation of the charity day must be placed into a fund used to
 1097 support activities at the racing facility which promote the
 1098 adoption of greyhounds. The division may adopt rules for
 1099 administering the fund. Proceeds from the charity day authorized
 1100 in this subsection may not be used as a source of funds for the
 1101 purposes set forth in s. 550.1647.

1102 (3) (a) Upon a violation of this section by a permitholder
 1103 or licensee, the division may impose a penalty as provided in s.
 1104 550.0251(10) and require the permitholder to take corrective
 1105 action.

1106 (b) A penalty imposed under s. 550.0251(10) does not
 1107 exclude a prosecution for cruelty to animals or for any other
 1108 criminal act.

1109 Section 15. Section 550.2416, Florida Statutes, is created
 1110 to read:

1111 550.2416 Reporting of racing greyhound injuries.-

1112 (1) An injury to a racing greyhound which occurs while the
 1113 greyhound is located in this state must be reported on a form
 1114 adopted by the division within 7 days after the date on which
 1115 the injury occurred or is believed to have occurred. The
 1116 division may adopt rules defining the term "injury."

1117 (2) The form shall be completed and signed under oath or
 1118 affirmation by the:

1119 (a) Racetrack veterinarian or director of racing, if the
 1120 injury occurred at the racetrack facility; or

1121 (b) Owner, trainer, or kennel operator who had knowledge
 1122 of the injury, if the injury occurred at a location other than
 1123 the racetrack facility, including during transportation.

1124 (3) The division may fine, suspend, or revoke the license
 1125 of any individual who knowingly violates this section.

1126 (4) The form must include the following:

1127 (a) The greyhound's registered name, right-ear and left-
 1128 ear tattoo numbers, and, if any, the microchip manufacturer and
 1129 number.

1130 (b) The name, business address, and telephone number of
 1131 the greyhound owner, the trainer, and the kennel operator.

1132 (c) The color, weight, and sex of the greyhound.

1133 (d) The specific type and bodily location of the injury,
 1134 the cause of the injury, and the estimated recovery time from
 1135 the injury.

1136 (e) If the injury occurred when the greyhound was racing:

1137 1. The racetrack where the injury occurred;

1138 2. The distance, grade, race, and post position of the
 1139 greyhound when the injury occurred; and

1140 3. The weather conditions, time, and track conditions when
 1141 the injury occurred.

1142 (f) If the injury occurred when the greyhound was not
 1143 racing:

1144 1. The location where the injury occurred; and

1145 2. The circumstances surrounding the injury.
 1146 (g) Other information that the division determines is
 1147 necessary to identify injuries to racing greyhounds in this
 1148 state.
 1149 (5) An injury form created pursuant to this section must
 1150 be maintained as a public record by the division for at least 7
 1151 years after the date it was received.
 1152 (6) A licensee of the department who knowingly makes a
 1153 false statement concerning an injury or fails to report an
 1154 injury is subject to disciplinary action under this chapter or
 1155 chapters 455 and 474.
 1156 (7) This section does not apply to injuries to a service
 1157 animal, personal pet, or greyhound that has been adopted as a
 1158 pet.
 1159 (8) The division shall adopt rules to implement this
 1160 section.
 1161 Section 16. Subsection (1) of section 550.26165, Florida
 1162 Statutes, is amended to read:
 1163 550.26165 Breeders' awards.—
 1164 (1) The purpose of this section is to encourage the
 1165 agricultural activity of breeding and training racehorses in
 1166 this state. Moneys dedicated in this chapter for use as
 1167 breeders' awards and stallion awards are to be used for awards
 1168 to breeders of registered Florida-bred horses winning horseraces
 1169 and for similar awards to the owners of stallions who sired
 1170 Florida-bred horses winning stakes races, if the stallions are

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1171 registered as Florida stallions standing in this state. Such
 1172 awards shall be given at a uniform rate to all winners of the
 1173 awards, may ~~shall~~ not be greater than 20 percent of the
 1174 announced gross purse, and may ~~shall~~ not be less than 15 percent
 1175 of the announced gross purse if funds are available. In
 1176 addition, at least ~~no less than~~ 17 percent, but not ~~not~~ more
 1177 than 40 percent, as determined by the Florida Thoroughbred
 1178 Breeders' Association, of the moneys dedicated in this chapter
 1179 for use as breeders' awards and stallion awards for
 1180 thoroughbreds shall be returned pro rata to the permitholders
 1181 that generated the moneys for special racing awards to be
 1182 distributed by the permitholders to owners of thoroughbred
 1183 horses participating in prescribed thoroughbred stakes races,
 1184 nonstakes races, or both, all in accordance with a written
 1185 agreement establishing the rate, procedure, and eligibility
 1186 requirements for such awards entered into by the permitholder,
 1187 the Florida Thoroughbred Breeders' Association, and the Florida
 1188 Horsemen's Benevolent and Protective Association, Inc., except
 1189 that the plan for the distribution by any permitholder located
 1190 in the area described in s. 550.615(7) ~~s. 550.615(9)~~ shall be
 1191 agreed upon by that permitholder, the Florida Thoroughbred
 1192 Breeders' Association, and the association representing a
 1193 majority of the thoroughbred racehorse owners and trainers at
 1194 that location. Awards for thoroughbred races are to be paid
 1195 through the Florida Thoroughbred Breeders' Association, and
 1196 awards for standardbred races are to be paid through the Florida

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1197 Standardbred Breeders and Owners Association. Among other
 1198 sources specified in this chapter, moneys for thoroughbred
 1199 breeders' awards will come from the 0.955 percent of handle for
 1200 thoroughbred races conducted, received, broadcast, or simulcast
 1201 under this chapter as provided in s. 550.2625(3). The moneys for
 1202 quarter horse and harness breeders' awards will come from the
 1203 breaks and uncashed tickets on live quarter horse and harness
 1204 horse racing performances and 1 percent of handle on intertrack
 1205 wagering. The funds for these breeders' awards shall be paid to
 1206 the respective breeders' associations by the permitholders
 1207 conducting the races.

1208 Section 17. Subsection (8) of section 550.334, Florida
 1209 Statutes, is amended to read:

1210 550.334 Quarter horse racing; substitutions.-

1211 (8) To be eligible to conduct intertrack wagering, a
 1212 quarter horse racing permitholder must have conducted a full
 1213 schedule of live racing in accordance with an operating license
 1214 in the 2015-2016 fiscal preceding year.

1215 Section 18. Section 550.3345, Florida Statutes, is amended
 1216 to read:

1217 550.3345 ~~Conversion of quarter horse permit to a Limited~~
 1218 thoroughbred racing permit.-

1219 (1) In recognition of the important and long-standing
 1220 economic contribution of the thoroughbred horse breeding
 1221 industry to this state and the state's vested interest in
 1222 promoting the continued viability of this agricultural activity,

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1223 the state intends to provide a limited opportunity for the
 1224 conduct of live thoroughbred horse racing with the net revenues
 1225 from such racing dedicated to the enhancement of thoroughbred
 1226 purses and breeders', stallion, and special racing awards under
 1227 this chapter; the general promotion of the thoroughbred horse
 1228 breeding industry; and the care in this state of thoroughbred
 1229 horses retired from racing.

1230 (2) A limited thoroughbred racing permit previously
 1231 converted from ~~Notwithstanding any other provision of law, the~~
 1232 ~~holder of a quarter horse racing permit pursuant to chapter~~
 1233 2010-29, Laws of Florida, issued under s. 550.334 may only be
 1234 held by, ~~within 1 year after the effective date of this section,~~
 1235 ~~apply to the division for a transfer of the quarter horse racing~~
 1236 ~~permit to a not-for-profit corporation formed under state law to~~
 1237 ~~serve the purposes of the state as provided in subsection (1).~~
 1238 The board of directors of the not-for-profit corporation must be
 1239 composed ~~comprised~~ of 11 members, 4 of whom shall be designated
 1240 by the applicant, 4 of whom shall be designated by the Florida
 1241 Thoroughbred Breeders' Association, and 3 of whom shall be
 1242 designated by the other 8 directors, with at least 1 of these 3
 1243 members being an authorized representative of another
 1244 thoroughbred racing permitholder in this state. A limited
 1245 thoroughbred racing ~~The not-for-profit corporation shall submit~~
 1246 ~~an application to the division for review and approval of the~~
 1247 ~~transfer in accordance with s. 550.054. Upon approval of the~~
 1248 ~~transfer by the division, and notwithstanding any other~~

1249 ~~provision of law to the contrary, the not for profit corporation~~
 1250 ~~may, within 1 year after its receipt of the permit, request that~~
 1251 ~~the division convert the quarter horse racing permit to a permit~~
 1252 ~~authorizing the holder to conduct pari mutuel wagering meets of~~
 1253 ~~thoroughbred racing. Neither the transfer of the quarter horse~~
 1254 ~~racing permit nor its conversion to a limited thoroughbred~~
 1255 ~~permit shall be subject to the mileage limitation or the~~
 1256 ~~ratification election as set forth under s. 550.054(2) or s.~~
 1257 ~~550.0651. Upon receipt of the request for such conversion, the~~
 1258 ~~division shall timely issue a converted permit. The converted~~
 1259 ~~permit and the not-for-profit corporation are shall be subject~~
 1260 ~~to the following requirements:~~

1261 (a) All net revenues derived by the not-for-profit
 1262 corporation under the thoroughbred ~~horse~~ racing permit, after
 1263 the funding of operating expenses and capital improvements,
 1264 shall be dedicated to the enhancement of thoroughbred purses and
 1265 breeders', stallion, and special racing awards under this
 1266 chapter; the general promotion of the thoroughbred horse
 1267 breeding industry; and the care in this state of thoroughbred
 1268 horses retired from racing.

1269 (b) From December 1 through April 30, ~~no~~ live thoroughbred
 1270 racing may not be conducted under the permit on any day during
 1271 which another thoroughbred racing permitholder is conducting
 1272 live thoroughbred racing within 125 air miles of the not-for-
 1273 profit corporation's pari-mutuel facility unless the other
 1274 thoroughbred racing permitholder gives its written consent.

1275 (c) ~~After the conversion of the quarter horse racing~~
 1276 ~~permit and~~ the issuance of its initial license to conduct pari-
 1277 mutuel wagering meets of thoroughbred racing, the not-for-profit
 1278 corporation shall annually apply to the division for a license
 1279 pursuant to s. 550.5251.

1280 (d) Racing under the permit may take place only at the
 1281 location for which the original quarter horse racing permit was
 1282 issued, which may be leased by the not-for-profit corporation
 1283 for that purpose; ~~however, the not for profit corporation may,~~
 1284 ~~without the conduct of any ratification election pursuant to s.~~
 1285 ~~550.054(13) or s. 550.0651, move the location of the permit to~~
 1286 ~~another location in the same county provided that such~~
 1287 ~~relocation is approved under the zoning and land use regulations~~
 1288 ~~of the applicable county or municipality.~~

1289 (e) A limited thoroughbred racing ~~No~~ permit may not be
 1290 transferred ~~converted under this section is eligible for~~
 1291 ~~transfer~~ to another person or entity.

1292 (3) Unless otherwise provided in this section, ~~after~~
 1293 ~~conversion,~~ the permit and the not-for-profit corporation shall
 1294 be treated under the laws of this state as a thoroughbred racing
 1295 permit and as a thoroughbred racing permitholder, respectively,
 1296 with the exception of ss. 550.054(9)(c) and s. 550.09515(3).

1297 Section 19. Subsections (5) and (6) of section 550.3551,
 1298 Florida Statutes, are amended to read:

1299 550.3551 Transmission of racing and jai alai information;
 1300 commingling of pari-mutuel pools.-

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1301 ~~(5) A pari-mutuel permitholder licensed under this chapter~~
 1302 ~~may not receive broadcasts of races or games from outside this~~
 1303 ~~state except from an out-of-state pari-mutuel permitholder who~~
 1304 ~~holds the same type or class of pari-mutuel permit as the pari-~~
 1305 ~~mutuel permitholder licensed under this chapter who intends to~~
 1306 ~~receive the broadcast.~~

1307
 1308 (5)(6)(a) ~~A maximum of 20 percent of the total number of~~
 1309 ~~races on which wagers are accepted by a greyhound permitholder~~
 1310 ~~not located as specified in s. 550.615(6) may be received from~~
 1311 ~~locations outside this state. A jai alai permitholder may not~~
 1312 ~~conduct fewer than eight live raees or games on any authorized~~
 1313 ~~race day except as provided in this subsection. A thoroughbred~~
 1314 ~~permitholder may not conduct fewer than eight live races on any~~
 1315 ~~race day without the written approval of the Florida~~
 1316 ~~Thoroughbred Breeders' Association and the Florida Horsemen's~~
 1317 ~~Benevolent and Protective Association, Inc., unless it is~~
 1318 ~~determined by the department that another entity represents a~~
 1319 ~~majority of the thoroughbred racehorse owners and trainers in~~
 1320 ~~the state. A harness permitholder may conduct fewer than eight~~
 1321 ~~live races on any authorized race day, except that such~~
 1322 ~~permitholder must conduct a full schedule of live racing during~~
 1323 ~~its race meet consisting of at least eight live races per~~
 1324 ~~authorized race day for at least 100 days. Any harness horse~~
 1325 ~~permitholder that during the preceding racing season conducted a~~
 1326 ~~full schedule of live racing may, at any time during its current~~

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1327 ~~race meet, receive full card broadcasts of harness horse races~~
 1328 ~~conducted at harness racetracks outside this state at the~~
 1329 ~~harness track of the permitholder and accept wagers on such~~
 1330 ~~harness races.~~ With specific authorization from the division for
 1331 special racing events, a permitholder may conduct fewer than
 1332 eight live races or games when the permitholder also broadcasts
 1333 out-of-state races or games. The division may not grant more
 1334 than two such exceptions a year for a permitholder in any 12-
 1335 month period, and those two exceptions may not be consecutive.

1336 (b) Notwithstanding any other provision of this chapter,
 1337 any harness horse permitholder accepting broadcasts of out-of-
 1338 state harness horse races when such permitholder is not
 1339 conducting live races must make the out-of-state signal
 1340 available to all permitholders eligible to conduct intertrack
 1341 wagering and shall pay to guest tracks located as specified in
 1342 s. ss. 550.615(6) and 550.6305(9) (d) 50 percent of the net
 1343 proceeds after taxes and fees to the out-of-state host track on
 1344 harness race wagers which they accept. If conducting live
 1345 racing, a harness horse permitholder shall be required to pay
 1346 into its purse account 50 percent of the net income retained by
 1347 the permitholder on account of wagering on the out-of-state
 1348 broadcasts received pursuant to this subsection. Nine-tenths of
 1349 a percent of all harness wagering proceeds on the broadcasts
 1350 received pursuant to this subsection shall be paid to the
 1351 Florida Standardbred Breeders and Owners Association under the
 1352 provisions of s. 550.2625(4) for the purposes provided therein.

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Section 20. Subsection (4) of section 550.375, Florida Statutes, is amended to read:

550.375 Operation of certain harness tracks.—

(4) The permitholder conducting a harness horse race meet must pay the daily license fee, the admission tax, the tax on breaks, and the tax on pari-mutuel handle provided in s. 550.0951 and is subject to all penalties and sanctions provided in s. 550.0951(7) ~~s. 550.0951(6)~~.

Section 21. Section 550.6308, Florida Statutes, is amended to read:

550.6308 Limited intertrack wagering license.—In recognition of the economic importance of the thoroughbred breeding industry to this state, its positive impact on tourism, and of the importance of a permanent thoroughbred sales facility as a key focal point for the activities of the industry, a limited license to conduct intertrack wagering is established to ensure the continued viability and public interest in thoroughbred breeding in Florida.

(1) (a) Upon application to the division on or before January 31 of each year, any person who ~~that~~ is licensed to conduct public sales of thoroughbred horses pursuant to s. 535.01 and, ~~that~~ has conducted at least 8 ~~15~~ days of thoroughbred horse sales at a permanent sales facility in this state for at least 3 consecutive years, ~~and that has conducted~~

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1379 ~~at least 1 day of nonwagering thoroughbred racing in this state,~~
 1380 ~~with a purse structure of at least \$250,000 per year for 2~~
 1381 ~~consecutive years before such application,~~ shall be issued a
 1382 license, subject to the conditions set forth in this section, to
 1383 conduct intertrack wagering at such a permanent sales facility
 1384 during the following periods:

1385 1.(a) Up to 21 days in connection with thoroughbred sales;

1386 2..(b) Between November 1 and May 8;

1387 3.(e) Between May 9 and October 31 at such times and on
 1388 such days as any thoroughbred, jai alai, or a greyhound
 1389 permitholder in the same county is not conducting live
 1390 performances; provided that any such permitholder may waive this
 1391 requirement, in whole or in part, and allow the licensee under
 1392 this section to conduct intertrack wagering during one or more
 1393 of the permitholder's live performances; and

1394 4.(d) During the weekend of the Kentucky Derby, the
 1395 Preakness, the Belmont, and a Breeders' Cup Meet that is
 1396 conducted before November 1 and after May 8.

1397 (b) Only

1398 ~~No more than one such license may be issued, and the no such~~
 1399 ~~license may not be issued for a facility located within 50 miles~~
 1400 ~~of any for-profit thoroughbred racing permitholder's licensed~~
 1401 ~~track.~~

1402 (2) If more than one application is submitted for such
 1403 license, the division shall determine which applicant shall be
 1404 granted the license. In making its determination, the division

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1405 shall grant the license to the applicant demonstrating superior
 1406 capabilities, as measured by the length of time the applicant
 1407 has been conducting thoroughbred sales within this state or
 1408 elsewhere, the applicant's total volume of thoroughbred horse
 1409 sales, within this state or elsewhere, the length of time the
 1410 applicant has maintained a permanent thoroughbred sales facility
 1411 in this state, and the quality of the facility.

1412 (3) The applicant must comply with the provisions of ss.
 1413 550.125 and 550.1815.

1414 ~~(4) Intertrack wagering under this section may be~~
 1415 ~~conducted only on thoroughbred horse racing, except that~~
 1416 ~~intertrack wagering may be conducted on any class of pari mutuel~~
 1417 ~~race or game conducted by any class of permitholders licensed~~
 1418 ~~under this chapter if all thoroughbred, jai alai, and greyhound~~
 1419 ~~permitholders in the same county as the licensee under this~~
 1420 ~~section give their consent.~~

1421 (4)(5) The licensee shall be considered a guest track
 1422 under this chapter. The licensee shall pay 2.5 percent of the
 1423 total contributions to the daily pari-mutuel pool on wagers
 1424 accepted at the licensee's facility on greyhound races or jai
 1425 alai games to the thoroughbred racing permitholder that is
 1426 conducting live races for purses to be paid during its current
 1427 racing meet. If more than one thoroughbred racing permitholder
 1428 is conducting live races on a day during which the licensee is
 1429 conducting intertrack wagering on greyhound races or jai alai
 1430 games, the licensee shall allocate these funds between the

1431 operating thoroughbred racing permitholders on a pro rata basis
 1432 based on the total live handle at the operating permitholders'
 1433 facilities.

1434 Section 22. Subsections (2), (4), (6), and (7) of section
 1435 550.615, Florida Statutes, are amended, present subsections (8),
 1436 (9), and (10) of that section are renumbered as subsections (6),
 1437 (7), and (8), respectively, and amended, and a new subsection
 1438 (9) is added to that section, to read:

1439 550.615 Intertrack wagering.—

1440 (2) Any track or fronton licensed under this chapter may
 1441 ~~which in the preceding year conducted a full schedule of live~~
 1442 ~~racing is qualified to~~, at any time, receive broadcasts of any
 1443 class of pari-mutuel race or game and accept wagers on such
 1444 races or games conducted by any class of permitholders licensed
 1445 under this chapter.

1446 (4) ~~An In no event shall any~~ intertrack wager may not be
 1447 accepted on the same class of live races or games of any
 1448 permitholder without the written consent of such operating
 1449 permitholders conducting the same class of live races or games
 1450 if the guest track is within the market area of such operating
 1451 permitholder. A greyhound racing permitholder licensed under
 1452 this chapter which accepts intertrack wagers on live greyhound
 1453 signals is not required to obtain the written consent required
 1454 by this subsection from any operating greyhound racing
 1455 permitholder within its market area.

1456 ~~(6) Notwithstanding the provisions of subsection (3), in~~

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1457 | ~~any area of the state where there are three or more horserace~~
 1458 | ~~permitholders within 25 miles of each other, intertrack wagering~~
 1459 | ~~between permitholders in said area of the state shall only be~~
 1460 | ~~authorized under the following conditions: Any permitholder,~~
 1461 | ~~other than a thoroughbred permitholder, may accept intertrack~~
 1462 | ~~wagers on races or games conducted live by a permitholder of the~~
 1463 | ~~same class or any harness permitholder located within such area~~
 1464 | ~~and any harness permitholder may accept wagers on games~~
 1465 | ~~conducted live by any jai alai permitholder located within its~~
 1466 | ~~market area and from a jai alai permitholder located within the~~
 1467 | ~~area specified in this subsection when no jai alai permitholder~~
 1468 | ~~located within its market area is conducting live jai alai~~
 1469 | ~~performances; any greyhound or jai alai permitholder may receive~~
 1470 | ~~broadcasts of and accept wagers on any permitholder of the other~~
 1471 | ~~class provided that a permitholder, other than the host track,~~
 1472 | ~~of such other class is not operating a contemporaneous live~~
 1473 | ~~performance within the market area.~~

1474 | ~~(7) In any county of the state where there are only two~~
 1475 | ~~permits, one for dogracing and one for jai alai, no intertrack~~
 1476 | ~~wager may be taken during the period of time when a permitholder~~
 1477 | ~~is not licensed to conduct live races or games without the~~
 1478 | ~~written consent of the other permitholder that is conducting~~
 1479 | ~~live races or games. However, if neither permitholder is~~
 1480 | ~~conducting live races or games, either permitholder may accept~~
 1481 | ~~intertrack wagers on horseraces or on the same class of races or~~
 1482 | ~~games, or on both horseraces and the same class of races or~~

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1483 ~~games as is authorized by its permit.~~

1484 (6)~~(8)~~ In any three contiguous counties of the state where
 1485 there are only three permitholders, all of which are greyhound
 1486 racing permitholders, if a greyhound racing ~~any~~ permitholder
 1487 leases the facility of another greyhound racing permitholder for
 1488 the purpose of conducting all or any portion of ~~the conduct of~~
 1489 its live race meet pursuant to s. 550.475, such lessee may
 1490 conduct intertrack wagering at its pre-lease permitted facility
 1491 throughout the entire year, including while its live race meet
 1492 is being conducted at the leased facility, ~~if such permitholder~~
 1493 ~~has conducted a full schedule of live racing during the~~
 1494 ~~preceeding fiseal year at its pre lease permitted facility or at~~
 1495 ~~a leased facility, or combination thereof.~~

1496 (7)~~(9)~~ In any two contiguous counties of the state in
 1497 which there are located only four active permits, one for
 1498 thoroughbred horse racing, two for greyhound racing ~~degracing~~,
 1499 and one for jai alai games, an ~~no~~ intertrack wager may not be
 1500 accepted on the same class of live races or games of any
 1501 permitholder without the written consent of such operating
 1502 permitholders conducting the same class of live races or games
 1503 if the guest track is within the market area of such operating
 1504 permitholder.

1505 (8)~~(10)~~ All costs of receiving the transmission of the
 1506 broadcasts shall be borne by the guest track; and all costs of
 1507 sending the broadcasts shall be borne by the host track.

1508 (9) A permitholder, as provided in subsection (2),

1509 operating pursuant to a current year's operating license that
 1510 specifies no live performances or less than a full schedule of
 1511 live performances may:

1512 (a) Receive broadcasts at any time of any class of pari-
 1513 mutuel race or game and accept wagers on such races or games
 1514 conducted by any class of permitholder licensed under this
 1515 chapter; and

1516 (b) Accept wagers on live races conducted at out-of-state
 1517 greyhound tracks only on the days when such permitholder
 1518 receives all live races that any greyhound host track in this
 1519 state makes available.

1520 Section 23. Paragraphs (d), (f), and (g) of subsection (9)
 1521 of section 550.6305, Florida Statutes, are amended to read:

1522 550.6305 Intertrack wagering; guest track payments;
 1523 accounting rules.—

1524 (9) A host track that has contracted with an out-of-state
 1525 horse track to broadcast live races conducted at such out-of-
 1526 state horse track pursuant to s. 550.3551(5) may broadcast such
 1527 out-of-state races to any guest track and accept wagers thereon
 1528 in the same manner as is provided in s. 550.3551.

1529 (d) Any permitholder located in any area of the state
 1530 where there are only two permits, one for greyhound racing
 1531 ~~dog racing~~ and one for jai alai, and any permitholder that
 1532 converted its permit to conduct jai alai to a permit to conduct
 1533 greyhound racing in lieu of jai alai under s. 550.054(14),
 1534 Florida Statutes 2014, as created by s. 6, chapter 2009-170,

1535 Laws of Florida, may accept wagers on rebroadcasts of out-of-
 1536 state thoroughbred horse races from an in-state thoroughbred
 1537 ~~horse~~ racing permitholder and is ~~shall~~ not be subject to the
 1538 provisions of paragraph (b) if such thoroughbred ~~horse~~ racing
 1539 permitholder located within the area specified in this paragraph
 1540 is both conducting live races and accepting wagers on out-of-
 1541 state horseraces. In such case, the guest permitholder is ~~shall~~
 1542 ~~be~~ entitled to 45 percent of the net proceeds on wagers accepted
 1543 at the guest facility. The remaining proceeds shall be
 1544 distributed as follows: one-half shall be retained by the host
 1545 facility and one-half shall be paid by the host facility as
 1546 purses at the host facility.

1547 (f) Any permitholder located in any area of the state
 1548 where there are only two permits, one for greyhound racing
 1549 ~~dogracing~~ and one for jai alai, and any permitholder that
 1550 converted its permit to conduct jai alai to a permit to conduct
 1551 greyhound racing in lieu of jai alai under s. 550.054(14),
 1552 Florida Statutes 2014, as created by s. 6, chapter 2009-170,
 1553 Laws of Florida, may accept wagers on rebroadcasts of out-of-
 1554 state harness horse races from an in-state harness horse racing
 1555 permitholder and may ~~shall~~ not be subject to ~~the provisions of~~
 1556 paragraph (b) if such harness horse racing permitholder located
 1557 within the area specified in this paragraph is conducting live
 1558 races. In such case, the guest permitholder is ~~shall be~~ entitled
 1559 to 45 percent of the net proceeds on wagers accepted at the
 1560 guest facility. The remaining proceeds shall be distributed as

1561 follows: one-half shall be retained by the host facility and
 1562 one-half shall be paid by the host facility as purses at the
 1563 host facility.

1564 (g)1.a. Any thoroughbred racing permitholder that ~~which~~
 1565 accepts wagers on a simulcast signal must make the signal
 1566 available to any permitholder that is eligible to conduct
 1567 intertrack wagering under the provisions of ss. 550.615-
 1568 550.6345.

1569 b.2. Any thoroughbred racing permitholder that ~~which~~
 1570 accepts wagers on a simulcast signal received after 6 p.m. must
 1571 make such signal available to any permitholder that is eligible
 1572 to conduct intertrack wagering under the provisions of ss.
 1573 550.615-550.6345, ~~including any permitholder located as~~
 1574 ~~specified in s. 550.615(6).~~ Such guest permitholders are
 1575 authorized to accept wagers on such simulcast signal,
 1576 notwithstanding any other provision of this chapter to the
 1577 contrary.

1578 c.3. Any thoroughbred racing permitholder that ~~which~~
 1579 accepts wagers on a simulcast signal received after 6 p.m. must
 1580 make such signal available to any permitholder that is eligible
 1581 to conduct intertrack wagering under ~~the provisions of~~ ss.
 1582 550.615-550.6345, ~~including any permitholder located as~~
 1583 ~~specified in s. 550.615(9).~~ Such guest permitholders are
 1584 authorized to accept wagers on such simulcast signals for a
 1585 number of performances not to exceed that which constitutes a
 1586 full schedule of live races for a quarter horse racing

1587 permitholder pursuant to s. 550.002(11), notwithstanding any
 1588 other provision of this chapter to the contrary, ~~except that the~~
 1589 ~~restrictions provided in s. 550.615(9)(a) apply to wagers on~~
 1590 ~~such simulcast signals.~~

1591 2. A ~~No~~ thoroughbred racing permitholder is not ~~shall be~~
 1592 required to continue to rebroadcast a simulcast signal to any
 1593 in-state permitholder if the average per performance gross
 1594 receipts returned to the host permitholder over the preceding
 1595 30-day period were less than \$100. Subject to the provisions of
 1596 s. 550.615(4), as a condition of receiving rebroadcasts of
 1597 thoroughbred simulcast signals under this paragraph, a guest
 1598 permitholder must accept intertrack wagers on all live races
 1599 conducted by all then-operating thoroughbred racing
 1600 permitholders.

1601 Section 24. Section 551.101, Florida Statutes, is amended
 1602 to read:

1603 551.101 Slot machine gaming authorized. ~~Possession of slot~~
 1604 machines and conduct of slot machine gaming is authorized only
 1605 at eligible facilities licensed under this chapter ~~Any licensed~~
 1606 ~~pari-mutuel facility located in Miami-Dade County or Broward~~
 1607 ~~County existing at the time of adoption of s. 23, Art. X of the~~
 1608 ~~State Constitution that has conducted live racing or games~~
 1609 ~~during calendar years 2002 and 2003 may possess slot machines~~
 1610 ~~and conduct slot machine gaming at the location where the pari-~~
 1611 ~~mutuel permitholder is authorized to conduct pari-mutuel~~
 1612 ~~wagering activities pursuant to such permitholder's valid pari-~~

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1613 ~~mutuel permit provided that a majority of voters in a countywide~~
 1614 ~~referendum have approved slot machines at such facility in the~~
 1615 ~~respective county. Notwithstanding any other provision of law,~~
 1616 it is not a crime for a person to participate in slot machine
 1617 gaming at a pari-mutuel facility licensed to possess slot
 1618 machines and conduct slot machine gaming or to participate in
 1619 slot machine gaming described in this chapter.

1620 Section 25. Subsections (4) and (11) of section 551.102,
 1621 Florida Statutes, are amended to read:

1622 551.102 Definitions.—As used in this chapter, the term:

1623 (4) "Eligible facility" means a any licensed pari-mutuel
 1624 facility that meets the requirements of s. 551.104(2) located in
 1625 ~~Miami Dade County or Broward County existing at the time of~~
 1626 ~~adoption of s. 23, Art. X of the State Constitution that has~~
 1627 ~~conducted live racing or games during calendar years 2002 and~~
 1628 ~~2003 and has been approved by a majority of voters in a~~
 1629 ~~countywide referendum to have slot machines at such facility in~~
 1630 ~~the respective county; any licensed pari-mutuel facility located~~
 1631 ~~within a county as defined in s. 125.011, provided such facility~~
 1632 ~~has conducted live racing for 2 consecutive calendar years~~
 1633 ~~immediately preceding its application for a slot machine~~
 1634 ~~license, pays the required license fee, and meets the other~~
 1635 ~~requirements of this chapter; or any licensed pari-mutuel~~
 1636 ~~facility in any other county in which a majority of voters have~~
 1637 ~~approved slot machines at such facilities in a countywide~~
 1638 ~~referendum held pursuant to a statutory or constitutional~~

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1639 ~~authorization after the effective date of this section in the~~
 1640 ~~respective county, provided such facility has conducted a full~~
 1641 ~~schedule of live racing for 2 consecutive calendar years~~
 1642 ~~immediately preceding its application for a slot machine~~
 1643 ~~license, pays the required license licensed fee, and meets the~~
 1644 other requirements of this chapter.

1645 (11) "Slot machine licensee" means a pari-mutuel
 1646 permitholder ~~that who~~ holds a slot machine license ~~issued by the~~
 1647 ~~division pursuant to this chapter that authorizes such person to~~
 1648 ~~possess a slot machine within facilities specified in s. 23,~~
 1649 ~~Art. X of the State Constitution and allows slot machine gaming.~~

1650 Section 26. Subsection (2) and paragraph (c) of subsection
 1651 (4) of section 551.104, Florida Statutes, are amended, and
 1652 subsection (3) of that section is republished, to read:

1653 551.104 License to conduct slot machine gaming.—

1654 (2) An application may be approved by the division only
 1655 if:

1656 (a) The facility at which the applicant seeks to operate
 1657 slot machines is:

1658 1. A licensed pari-mutuel facility where live racing or
 1659 games were conducted during calendar years 2002 and 2003,
 1660 located in Miami-Dade County or Broward County, and authorized
 1661 for slot machine licensure pursuant to s. 23, Art. X of the
 1662 State Constitution;

1663 2. A licensed pari-mutuel facility where a full schedule
 1664 of live horseracing has been conducted for 2 consecutive

1665 calendar years immediately preceding its application for a slot
 1666 machine license and located within a county as defined in s.
 1667 125.011; or

1668 3. A licensed pari-mutuel facility located in a county
 1669 that has a total population of at least 1.25 million, has at
 1670 least 30 incorporated municipalities, that is located in a
 1671 county other than Miami-Dade and Broward Counties, in which a
 1672 majority of voters approve slot machines at such facility in a
 1673 countywide referendum held after the effective date of this act
 1674 and concurrently with a general election in which the offices of
 1675 President and Vice President of the United States are on the
 1676 ballot, and that pays the required license fee and meets the
 1677 other requirements of this chapter. However, a license to
 1678 conduct slot machine gaming may not be granted by the division
 1679 pursuant to this subparagraph unless the gaming compact,
 1680 authorized pursuant to s. 285.710 (3) (b), between the Seminole
 1681 Tribe of Florida and the State of Florida indicates that slot
 1682 machine gaming conducted by such slot machine licensee does not
 1683 violate any of the compact's provisions. Licensure in accordance
 1684 with this subparagraph is only permitted if the permitholder
 1685 relinquishes one pari-mutuel permit issued in accordance with
 1686 chapter 550 to the state before issuance of the license. Any
 1687 relinquished pari-mutuel permit is void and shall not be
 1688 reissued. Any permitholder licensed in accordance with this
 1689 subparagraph is exempt from all of the live racing requirements
 1690 of chapter 550 and this chapter.

1691 4. Selected pursuant to ss. 551.1041-551.1044, is located
 1692 within a county with a population of at least 2.5 million people
 1693 in which a majority of voters in a countywide referendum voted
 1694 to allow slot machines before December 30, 2011, and a majority
 1695 of voters approve slot machines at such facility in a countywide
 1696 referendum held after the effective date of this act and
 1697 concurrently with a general election in which the offices of
 1698 President and Vice President of the United States are on the
 1699 ballot, and pays the required license fee and meets the other
 1700 requirements of this chapter. However, a license to conduct slot
 1701 machine gaming may not be granted by the division pursuant to
 1702 this subparagraph unless the gaming compact, authorized pursuant
 1703 to s. 285.710 (3) (b), between the Seminole Tribe of Florida and
 1704 the State of Florida indicates that slot machine gaming
 1705 conducted by such slot machine licensee does not violate any of
 1706 the compact's provisions. Any permitholder licensed in
 1707 accordance with this subparagraph is exempt from all live racing
 1708 requirements contained in chapter 550 and this chapter.

1709 **(b)** ~~after~~ The voters of the county where the applicant's
 1710 facility is located have authorized by referendum slot machines
 1711 within pari-mutuel facilities in that county ~~as specified in s.~~
 1712 ~~23, Art. X of the State Constitution.~~

1713 **(c)** Issuance of the license would not trigger a reduction
 1714 in revenue-sharing payments under the Gaming Compact between the
 1715 Seminole Tribe of Florida and the State of Florida.

1716 **(3)** A slot machine license may be issued only to a

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1717 licensed pari-mutuel permitholder, and slot machine gaming may
 1718 be conducted only at the eligible facility at which the
 1719 permitholder is authorized under its valid pari-mutuel wagering
 1720 permit to conduct pari-mutuel wagering activities.

1721 (4) As a condition of licensure and to maintain continued
 1722 authority for the conduct of slot machine gaming, the slot
 1723 machine licensee shall:

1724 (c) Conduct no fewer than a full schedule of live racing
 1725 or games as defined in s. 550.002(11). A permitholder's
 1726 responsibility to conduct such number of live races or games
 1727 shall be reduced by the number of races or games that could not
 1728 be conducted due to the direct result of fire, war, hurricane,
 1729 or other disaster or event beyond the control of the
 1730 permitholder. A greyhound racing permitholder is exempt from the
 1731 live racing requirement of this paragraph if the permitholder
 1732 conducted a full schedule of live racing for a period of at
 1733 least 10 consecutive state fiscal years after the 2002-2003
 1734 state fiscal year. Harness racing and quarter horse racing
 1735 permitholders that have held an operating license for 5 years
 1736 and a slot license for 5 years are exempt from the live racing
 1737 requirements of this subsection. Thoroughbred racing
 1738 permitholders located in a county with a population of more than
 1739 2.5 million who have had an operating license for 25 years and a
 1740 slot license for 5 years are exempt from the live racing
 1741 requirements of this subsection. .

1742 Section 27. Section 551.1041, Florida Statutes, is created

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

1743 to read:

1744 551.1041 Authorization of limited slot machine facility.-
 1745 The division may grant a slot machine license under this chapter
 1746 to a limited slot machine facility only if a majority of the
 1747 electors in the county in which the facility will be located,
 1748 voting in a countywide referendum, have passed a referendum
 1749 allowing for slot machines as of December 30, 2011, and if,
 1750 subsequent to the selection of the facility pursuant to this
 1751 section and ss. 551.1042, 551.1043, and 551.1044, a majority of
 1752 the electors voting in a countywide referendum have passed a
 1753 referendum allowing slot machines at a limited slot machine
 1754 facility.

1755 Section 28. Section 551.1042, Florida Statutes, is created
 1756 to read:

1757 551.1042 Selection of limited slot machine facility.-

1758 (1) The division may grant a slot machine license to a
 1759 limited slot machine facility applicant that is the best suited
 1760 to operate such facility. The licensee must comply with all
 1761 provisions of chapter 550, including s. 550.054.

1762 (2) The division shall use a request for proposals process
 1763 for determining the selection of a limited slot machine
 1764 facility. The proposal forms and procedures shall be provided by
 1765 the division. The deadline for issuance of the initial request
 1766 for proposals shall be no later than January 1, 2017.

1767 (3) Proposals in response to the request for proposals
 1768 must be received by the division within 180 days after the

1769 issuance of the request for proposals.

1770 (4) The division shall specify in its request for
1771 proposals the county in which the facility may be located. When
1772 determining whether to select a facility located within a
1773 specific county, the division shall hold a public hearing in
1774 such county to discuss the proposals and receive public
1775 comments.

1776 (5) The division and the Secretary of Business and
1777 Professional Regulation shall review all complete proposals
1778 received pursuant to a request for proposals. The secretary may
1779 select one proposal after determining which proposal is in the
1780 best interest of the state based on the selection criteria. The
1781 division shall notify all applicants within 90 days after
1782 approval or denial by the secretary. Subsequent to approval of
1783 the referendum required under s. 551.1041, the selected facility
1784 may be granted a slot machine license in accordance with this
1785 chapter.

1786 Section 29. Section 551.1043, Florida Statutes, is created
1787 to read:

1788 551.1043 Criteria for selection of a limited slot machine
1789 facility.—Proposals for selection as a limited slot machine
1790 facility shall be evaluated based on the criteria and
1791 requirements in this section and ss. 551.1041-551.1044.

1792 (1) (a) The division shall evaluate applicants based on the
1793 following minimum criteria:

1794 1. The applicant must demonstrate a capacity to increase

1795 tourism, generate jobs, and provide revenue to the local economy
 1796 and the General Revenue Fund.

1797 2. The applicant must demonstrate a history of, or a bona
 1798 fide plan for, involvement or investment in the community where
 1799 the facility will be located.

1800 3. The applicant must demonstrate a history of investment
 1801 in the communities in which its previous developments have been
 1802 located or propose a plan to increase community investment.

1803 4. The applicant must demonstrate that it has adequate
 1804 capitalization to develop, construct, maintain, and operate the
 1805 facility in accordance with all related laws and rules and to
 1806 responsibly meet its financial and other contractual agreements.
 1807 The applicant must demonstrate management expertise and
 1808 experience in building and managing a similar facility.

1809 5. The applicant must demonstrate how it will integrate
 1810 with local businesses in the host and surrounding communities,
 1811 including local restaurants, hotels, retail outlets, and
 1812 impacted live entertainment venues. The applicant must
 1813 demonstrate how the facility's design will integrate properly
 1814 into the community.

1815 6. The applicant must demonstrate its ability to develop a
 1816 facility of a high caliber with a variety of high quality
 1817 amenities to be included as part of the establishment that will
 1818 enhance the state's tourism industry and economy.

1819 7. The applicant must demonstrate the ability to generate
 1820 substantial gross receipts and revenue for state and local

1821 governments.

1822 (b) The division shall evaluate applicants based on their
 1823 ability to contribute to a contraction in the amount of gaming
 1824 in the state based on the following:

1825 1. The applicant must acquire eligible permits for the
 1826 conduct of pari-mutuel wagering pursuant to this section or sign
 1827 an irrevocable option contract to acquire contingent on the
 1828 applicant's obtaining a limited slot machine facility. The
 1829 acquired eligible permits must total a minimum of five points
 1830 under the point system identified in subparagraph 3., and the
 1831 division shall add additional value in its scoring for
 1832 applicants based on total points calculated under this
 1833 paragraph. If the applicant's proposal is selected as the
 1834 limited slot machine facility and receives a slot machine
 1835 license, the applicant shall obtain and forfeit to the division
 1836 such acquired eligible permits. A permit forfeited under this
 1837 subparagraph is void and may not be reissued. A permit holder who
 1838 sells, transfers, or assigns a permit under this chapter
 1839 forfeits any right to conduct slot machine gaming at such
 1840 facility.

1841 2. As used in this paragraph, the term:

1842 a. "Eligible permit" means a permit for the conduct of
 1843 pari-mutuel wagering in this state under which a full schedule
 1844 of live racing or games has been held for each of the 3
 1845 consecutive fiscal years immediately preceding the effective
 1846 date of this act.

1847 | b. "Gaming-related taxes" means the total net taxes and
1848 | fees paid to the state pursuant to ss. 550.0951, 550.3551,
1849 | 551.106, and 849.086, reduced by any applied tax credits or
1850 | exemptions.

1851 | 3. The division shall score eligible permits under the
1852 | following point system:

1853 | a. An eligible permit under which a total of at least \$50
1854 | million in gaming-related taxes has been paid to the state over
1855 | the 3 completed fiscal years immediately preceding the effective
1856 | date of this act shall be valued at three points.

1857 | b. An eligible permit under which a total of at least \$3
1858 | million, but less than \$50 million, in gaming-related taxes has
1859 | been paid to the state over the 3 completed fiscal years
1860 | immediately preceding the effective date of this act shall be
1861 | valued at two and one-half points.

1862 | c. An eligible permit under which a total of at least \$1
1863 | million, but less than \$3 million, in gaming-related taxes has
1864 | been paid to the state over the 3 completed fiscal years
1865 | immediately preceding the effective date of this act shall be
1866 | valued at two points.

1867 | d. An eligible permit under which a total of at least
1868 | \$100,000, but less than \$1 million, in gaming-related taxes has
1869 | been paid to the state over the 3 completed fiscal years
1870 | immediately preceding the effective date of this act shall be
1871 | valued at one and one-half points.

1872 | e. An eligible permit under which a total of at least

1873 \$1,000, but less than \$100,000, in gaming-related taxes has been
 1874 paid to the state over the 3 completed fiscal years immediately
 1875 preceding the effective date of this act shall be valued at one
 1876 point.

1877 (c) The division may assess any other criteria it deems
 1878 necessary to evaluate the proposal and applicant.

1879 (2) The division shall only consider proposals from
 1880 applicants that are individuals of good moral character who are
 1881 at least 21 years of age or a corporation only if its officers
 1882 are of good moral character and at least 21 years of age.

1883 (3) (a) The division may not consider a proposal from an
 1884 applicant if the applicant:

1885 1. Has, within the last 5 years, been adjudicated by a
 1886 court or tribunal for failure to pay income, sales, or gross
 1887 receipts tax due and payable under any federal, state, or local
 1888 law, after exhaustion of all appeals or administrative remedies.

1889 2. Has been convicted of a felony under the laws of this
 1890 state, any other state, or the United States.

1891 3. Has been convicted of any violation of chapter 817 or a
 1892 substantially similar law of another jurisdiction.

1893 4. Knowingly submitted false information in the proposal.

1894 5. Is an employee of the division.

1895 6. Was licensed to own or operate gaming or pari-mutuel
 1896 facilities in this state or another jurisdiction and such
 1897 license was revoked.

1898 (b) As used in this subsection, the term "convicted"

1899 includes an adjudication of guilt, a plea of guilty or nolo
 1900 contendere, or the forfeiture of a bond when charged with a
 1901 crime.

1902 Section 30. Section 551.1044, Florida Statutes, is created
 1903 to read:

1904 551.1044 Submission of proposal for a limited slot machine
 1905 facility.-

1906 (1) PROPOSAL.-A proposal submitted in response to a
 1907 request for proposals must include documentation on the criteria
 1908 and requirements in ss. 551.1041, 551.1042, and 551.1043 and the
 1909 following information:

1910 (a)1. The name, business address, telephone number, social
 1911 security number, and, if applicable, federal tax identification
 1912 number of the applicant.

1913 2. Any information, documentation, and assurances
 1914 concerning financial background and resources which may be
 1915 required to establish the financial stability, integrity, and
 1916 responsibility of the applicant. Such information includes all
 1917 financial backers, investors, mortgagees, bondholders, holders
 1918 of indentures, and holders of notes; other indebtedness;
 1919 business and personal income and disbursement schedules; tax
 1920 returns and other reports filed with governmental agencies; and
 1921 business and personal accounting and check records and ledgers.
 1922 In addition, each applicant must provide written authorization
 1923 for the examination of all financial accounts and records as may
 1924 be deemed necessary by the division and any information,

1925 documentation, or assurances the division requires to establish
 1926 by clear and convincing evidence the adequacy of financial
 1927 resources.

1928 (b) The identity and, if applicable, the state of
 1929 incorporation or registration of any business in which the
 1930 applicant has an equity interest of more than 5 percent. If the
 1931 applicant is a corporation, partnership, or other business
 1932 entity, the applicant must identify any other corporation,
 1933 partnership, or other business entity in which it has an equity
 1934 interest of more than 5 percent, including, if applicable, the
 1935 state of incorporation or registration.

1936 (c) Documentation that the applicant has acquired, or has
 1937 an option to acquire, the site where the proposed facility will
 1938 be located.

1939 (d) A statement as to whether the applicant has developed
 1940 and operated a similar gaming facility within a highly regulated
 1941 domestic jurisdiction that allows similar forms of development,
 1942 including a description of the gaming facility, the gaming
 1943 facility's gross revenue, and the amount of revenue the gaming
 1944 facility has generated for state and local governments within
 1945 that jurisdiction.

1946 (e) A statement as to whether the applicant has been
 1947 indicted, convicted of, pled guilty or nolo contendere to, or
 1948 forfeited bail for any felony or for a misdemeanor involving
 1949 gambling, theft, or fraud. The statement must include the date,
 1950 the name and location of the court, the arresting agency, the

1951 prosecuting agency, the case caption, the docket number, the
 1952 nature of the offense, the disposition of the case, and, if
 1953 applicable, the location and length of incarceration.

1954 (f) A statement as to whether the applicant has ever been
 1955 granted any license or certificate in any jurisdiction which has
 1956 been restricted, suspended, revoked, not renewed, or otherwise
 1957 subjected to discipline. The statement must describe the facts
 1958 and circumstances concerning that restriction, suspension,
 1959 revocation, nonrenewal, or discipline, including the licensing
 1960 authority, the date each action was taken, and an explanation of
 1961 the circumstances for each disciplinary action.

1962 (g) A statement as to whether the applicant has, as a
 1963 principal or a controlling shareholder, within the last 10
 1964 years, filed for protection under the federal Bankruptcy Code or
 1965 had an involuntary bankruptcy petition filed against it.

1966 (h) A statement as to whether the applicant has, within
 1967 the last 5 years, been adjudicated by a court or tribunal for
 1968 failure to pay any income, sales, or gross receipts tax due and
 1969 payable under federal, state, or local law, or under the laws of
 1970 any applicable foreign jurisdiction, after exhaustion of all
 1971 appeals or administrative remedies. This statement must identify
 1972 the amount and type of the tax and the time periods involved and
 1973 must describe the resolution of the nonpayment.

1974 (i) A list of the names and titles of any public officials
 1975 or officers of any unit of state government or of the local
 1976 government or governments in the county or municipality in which

1977 the proposed facility is to be located, and the spouses,
 1978 parents, and children of those public officials or officers,
 1979 who, directly or indirectly, own any financial interest in, have
 1980 any beneficial interest in, are the creditors of, hold any debt
 1981 instrument issued by, or hold or have an interest in any
 1982 contractual or service relationship with the applicant. As used
 1983 in this paragraph, the terms "public official" and "officer" do
 1984 not include a person who would be listed solely because the
 1985 person is a member of the Florida National Guard.

1986 (j) The name and business telephone number of any
 1987 attorney, lobbyist, employee, consultant, or other person who is
 1988 representing an applicant before the division during the
 1989 proposal process.

1990 (k) A description of the applicant's history of and
 1991 proposed plan for community involvement or investment in the
 1992 community where the facility will be located.

1993 (l) A description of the applicant's proposed facility,
 1994 including a map documenting the location of the facility within
 1995 the authorized counties; a statement from appropriate state and
 1996 local agencies regarding the compliance of the applicant with
 1997 state, regional, and local planning and zoning requirements; a
 1998 description of the economic benefit to the community in which
 1999 the facility will be located; the anticipated number of jobs
 2000 generated by construction of the facility; the anticipated
 2001 number of employees; a projection of admissions or attendance at
 2002 the facility; a projection of gross receipts; a projection of

2003 revenue generated for state and local governments; and market
 2004 research pertaining to the proposed facility.

2005 (m) A schedule or timeframe for completing the facility.

2006 (n) A plan for training residents of this state for jobs
 2007 at the facility.

2008 (o) The identity of each person, association, trust,
 2009 corporation, or partnership having a direct or an indirect
 2010 equity interest in the applicant of greater than 5 percent. If
 2011 disclosure of a trust is required under this paragraph, the
 2012 names and addresses of the beneficiaries of the trust must also
 2013 be disclosed. If the identity of a corporation must be
 2014 disclosed, the names and addresses of all stockholders and
 2015 directors must also be disclosed. If the identity of a
 2016 partnership must be disclosed, the names and addresses of all
 2017 partners, both general and limited, must also be disclosed.

2018 (p) A facility development plan and projected investment.

2019 (q) The fingerprints of all officers or directors of the
 2020 applicant, and any persons exercising operational or managerial
 2021 control of the applicant, for a criminal history records check.

2022 (r) A listing of all gaming licenses and permits the
 2023 applicant currently possesses.

2024 (s) A listing of former or inactive officers, directors,
 2025 partners, and trustees.

2026 (t) A listing of all affiliated business entities or
 2027 holding companies, including nongaming interests.

2028 (u) Contracts and documentation related to permits that

2029 will be forfeited under the gaming footprint contraction
 2030 criteria in s. 551.1042.

2031 (v) Any other information the division may deem
 2032 appropriate or require during the proposal process.

2033 (2) DISCRETION TO REQUIRE INFORMATION.—In addition to the
 2034 documentation and information required in subsection (1), the
 2035 division may request additional information or documentation
 2036 that must be included in a proposal for a limited slot machine
 2037 facility.

2038 (3) INCOMPLETE PROPOSALS.—

2039 (a) An incomplete proposal for a limited slot machine
 2040 facility is grounds for the denial of the proposal.

2041 (b) The division must refund 70 percent of the proposal
 2042 fee within 30 days after the denial of an incomplete proposal.

2043 (4) DUTY TO SUPPLEMENT PROPOSAL.—The proposal shall be
 2044 supplemented as needed to reflect any material change in any
 2045 circumstance or condition stated in the proposal which takes
 2046 place between the initial filing of the proposal and the final
 2047 grant or denial of the license. Any submission required to be in
 2048 writing may otherwise be required by the division to be made by
 2049 electronic means.

2050 (5) PROPOSAL FEE.—The proposal for a limited slot machine
 2051 facility must be submitted along with a nonrefundable proposal
 2052 fee of \$1 million which shall be deposited into the Pari-mutuel
 2053 Wagering Trust Fund to be used by the division to defray costs
 2054 associated with the review and investigation of the proposal and

2055 to conduct a background investigation of the applicant. If the
 2056 cost of the review and investigation exceeds \$1 million, the
 2057 applicant must pay the additional amount to the division within
 2058 30 days after the receipt of a request for an additional
 2059 payment. Additional payments under this subsection shall also be
 2060 deposited into the Pari-mutuel Wagering Trust Fund.

2061 Section 31. Section 551.1055, Florida Statutes, is created
 2062 to read:

2063 551.1055 Video race terminals.-

2064 (1) Subject to the requirements of this section and
 2065 compliance with the rules adopted by the department, a slot
 2066 machine licensee operating at a facility authorized pursuant to
 2067 s. 551.104(2)(a)3. and a slot machine licensee operating at a
 2068 limited slot machine facility selected pursuant to ss. 551.1041-
 2069 551.1044 may operate a video race terminal and a video race
 2070 system under all of the following conditions:

2071 (a) The game is certified in advance by an independent
 2072 testing laboratory licensed or contracted by the division as
 2073 complying with this section.

2074 (b) All data on previously conducted horseraces must be
 2075 stored in a secure format on the central server that is located
 2076 at the pari-mutuel facility.

2077 (c) Only horseraces that were recorded at licensed pari-
 2078 mutuel facilities in the United States after January 1, 2005,
 2079 may be used.

2080 (d) A wager on a video race terminal may not exceed \$5 per

2081 game or race.

2082 (e) Only one game or race on a video race terminal may be
 2083 played at a time and a player is not permitted to wager on a new
 2084 game or race until the previous game or race has been completed.

2085 (f) Video race terminals may not offer games using
 2086 tangible playing cards, e.g. paper or plastic, but may offer
 2087 games using electronic or virtual cards.

2088 (g) After each wager is placed, the video race terminal
 2089 must display a video of at least the final seconds of the
 2090 horserace on the video race terminal's video screen before any
 2091 prize is awarded or indicated on the video race terminal and the
 2092 video race terminal must display the official results and
 2093 identity of the race.

2094 (h)1. Identifying information about any race or the
 2095 competing horses in that race, other than handicapping data, may
 2096 not be revealed to a patron until after the patron's wagers are
 2097 irrevocably placed. Before the patron makes wager selections,
 2098 the terminal shall not display any information that would allow
 2099 the patron to identify the race on which he or she is wagering,
 2100 including location of the race, the date on which the race was
 2101 run, the names of the animals in the race, or the names of the
 2102 jockeys that participated in the race;

2103 2. Once the patron deposits the wagered amount in the
 2104 video race terminal, a race shall be chosen at random for
 2105 presentation to the patron;

2106 3. The terminal shall make available true and accurate

2107 past performance information on the race to the patron before
 2108 the patron makes his or her wager selections. The information
 2109 shall be current as of the day the race was run. The information
 2110 may be displayed on the terminal in data or graphical form.

2111 (i) Mechanical reel displays are not permitted.

2112 (j) A video race terminal may not contain more than one
 2113 player position for placing wagers.

2114 (k) If there is a complete breakdown of a video race
 2115 terminal, the licensee offering the wager shall make a full
 2116 refund of the patron's balance on the terminal at the time of
 2117 the breakdown, as verified by the video racing totalisator
 2118 system.

2119 (l) The video race must take place on individual wagering
 2120 terminals located at a facility at which the conduct of other
 2121 pari-mutuel wagering is authorized under a license issued under
 2122 s. 550.01215 and s. 551.104.

2123 (m) The licensee has paid the \$50,000 fee under s.
 2124 550.0951(5)(b).

2125 (n) Coins, currency, or tokens may not be dispensed from a
 2126 video race wagering terminal.

2127 (o) The video race terminal or machines may not be played
 2128 by persons under 21 years of age.

2129 (p) Prizes must be awarded based solely on the results of
 2130 a previously conducted horserace. No additional element of
 2131 chance may be used. However, a random number generator must be
 2132 used to select the race from the central server to be displayed

2133 to the player and to select numbers or other designations of
 2134 race entrants that will be used in the various bet types for any
 2135 "Quick Pick" bets. To prevent a player from recognizing the race
 2136 based on the entrants and thus knowing the results before
 2137 placing a wager, the entrants of the race may not be identified
 2138 until after all wagers for that race have been placed.

2139 (g)1. Except as specified in subparagraph 3., all payouts
 2140 to winning video race wagers shall be paid exclusively from the
 2141 pools of video race wagers. An entity may not conduct video
 2142 racing in a manner that allows patrons to wager against the
 2143 licensee, or in a manner such that the licensee's commission
 2144 depends upon the outcome of any particular race or the success
 2145 of any particular wager. Payment of a winning wager shall not
 2146 exceed the amount available in the applicable pool and must be
 2147 paid to the patron using cash or cash vouchers only.

2148 2. Seed pools shall be maintained and funded so that the
 2149 amount available at any given time is sufficient to ensure that
 2150 a patron will be paid the minimum payout for a winning wager as
 2151 specified by the video race terminal through which the wager is
 2152 placed. A licensee may assign a percentage of each video racing
 2153 wager to fund seed pools.

2154 3. A licensee shall provide the funding for the initial
 2155 seed pool for each type of wager. The funding for the initial
 2156 seed pool is not refundable.

2157 (2) An eligible licensee may only make available for play
 2158 up to 250 video race terminals effective January 1, 2017, and

2159 may only make available for play up to 750 video race terminals
 2160 effective October 1, 2018.

2161 (3) An eligible licensee shall not operate more than 750
 2162 video race terminals at any time.

2163 (4) The moneys wagered on races via the video race system
 2164 shall be separated from all other pari-mutuel wagers accepted by
 2165 the licensee.

2166 (5) The department shall adopt rules necessary to
 2167 implement, administer, and regulate the operation of video
 2168 racing systems. The rules must include:

2169 (a) Procedures for regulating, managing, and auditing the
 2170 operation, financial data, and program information relating to
 2171 video racing systems which enable the department to audit the
 2172 operation, financial data, and program information of the
 2173 licensee authorized to operate a video racing system.

2174 (b) Technical requirements to operate a video race system,
 2175 including ensuring that the blended takeout from the pari-mutuel
 2176 pools on video race terminals shall not be higher than 12
 2177 percent of the total handle on video racing conducted at a
 2178 facility.

2179 (c) Procedures to require a licensee to maintain specified
 2180 records and submit any data, information, record, or report,
 2181 including financial and income records, required by this chapter
 2182 or rules of the department.

2183 (d) Procedures relating to video race system revenues,
 2184 including verifying and accounting for such revenues, auditing,

2185 and collecting taxes and fees.

2186 (e) Minimum standards for security of the facilities,
 2187 including floor plans, security cameras, and other security
 2188 equipment.

2189 (f) Procedures to ensure that a video race terminal does
 2190 not enter the state and will not be offered for play until it
 2191 has been tested and certified by a licensed testing laboratory
 2192 for play in the state. The procedures shall address measures to
 2193 scientifically test and technically evaluate video race
 2194 terminals for compliance with laws and rules regulating video
 2195 race systems. The department may contract with an independent
 2196 testing laboratory to conduct any necessary testing. The
 2197 independent testing laboratory must have a national reputation
 2198 indicating that it is demonstrably competent and qualified to
 2199 scientifically test and evaluate video racing systems to ensure
 2200 that the system performs the functions required by laws and
 2201 rules. An independent testing laboratory may not be owned or
 2202 controlled by a licensee. The selection of an independent
 2203 laboratory for any purpose related to the conduct of video race
 2204 systems shall be made from a list of laboratories approved by
 2205 the department. The department shall adopt rules regarding the
 2206 testing, certification, control, and approval of video race
 2207 systems.

2208 (6) Notwithstanding any other provision of the law, the
 2209 proceeds of video race terminal tickets purchased that are not
 2210 redeemed within 1 year after purchase shall be distributed as

2211 follows:

2212 (a) Fifty percent shall be retained by the licensee.

2213 (b) Fifty percent shall be used for purses or awards on
 2214 live thoroughbred racing conducted at licensed thoroughbred
 2215 facilities in the state by distributing it in equal amounts to
 2216 any thoroughbred racing permitholder that holds an operating
 2217 permit. If a licensee does not conduct live racing, fifty
 2218 percent shall be remitted to the state pursuant to s. 550.1645.

2219 Section 32. Paragraph (a) of subsection (2) of section
 2220 551.106, Florida Statutes, is amended to read:

2221 551.106 License fee; tax rate; penalties.—

2222 (2) TAX ON SLOT MACHINE REVENUES.—

2223 (a) The tax rate on slot machine revenues at each facility
 2224 shall be 30 ~~35~~ percent. However, notwithstanding s. 551.114(1),
 2225 a slot machine licensee offering slot machines on January 1,
 2226 2016, may elect to permanently reduce its authorized total
 2227 number of slot machines to 1,500 slot machines within the
 2228 property of the slot machine licensee in the licensee's next
 2229 annual slot machine license renewal application. Any licensee
 2230 that agrees and elects to permanently reduce its authorized
 2231 total number of slot machines to 1,500 and attests to do so in
 2232 its annual license renewal application approved by the division
 2233 on or before July 1, 2017, shall have a tax rate on slot machine
 2234 revenues at such facility of 25 percent effective July 1, 2017.

2235 ~~If, during any state fiscal year, the aggregate amount of tax~~
 2236 ~~paid to the state by all slot machine licensees in Broward and~~

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2237 ~~Miami Dade Counties is less than the aggregate amount of tax~~
 2238 ~~paid to the state by all slot machine licensees in the 2008-2009~~
 2239 ~~fiscal year, each slot machine licensee shall pay to the state~~
 2240 ~~within 45 days after the end of the state fiscal year a~~
 2241 ~~surcharge equal to its pro rata share of an amount equal to the~~
 2242 ~~difference between the aggregate amount of tax paid to the state~~
 2243 ~~by all slot machine licensees in the 2008-2009 fiscal year and~~
 2244 ~~the amount of tax paid during the fiscal year. Each licensee's~~
 2245 ~~pro rata share shall be an amount determined by dividing the~~
 2246 ~~number 1 by the number of facilities licensed to operate slot~~
 2247 ~~machines during the applicable fiscal year, regardless of~~
 2248 ~~whether the facility is operating such machines.~~

2249 Section 33. Subsections (1), (2), and (4) of section
 2250 551.114, Florida Statutes, are amended to read:

2251 551.114 Slot machine gaming areas.—

2252 (1) (a) Except as provided in paragraph (b) or s.

2253 551.106(2) (a), a slot machine licensee may make available for
 2254 play up to 1,750 2,000 slot machines within the property of the
 2255 facilities of the slot machine licensee.

2256 (b) Effective January 1, 2017, a slot machine licensee
 2257 operating at a facility authorized pursuant to s.
 2258 551.104(2) (a)3. or s. 551.104(2) (a)4. may make available for
 2259 play up to 250 slot machines. Effective October 1, 2018, such
 2260 licensee may make available for play up to 750 slot machines.
 2261 However, no wager on a slot machine operated in accordance with
 2262 this subsection shall exceed \$5.

2263 (2) The slot machine licensee shall display pari-mutuel
 2264 races or games within the designated slot machine gaming areas
 2265 and offer patrons within the designated slot machine gaming
 2266 areas the ability to engage in pari-mutuel wagering on any live,
 2267 intertrack, and simulcast races conducted or offered to patrons
 2268 of the licensed facility.

2269 (4) Designated slot machine gaming areas may be located
 2270 within the current live gaming facility or in an existing
 2271 building that is ~~must be~~ contiguous and connected to the live
 2272 gaming facility. If a designated slot machine gaming area is to
 2273 be located in a building that is to be constructed, that new
 2274 building must be contiguous and connected to the live gaming
 2275 facility. For any permitholder licensed to conduct pari-mutuel
 2276 activities pursuant to a current year's operating license that
 2277 does not require live performances, designated slot machine
 2278 gaming areas may be located only within the eligible facility
 2279 for which the initial annual slot machine license was issued.

2280 Section 34. Section 551.116, Florida Statutes, is amended
 2281 to read:

2282 551.116 Days and hours of operation.—Slot machine gaming
 2283 areas may be open daily throughout the year. The slot machine
 2284 gaming areas may be open ~~a cumulative amount of 18 hours per day~~
 2285 ~~on Monday through Friday and 24 hours per day on Saturday and~~
 2286 ~~Sunday and on those holidays specified in s. 110.117(1).~~

2287 Section 35. Section 551.121, Florida Statutes, is amended
 2288 to read:

2289 551.121 Prohibited activities and devices; exceptions.—
 2290 ~~(1) Complimentary or reduced cost alcoholic beverages may~~
 2291 ~~not be served to persons playing a slot machine. Alcoholic~~
 2292 ~~beverages served to persons playing a slot machine shall cost at~~
 2293 ~~least the same amount as alcoholic beverages served to the~~
 2294 ~~general public at a bar within the facility.~~

2295
 2296 (1)~~(2)~~ A slot machine licensee may not make any loan,
 2297 provide credit, or advance cash in order to enable a person to
 2298 play a slot machine. This subsection shall not prohibit
 2299 automated ticket redemption machines that dispense cash
 2300 resulting from the redemption of tickets from being located in
 2301 the designated slot machine gaming area of the slot machine
 2302 licensee.

2303 ~~(3) A slot machine licensee may not allow any automated~~
 2304 ~~teller machine or similar device designed to provide credit or~~
 2305 ~~dispense cash to be located within the designated slot machine~~
 2306 ~~gaming areas of a facility of a slot machine licensee.~~

2307 (2)~~(4)~~(a) A slot machine licensee may not accept or cash
 2308 any check from any person within the designated slot machine
 2309 gaming areas of a facility of a slot machine licensee.

2310 (b) Except as provided in paragraph (c) for employees of
 2311 the facility, a slot machine licensee or operator shall not
 2312 accept or cash for any person within the property of the
 2313 facility any government-issued check, third-party check, or
 2314 payroll check made payable to an individual.

2315 (c) Outside the designated slot machine gaming areas, a
 2316 slot machine licensee or operator may accept or cash a check for
 2317 an employee of the facility who is prohibited from wagering on a
 2318 slot machine under s. 551.108(5), a check made directly payable
 2319 to a person licensed by the division, or a check made directly
 2320 payable to the slot machine licensee or operator from:

- 2321 1. A pari-mutuel patron; or
- 2322 2. A pari-mutuel facility in this state or in another
 2323 state.

2324 (d) Unless accepting or cashing a check is prohibited by
 2325 this subsection, nothing shall prohibit a slot machine licensee
 2326 or operator from accepting and depositing in its accounts checks
 2327 received in the normal course of business.

2328 ~~(3)~~(5) A slot machine, or the computer operating system
 2329 linking the slot machine, may be linked by any means to any
 2330 other slot machine or computer operating system within the
 2331 facility of a slot machine licensee. A progressive system may be
 2332 used in conjunction with slot machines between licensed
 2333 facilities in Florida or in other jurisdictions.

2334 ~~(4)~~(6) A slot machine located within a licensed facility
 2335 shall accept only tickets or paper currency or an electronic
 2336 payment system for wagering and return or deliver payouts to the
 2337 player in the form of tickets that may be exchanged for cash,
 2338 merchandise, or other items of value. The use of coins, credit
 2339 or debit cards, tokens, or similar objects is specifically
 2340 prohibited. However, an electronic credit system may be used for

2341 receiving wagers and making payouts.

2342

2343

2344 Section 36. Present subsections (9) through (17) of
 2345 section 849.086, Florida Statutes, are renumbered as subsections
 2346 (10) through (18), respectively, and a new subsection (9) is
 2347 added to that section, subsection (2), paragraphs (a) and (b) of
 2348 subsection (5), paragraph (b) of subsection (7), paragraphs (d)
 2349 and (h) of present subsection (13), and present subsections (16)
 2350 and (17) of that section are amended, to read:

2351 849.086 Cardrooms authorized.—

2352 (2) DEFINITIONS.—As used in this section:

2353 (a) "Authorized game" means a game or series of card and
 2354 domino games that ~~of poker or dominoes which~~ are played in
 2355 conformance with this section ~~a nonbanking manner.~~

2356 (b) "Banking game" means a game in which the house is a
 2357 participant in the game, taking on players, paying winners, and
 2358 collecting from losers ~~or in which the cardroom establishes a~~
 2359 ~~bank against which participants play.~~

2360 (c) "Cardroom" means a facility where authorized games are
 2361 played for money or anything of value and to which the public is
 2362 invited to participate in such games and charged a fee for
 2363 participation by the operator of such facility. Authorized games
 2364 and cardrooms do not constitute casino gaming operations.

2365 (d) "Cardroom management company" means any individual not
 2366 an employee of the cardroom operator, any proprietorship,

2367 partnership, corporation, or other entity that enters into an
 2368 agreement with a cardroom operator to manage, operate, or
 2369 otherwise control the daily operation of a cardroom.

2370 (e) "Cardroom distributor" means any business that
 2371 distributes cardroom paraphernalia such as card tables, betting
 2372 chips, chip holders, dominoes, dominoes tables, drop boxes,
 2373 banking supplies, playing cards, card shufflers, and other
 2374 associated equipment to authorized cardrooms.

2375 (f) "Cardroom operator" means a licensed pari-mutuel
 2376 permitholder which holds a valid permit and license issued by
 2377 the division pursuant to chapter 550 and which also holds a
 2378 valid cardroom license issued by the division pursuant to this
 2379 section which authorizes such person to operate a cardroom and
 2380 to conduct authorized games in such cardroom.

2381 (g) "Designated player" means the player identified as the
 2382 player in the dealer position, seated at a traditional player
 2383 position in a designated player game, who pays winning players
 2384 and collects from losing players.

2385 (h) "Designated player game" means a game consisting of at
 2386 least three cards in which the players compare their cards only
 2387 to the cards of the designated player.

2388 (i)~~(g)~~ "Division" means the Division of Pari-mutuel
 2389 Wagering of the Department of Business and Professional
 2390 Regulation.

2391 (j)~~(h)~~ "Dominoes" means a game of dominoes typically
 2392 played with a set of 28 flat rectangular blocks, called "bones,"

2393 | which are marked on one side and divided into two equal parts,
 2394 | with zero to six dots, called "pips," in each part. The term
 2395 | also includes larger sets of blocks that contain a
 2396 | correspondingly higher number of pips. The term also means the
 2397 | set of blocks used to play the game.

2398 | (k)~~(i)~~ "Gross receipts" means the total amount of money
 2399 | received by a cardroom from any person for participation in
 2400 | authorized games.

2401 | (l)~~(j)~~ "House" means the cardroom operator and all
 2402 | employees of the cardroom operator.

2403 | (m)~~(k)~~ "Net proceeds" means the total amount of gross
 2404 | receipts received by a cardroom operator from cardroom
 2405 | operations less direct operating expenses related to cardroom
 2406 | operations, including labor costs, admission taxes only if a
 2407 | separate admission fee is charged for entry to the cardroom
 2408 | facility, gross receipts taxes imposed on cardroom operators by
 2409 | this section, the annual cardroom license fees imposed by this
 2410 | section on each table operated at a cardroom, and reasonable
 2411 | promotional costs excluding officer and director compensation,
 2412 | interest on capital debt, legal fees, real estate taxes, bad
 2413 | debts, contributions or donations, or overhead and depreciation
 2414 | expenses not directly related to the operation of the cardrooms.

2415 | (n)~~(l)~~ "Rake" means a set fee or percentage of the pot
 2416 | assessed by a cardroom operator for providing the services of a
 2417 | dealer, table, or location for playing the authorized game.

2418 | (o)~~(m)~~ "Tournament" means a series of games that have more

2419 than one betting round involving one or more tables and where
 2420 the winners or others receive a prize or cash award.

2421 (5) LICENSE REQUIRED; APPLICATION; FEES.—No person may
 2422 operate a cardroom in this state unless such person holds a
 2423 valid cardroom license issued pursuant to this section.

2424 (a) Only those persons holding a valid cardroom license
 2425 issued by the division may operate a cardroom. A cardroom
 2426 license may only be issued to a licensed pari-mutuel
 2427 permitholder and an authorized cardroom may only be operated at
 2428 the same facility at which the permitholder is authorized under
 2429 its valid pari-mutuel wagering permit to conduct pari-mutuel
 2430 wagering activities. An initial cardroom license shall be issued
 2431 to a pari-mutuel permitholder only after its facilities are in
 2432 place and after it conducts its first day of live racing or
 2433 games, except for a facility licensed in accordance with s.
 2434 551.104(2)(a)4. and ss. 551.1041-551.1044.

2435 (b)1. After the initial cardroom license is granted, the
 2436 application for the annual license renewal shall be made in
 2437 conjunction with the applicant's annual application for its
 2438 pari-mutuel license. If a permitholder has operated a cardroom
 2439 during any of the 3 previous fiscal years and fails to include a
 2440 renewal request for the operation of the cardroom in its annual
 2441 application for license renewal, the permitholder may amend its
 2442 annual application to include operation of the cardroom. Except
 2443 as provided in subsection (c) for greyhound, harness, and
 2444 quarter horse permitholders, and any facility licensed in

2445 accordance with 551.104 (2) (a) 4., and ss. 551-1041-551.1044,
 2446 in order for a cardroom license to be renewed the applicant must
 2447 have requested, as part of its pari-mutuel annual license
 2448 application, to conduct at least 90 percent of the total number
 2449 of live performances conducted by such permitholder during
 2450 either the state fiscal year in which its initial cardroom
 2451 license was issued or the state fiscal year immediately prior
 2452 thereto if the permitholder ran at least a full schedule of live
 2453 racing or games in the prior year. ~~If the application is for a~~
 2454 ~~harness permitholder cardroom, the applicant must have requested~~
 2455 ~~authorization to conduct a minimum of 140 live performances~~
 2456 ~~during the state fiscal year immediately prior thereto.~~ If more
 2457 than one permitholder is operating at a facility, each
 2458 permitholder that is required to conduct a full schedule of live
 2459 racing must have applied for a license to conduct a full
 2460 schedule of live racing.

2461 2. A greyhound racing permitholder is exempt from the live
 2462 racing requirements of this subsection if it conducted a full
 2463 schedule of live racing for a period of at least 10 consecutive
 2464 state fiscal years after the 1996-1997 state fiscal year or if
 2465 it converted its permit to a permit to conduct greyhound racing
 2466 after that fiscal year. However, as a condition of cardroom
 2467 licensure, greyhound racing permitholders who are not conducting
 2468 a full schedule of live racing must conduct intertrack wagering
 2469 on thoroughbred signals, to the extent available, on each day of
 2470 cardroom operation. Harness racing and quarter horse racing

2471 permitholders that have held an operating license for 5 years
 2472 and a cardroom license for 5 years are exempt from the live
 2473 racing requirements of this subsection. Thoroughbred racing
 2474 permitholders located in a county with a population of more than
 2475 2.5 million who have had an operating license for 25 years and a
 2476 slot license for 5 years are exempt from the live racing
 2477 requirements of this subsection.

2478 (7) CONDITIONS FOR OPERATING A CARDROOM.-

2479 (b) Any cardroom operator may operate a cardroom at the
 2480 pari-mutuel facility daily throughout the year, if the
 2481 permitholder meets the requirements under paragraph (5) (b). The
 2482 cardroom may be open ~~a cumulative amount of 18 hours per day on~~
 2483 ~~Monday through Friday and 24 hours per day on Saturday and~~
 2484 ~~Sunday and on the holidays specified in s. 110.117(1).~~

2485 (9) DESIGNATED PLAYER GAMES AUTHORIZED.-

2486 (a) The division may authorize a cardroom operator that
 2487 does not possess slot machines or a slot machine license to
 2488 offer designated player games consisting of players making
 2489 wagers against another player. The maximum wager may not exceed
 2490 \$25.

2491 (b) The designated player must occupy a playing position
 2492 at the table and may not be required to cover all wagers or
 2493 cover more than ten times the minimum posted wager for players
 2494 seated during a single game.

2495 (c) Each seated player shall be afforded the temporary
 2496 opportunity to be the designated player to wager against

2497 multiple players at the same table; however, this position must
 2498 be rotated amongst the other seated players in the game. The
 2499 opportunity to be a designated player must be offered to each
 2500 player, in a clockwise rotation, after each hand. The
 2501 opportunity to be the designated player may be declined by a
 2502 player. A player participating as a designated player for 30
 2503 consecutive hands must subsequently play as a nondesignated
 2504 player for at least 2 hands before he or she may resume as the
 2505 designated player.

2506 (d) The cardroom operator may not serve as a designated
 2507 player in any game. The cardroom operator may not have any
 2508 direct or indirect financial or pecuniary interest in a
 2509 designated player in any game.

2510 (e) A designated player may only wager personal funds or
 2511 funds from a sole proprietorship. A designated player may not be
 2512 directly or indirectly financed or controlled by another party.
 2513 A designated player shall operate independently.

2514 (f) Designated player games offered by a cardroom operator
 2515 may not make up more than 25 percent of the total authorized
 2516 game tables at the cardroom.

2517 (g) Licensed pari-mutuel facilities that offer slot
 2518 machine gaming or video race terminals may not offer designated
 2519 player games.

2520 (h) The division may only authorize cardroom operators to
 2521 conduct designated player games if such games would not trigger
 2522 a reduction in revenue-sharing payments under the Gaming Compact

2523 between the Seminole Tribe of Florida and the State of Florida.

2524 (14)~~(13)~~ TAXES AND OTHER PAYMENTS.—

2525 (d)1. Each greyhound racing permitholder conducting live
 2526 racing and jai alai permitholder that operates a cardroom
 2527 facility shall use at least 4 percent of such permitholder's
 2528 cardroom monthly gross receipts to supplement greyhound purses
 2529 or jai alai prize money, respectively, during the permitholder's
 2530 current or next ensuing pari-mutuel meet.

2531 2. Each thoroughbred and harness horse racing permitholder
 2532 that operates a cardroom facility shall use at least 50 percent
 2533 of such permitholder's cardroom monthly net proceeds as follows:
 2534 47 percent to supplement purses and 3 percent to supplement
 2535 breeders' awards during the permitholder's next ensuing racing
 2536 meet.

2537 3. A ~~No~~ cardroom license or renewal thereof may not shall
 2538 be issued to an applicant holding a permit under chapter 550 to
 2539 conduct pari-mutuel wagering meets of quarter horse racing
 2540 unless the applicant has on file with the division a binding
 2541 written agreement between the applicant and the Florida Quarter
 2542 Horse Racing Association or the association representing a
 2543 majority of the horse owners and trainers at the applicant's
 2544 eligible facility, governing the payment of purses on live
 2545 quarter horse races conducted at the licensee's pari-mutuel
 2546 facility. The agreement governing purses may direct the payment
 2547 of such purses from revenues generated by any wagering or gaming
 2548 the applicant is authorized to conduct under Florida law. All

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2549 purses shall be subject to the terms of chapter 550.

2550 (h) One-quarter of the moneys deposited into the Pari-
 2551 mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by
 2552 October 1 of each year, be distributed to the local government
 2553 that approved the cardroom under subsection (17) ~~(16)~~; however,
 2554 if two or more pari-mutuel racetracks are located within the
 2555 same incorporated municipality, the cardroom funds shall be
 2556 distributed to the municipality. If a pari-mutuel facility is
 2557 situated in such a manner that it is located in more than one
 2558 county, the site of the cardroom facility shall determine the
 2559 location for purposes of disbursement of tax revenues under this
 2560 paragraph. The division shall, by September 1 of each year,
 2561 determine: the amount of taxes deposited into the Pari-mutuel
 2562 Wagering Trust Fund pursuant to this section from each cardroom
 2563 licensee; the location by county of each cardroom; whether the
 2564 cardroom is located in the unincorporated area of the county or
 2565 within an incorporated municipality; and, the total amount to be
 2566 distributed to each eligible county and municipality.

2567 (17) ~~(16)~~ LOCAL GOVERNMENT APPROVAL.—The Division of Pari-
 2568 mutuel Wagering may ~~shall~~ not issue any initial license under
 2569 this section except upon proof in such form as the division may
 2570 prescribe that the local government where the applicant for such
 2571 license desires to conduct cardroom gaming has voted to approve
 2572 such activity by a majority vote of the governing body of the
 2573 municipality or the governing body of the county if the facility
 2574 is not located in a municipality.

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2575 (18) ~~(17)~~ CHANGE OF LOCATION; ~~REFERENDUM.~~

2576 ~~(a)~~ Notwithstanding any provisions of this section, a ne
 2577 cardroom gaming license issued under this section may not ~~shall~~
 2578 be transferred, or reissued when such reissuance is in the
 2579 nature of a transfer, so as to permit or authorize a licensee to
 2580 change the location of the cardroom. except upon proof in such
 2581 ~~form as the division may prescribe that a referendum election~~
 2582 ~~has been held.~~

2583 1. ~~If the proposed new location is within the same county~~
 2584 ~~as the already licensed location, in the county where the~~
 2585 ~~licensee desires to conduct cardroom gaming and that a majority~~
 2586 ~~of the electors voting on the question in such election voted in~~
 2587 ~~favor of the transfer of such license. However, the division~~
 2588 ~~shall transfer, without requirement of a referendum election,~~
 2589 ~~the cardroom license of any permit holder that relocated its~~
 2590 ~~permit pursuant to s. 550.0555.~~

2591 2. ~~If the proposed new location is not within the same~~
 2592 ~~county as the already licensed location, in the county where the~~
 2593 ~~licensee desires to conduct cardroom gaming and that a majority~~
 2594 ~~of the electors voting on that question in each such election~~
 2595 ~~voted in favor of the transfer of such license.~~

2596 ~~(b)~~ ~~The expense of each referendum held under the~~
 2597 ~~provisions of this subsection shall be borne by the licensee~~
 2598 ~~requesting the transfer.~~

2599 Section 37. Subsection (9) of section 285.710, Florida
 2600 Statutes, is amended, and subsection (15) is added to that

2601 section, to read:

2602 285.710 Compact authorization.—

2603 (9) The moneys paid by the Tribe to the state for the
 2604 benefit of exclusivity under the compact ratified by this
 2605 section shall be deposited into the General Revenue Fund.

2606 (a) Three percent of the amount paid by the Tribe to the
 2607 state shall be designated as the local government share and
 2608 shall be distributed as provided in subsections (10) and (11).

2609 (b) Ten million dollars of the amount paid by the Tribe to
 2610 the state shall be designated as the thoroughbred purse pool
 2611 share and shall be distributed as provided in subsection (15).

2612 (15) The calculations necessary to determine the
 2613 thoroughbred purse pool share distributions shall be made by the
 2614 state compliance agency. The thoroughbred purse pool share shall
 2615 be distributed equally to any thoroughbred permitholder that has
 2616 conducted a full schedule of live races for 15 consecutive years
 2617 preceding the 2015-2016 fiscal year, that has never held a slot
 2618 machine license, and that is located in a county in which class
 2619 III gaming is conducted on Indian Lands, as long as the
 2620 thoroughbred permitholder uses the allocation for thoroughbred
 2621 racing purses and the operations of the permitholder's
 2622 thoroughbred racing facility.

2623 Section 38. The Division of Pari-mutuel Wagering of the
 2624 Department of Business and Professional Regulation shall revoke
 2625 any permit to conduct pari-mutuel wagering if a permitholder has
 2626 not conducted live events within the 24 months immediately

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2627 preceding the effective date of this act, unless the permit was
 2628 issued under s. 550.3345 or ss. 551.1041-551.1044, after meeting
 2629 the requirements of s. 551.104(2)(a)4. A permit revoked under
 2630 this section may not be reissued.

2631 Section 39. If any provision of this act or its
 2632 application to any person or circumstance is held invalid, the
 2633 invalidity does not affect other provisions or applications of
 2634 this act which can be given effect without the invalid provision
 2635 or application, and to this end the provisions of this act are
 2636 severable.

2637 Section 40. This act shall take effect upon becoming a
 2638 law, if PCB RAC 16-01 or similar legislation is adopted in the
 2639 same legislative session or an extension thereof and becomes
 2640 law.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB RAC 16-03 Voter Control of Gambling Expansion in Florida
SPONSOR(S): Regulatory Affairs Committee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Regulatory Affairs Committee		Anderson CA	Hamon <i>K.W.H.</i>

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."¹ 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."² Thus, the Legislature may regulate keno,³ bingo,⁴ and slot machines.⁵

Pari-mutuel wagering on horseracing and greyhound racing was authorized by statute in 1931 and on jai alai in 1935.⁶ 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.⁷ 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 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.⁸

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

² *Id.*

³ *Overby v. State*, 18 Fla. 178, 183 (1881).

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

⁵ 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).

⁶ *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.

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

⁸ 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.⁹ 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.¹⁰ 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.

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

¹⁰ 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 \$157,589.23.¹¹

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.¹² 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.¹³

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.

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

¹² FLA. CONST. art. XI, s. 1.

¹³ FLA. CONST. art. XI, s. 5.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

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

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

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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.

**Other Resources
And Information**

RAC PCB 16-01: Gaming Compact Between the Seminole Tribe of Florida and the State of Florida

1	Compact Ratification	Ratifies the new 20-year Seminole gaming Compact signed by Governor Scott on 12-07-2015. The Compact has a 7-year minimum guarantee of \$3 billion in revenue sharing to the state.
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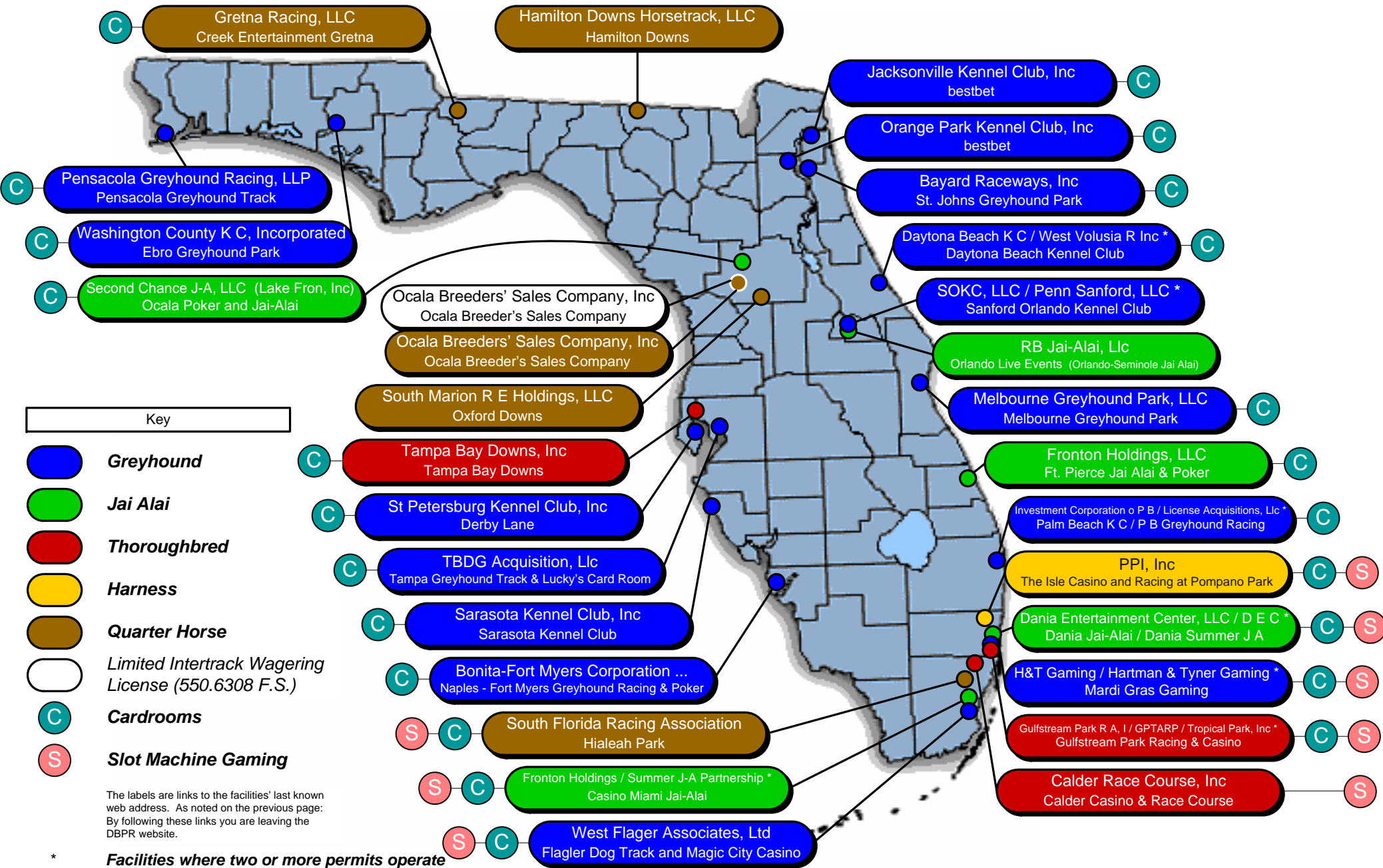
RAC PCB 16-02: Gaming

2	Moratorium on New Permits and Relocation of Existing Permits	Prohibits the issuance of new permits, except as provided in this act, and the relocation of existing permits.
3	Dormant Permits Revocation	Revokes all dormant permits.
4	Removing the Requirement of Pari-Mutuel Wagering (PMW) Live Events [Decoupling]	Decouples greyhound, quarter horse, and harness racing. Eliminates tax credits and lowers tax rate. Jai Alai is not decoupled. Thoroughbred racing is not decoupled, except Calder Race Course has the option to decouple. Creates an annual \$10 million thoroughbred purse pool for Tampa Bay Downs from Compact revenue.
5	New Slot Machine Locations	Authorizes slot machines at 1 existing location in Palm Beach and 1 new location in Miami-Dade with 500 slot machines and 250 Video Race Terminals, increasing to 750 slot machines and 750 Video Race Terminals after 3 years, both with a \$5 bet limit. [Video Race Terminals only authorized at these two facilities.] Creates a competitive bid process to select the new Miami-Dade location. Requires an applicant to acquire existing permits and forfeit such permits to the state. This location is also authorized for a cardroom and intertrack wagering. Requires the Palm Beach location to forfeit one existing permit to be eligible to receive a slots license.
6	Slot Machine and Tax Reductions	Reduces slot tax rate to 30% (currently 35%) and reduces the maximum authorized slot machines at PMW facilities to 1,750 (currently 2,000). Option for such facilities to reduce their tax rate to 25% if they agree to reduce maximum authorized machines to 1,500 per facility.
7	Designated Player Card Games	Authorizes designated player games with specific limitations for facilities that do not have slot machines or Video Race Terminals.
8	Reporting of Greyhound Injuries	Requires reporting of racing greyhound injuries.

RAC PCB 16-03: Voter Control of Gambling Expansion in Florida

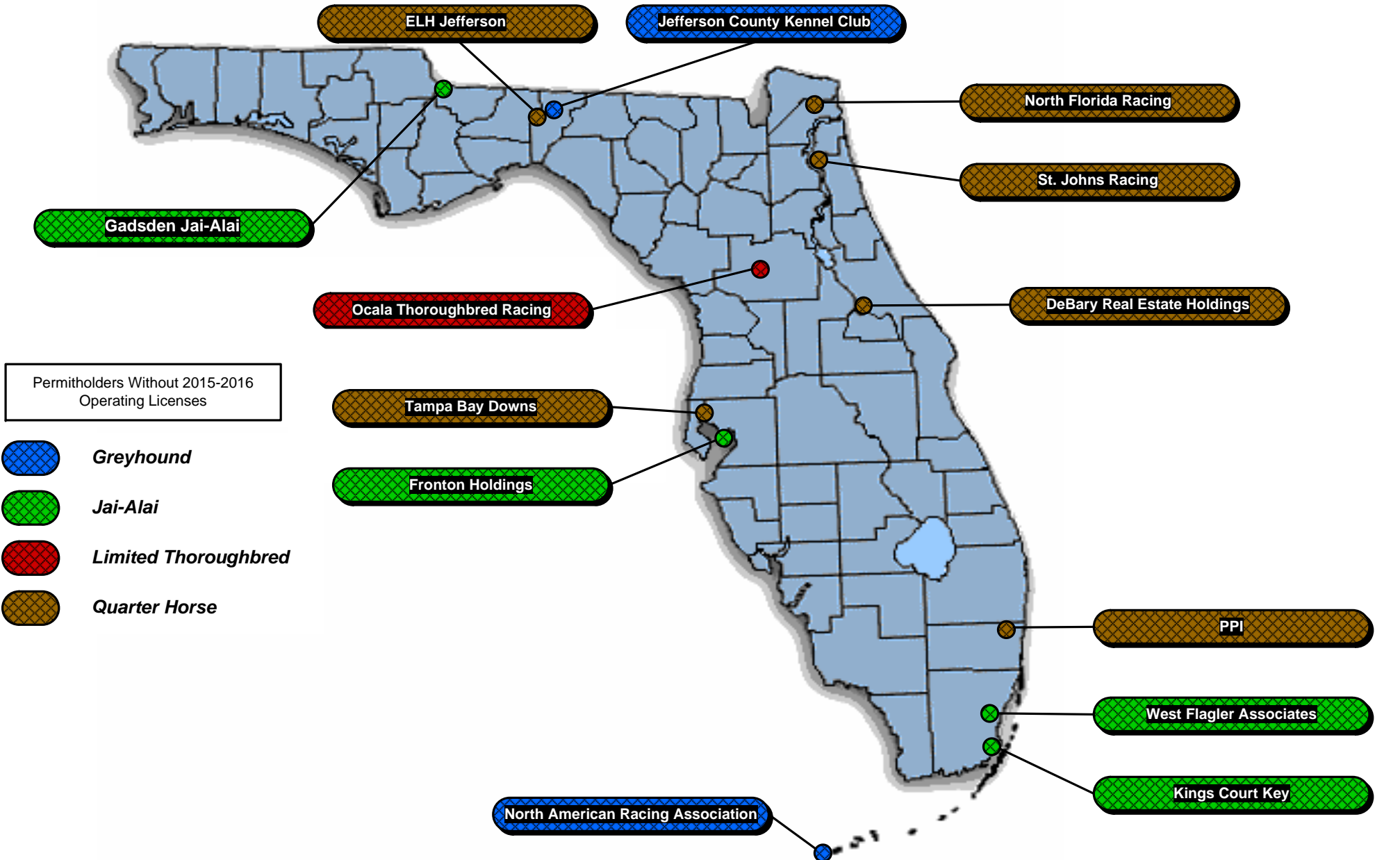
9	Constitutional Limit on Gambling Expansion	Amends the Florida Constitution to limit future gambling expansion. If approved by the voters, any future expansion would require the approval of a constitutional amendment proposed by initiative petition.
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Pari-Mutuel Permitholders with 2015-2016 Operating Licenses

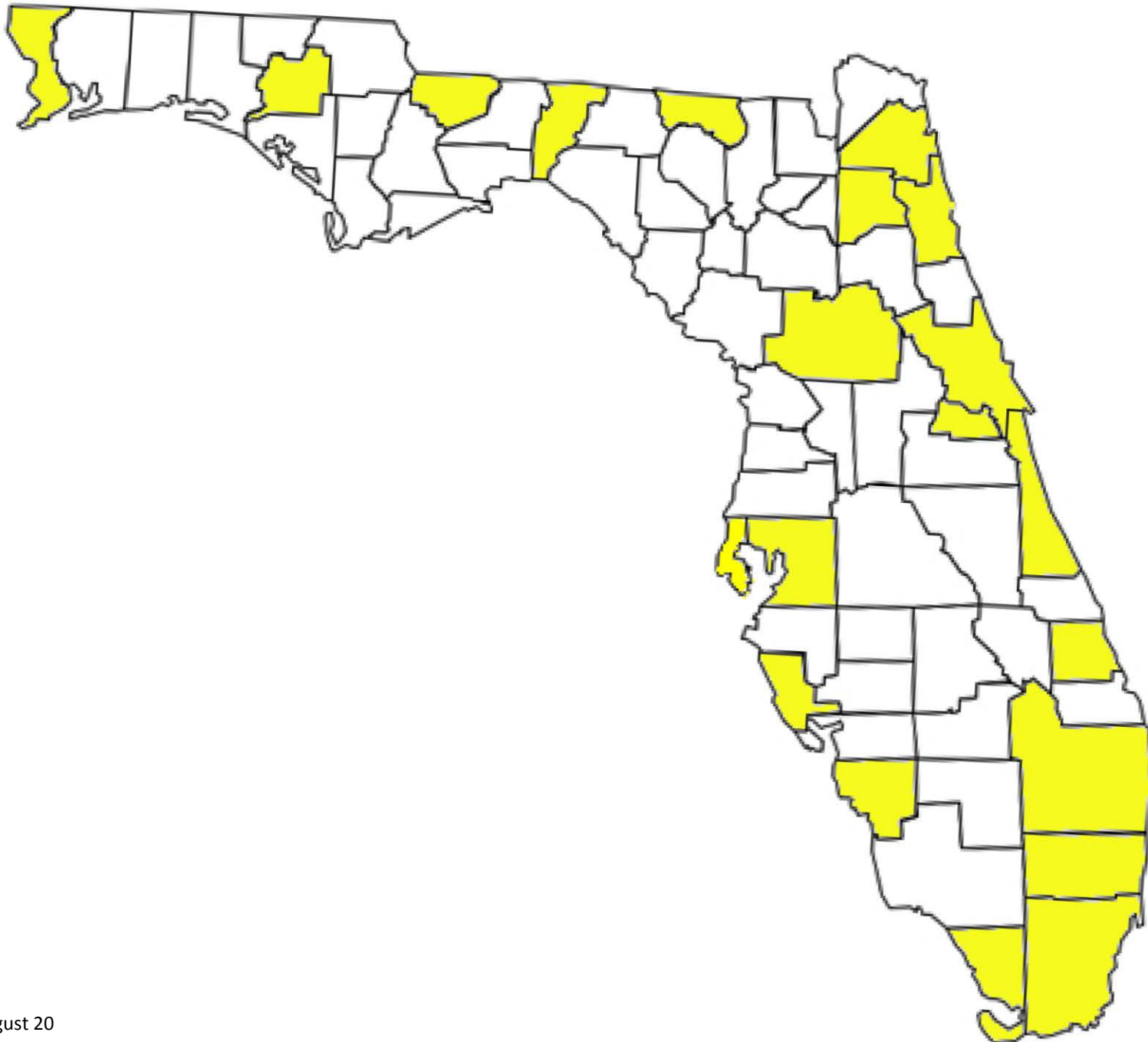


Pari-Mutuel Permitholders Without 2015-2016 Operating Licenses

by Permit Type

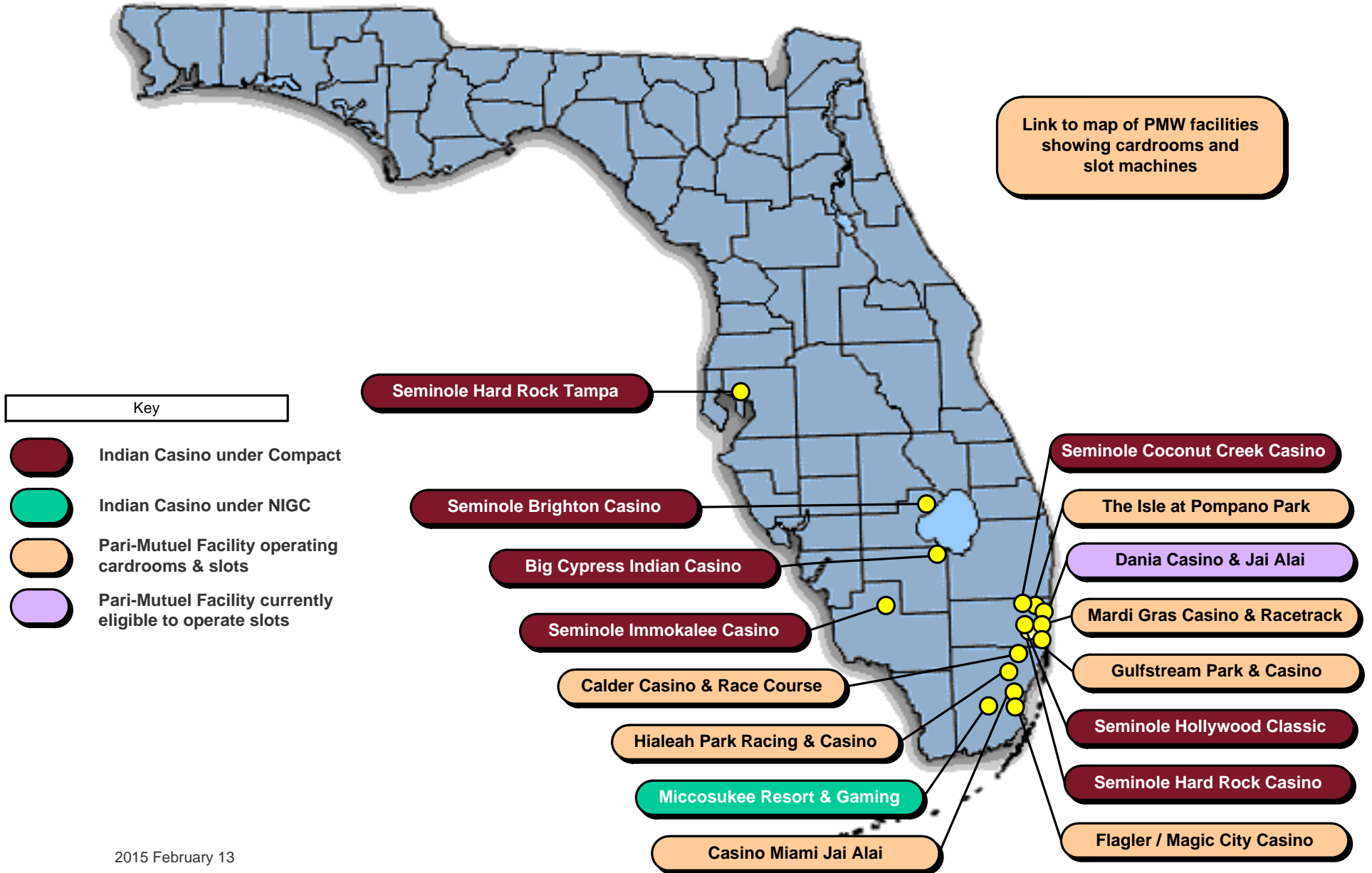


Pari-Mutuel Permits by County



Indian Casinos and Pari-Mutuel Slot Machine Facilities

Links to facilities' websites for further information



Current Permitholders

PERMIT NO.	CORPORATE NAME	OPERATING NAME	CITY	COUNTY	LAST YEAR LICENSED
GREYHOUND RACING PERMITS					
0000140	TBDG ACQUISITION, LLC	TAMPA GREYHOUND TRACK & LUCKY'S CARD ROOM	TAMPA	HILLSBOROUGH	2015-16
0000141	H & T GAMING, INC.	MARDI GRAS GAMING		MIAMI-DADE	2015-16
0000142	BONITA-FORT MYERS CORPORATION	NAPLES-FT. MYERS GREYHOUND RACING & POKER	BONITA SPRINGS	LEE	2015-16
0000143	DAYTONA BEACH KENNEL CLUB, INC.		DAYTONA BEACH	VOLUSIA	2015-16
0000144	HARTMAN & TYNER, INC.	MARDI GRAS GAMING	HALLANDALE	BROWARD	2015-16
0000145	JACKSONVILLE KENNEL CLUB, INC.	BESTBET	JACKSONVILLE	DUVAL	2015-16
0000146	JEFFERSON COUNTY KENNEL CLUB, INC.		MONTICELLO	JEFFERSON	2014-15****
0000148	ORANGE PARK KENNEL CLUB, INC.	BESTBET	ORANGE PARK	CLAY	2015-16
0000149	INVESTMENT CORPORATION OF PALM BEACH	PALM BEACH KENNEL CLUB	WEST PALM BEACH	PALM BEACH	2015-16
0000150	PENSACOLA GREYHOUND RACING, LLP	PENSACOLA GREYHOUND TRACK	PENSACOLA	ESCAMBIA	2015-16
0000151	ST. PETERSBURG KENNEL CLUB, INC.	DERBY LANE	ST. PETERSBURG	PINELLAS	2015-16
0000152	SOKC, LLC	SANFORD ORLANDO KENNEL CLUB	LONGWOOD	SEMINOLE	2015-16
0000153	SARASOTA KENNEL CLUB, INC.		SARASOTA	SARASOTA	2015-16
0000154	WASHINGTON COUNTY KENNEL CLUB, INC.	EBRO GREYHOUND PARK	EBRO	WASHINGTON	2015-16
0000155	WEST FLAGLER ASSOCIATES, LTD.	FLAGLER DOG TRACK & MAGIC CITY CASINO	MIAMI	MIAMI-DADE	2015-16
0000156	NORTH AMERICAN RACING ASSOCIATION, INC.		KEY WEST	MONROE	1990-91
0000157	BAYARD RACEWAYS, INC.	ST. JOHNS GREYHOUND PARK	JACKSONVILLE	ST. JOHNS	2015-16
0000158	PENN SANFORD, LLC	SANFORD ORLANDO KENNEL CLUB	LONGWOOD	SEMINOLE	2015-16
0000171	LICENSE ACQUISITIONS, LLC	PALM BEACH GREYHOUND RACING	WEST PALM BEACH	PALM BEACH	2015-16
0000175	WEST VOLUSIA RACING, INC.		DAYTONA BEACH	VOLUSIA	2015-16
0000176	MELBOURNE GREYHOUND PARK, LLC		MELBOURNE	BREVARD	2015-16
JAI-ALAI PERMITS					
0000270	RB JAI ALAI, LLC	ORLANDO LIVE EVENTS	FERN PARK	SEMINOLE	2015-16
0000272	FRONTON HOLDINGS, LLC	TAMPA JAI-ALAI	TAMPA	HILLSBOROUGH	1998-99
0000273	FRONTON HOLDINGS, LLC	CASINO MIAMI JAI-ALAI	MIAMI	MIAMI-DADE	2015-16
0000274	DANIA ENTERTAINMENT CENTER, LLC	DANIA JAI-ALAI	DANIA	BROWARD	2015-16
0000277	LAKE FRON, INC. (UNDER LEASE TO SECOND CHANCE JAI-ALAI, LLC, DBA OCALA POKER & JAI-ALAI)	OCALA POKER & JAI-ALAI	OCALA	MARION	2015-16
0000278	FRONTON HOLDINGS, LLC	FORT PIERCE JAI-ALAI & POKER	FT. PIERCE	ST. LUCIE	2015-16
0000279	GADSDEN JAI-ALAI, INC.		CHATTAHOOCHEE	GADSDEN	1989-90
0000280	SUMMER JAI ALAI PARTNERSHIP			MIAMI-DADE	2015-16***
0000281	DANIA ENTERTAINMENT CENTER, LLC	DANIA SUMMER JAI-ALAI	DANIA	BROWARD	2015-16***
0000283	WEST FLAGLER ASSOCIATES, LTD.	MAGIC CITY JAI ALAI	MIAMI	MIAMI-DADE	2013-14***
0000284	KINGS COURT KEY, LLC		Florida City	MIAMI-DADE	***

Current Permitholders

PERMIT NO.	CORPORATE NAME	OPERATING NAME	CITY	COUNTY	LAST YEAR LICENSED
THOROUGHBRED RACING PERMITS					
0000320	TAMPA BAY DOWNS, INC.		OLDSMAR	HILLSBOROUGH	2015-16
0000321	GULFSTREAM PARK RACING ASSOCIATION, INC.	GULFSTREAM PARK RACING & CASINO	HALLANDALE	BROWARD	2015-16
0000323	TROPICAL PARK, LLC		MIAMI	MIAMI-DADE	2015-16
0000325	CALDER RACE COURSE, INC.	CALDER CASINO & RACE COURSE	MIAMI	MIAMI-DADE	2015-16
LIMITED THOROUGHBRED RACING PERMITS					
0000336	GULFSTREAM PARK THOROUGHBRED AFTER RACING PROGRAM, INC.		HALLANDALE	BROWARD	2015-16
0000349	OCALA THOROUGHBRED RACING, INC.		OCALA	MARION	
HARNESS RACING PERMITS					
0000430	PPI, INC.	THE ISLE CASINO AND RACING AT POMPANO PARK	POMPANO BEACH	BROWARD	2015-16
QUARTER HORSE RACING PERMITS					
0000535	PPI, INC.	POMPANO PARK RACING	POMPANO BEACH	BROWARD	1991
0000537	TAMPA BAY DOWNS, INC.		OLDSMAR	HILLSBOROUGH	1975
0000539	ELH JEFFERSON, LLC			JEFFERSON	*
0000542	GRETNA RACING, LLC	CREEK ENTERTAINMENT GRETNA	GRETNA	GADSDEN	2015-16
0000543	DEBARY REAL ESTATE HOLDINGS, LLC		DEBARY	VOLUSIA	*
0000544	SOUTH FLORIDA RACING ASSOCIATION, LLC	HIALEAH PARK	HIALEAH	MIAMI-DADE	2015-16
0000545	SOUTH MARION REAL ESTATE HOLDINGS, LLC	OXFORD DOWNS		MARION	2015-16
0000546	ST. JOHNS RACING, INC.			ST. JOHNS	*
0000547	HAMILTON DOWNS HORSETRACK, LLC		JENNINGS	HAMILTON	2015-16
0000548	NORTH FLORIDA RACING, INC.		JACKSONVILLE	DUVAL	*
0000950	OCALA BREEDERS' SALES COMPANY, INC.		OCALA	MARION	2015-16**
NONWAGERING ARABIAN HORSE RACING PERMIT					
0000600	OCALA ARABIAN BREEDERS SOCIETY, INC.		OCALA	MARION	1988
NONWAGERING HARNESS RACING PERMITS					
0000601	FLA. STANDARD BRED BREEDERS' & OWNERS' ASSN.		POMPANO BEACH	BROWARD	2016
0000603	PASCO TROTTING AND PACING ASSOCIATION, INC.		DADE CITY	PASCO	1994-95
NONWAGERING QUARTER HORSE RACING PERMIT					
0000602	SUWANNEE VALLEY RACING ASSOCIATION, INC.		LAKE CITY	COLUMBIA	1991
NONWAGERING HORSE RACING PERMIT					
0000604	NORTH FLORIDA HORSEMEN'S ASSOCIATION, INC.		GRETNA	GADSDEN	2016

* Never licensed as quarter horse

** Also licensed for Limited Intertrack Wagering and Non-Wagering Horse Racing

*** Summer jai alai permits are only authorized to operate from May 1 - November 30

**** 2014-15 license suspended

Proposed 2015 Compact: Revenue Overview (Simple Ratification)

January 27, 2016

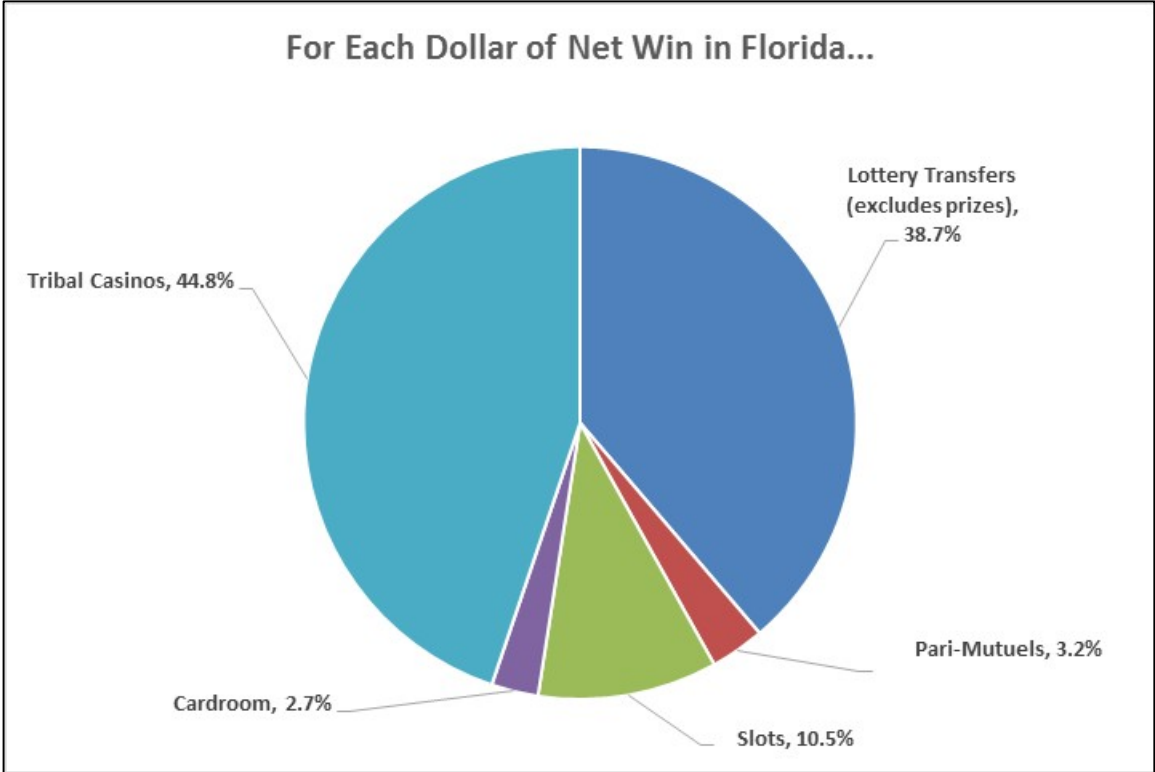
Presented by:



The Florida Legislature
Office of Economic and
Demographic Research
850.487.1402
<http://edr.state.fl.us>

Gaming in General...

FY 2014-15		(Amount in millions)	
Florida		State Revenues	Net Win
Lottery Transfers (excludes prizes)	\$	1,479.00	\$ 1,918.80
Pari-Mutuels	\$	12.59	\$ 157.58
Slots	\$	182.20	\$ 520.57
Cardroom	\$	14.34	\$ 135.89
Tribal Casinos	\$	248.50	\$ 2,218.90
Total	\$	1,936.63	\$ 4,951.74
Dollar Total Per Capita (18+)	\$	122.26	\$ 312.62



Current Indian Gaming Compact...

- The existing Compact has a term of 20 years, which began the first day of the month following the publication of the notice of approval in the Federal Register --- effectively August 1, 2010. Based on this, the expiration date is July 31, 2030.
- An exception was made for the authorization of banking or banked card games (including baccarat, chemin de fer, and blackjack). That authorization expired July 31, 2015.
- Roulette, craps, roulette-styled games, and craps-styled games were expressly prohibited.
- The covered games can be offered at all seven facilities, but two are slots-only:
 - Seminole Indian Casino – Brighton (Glades) --- **Slots Only**
 - Seminole Indian Casino – Coconut Creek (Broward)
 - Seminole Indian Casino – Hollywood (Broward)
 - Seminole Indian Casino – Immokalee (Collier)
 - Seminole Indian Casino – Big Cypress (Hendry) --- **Slots Only**
 - Seminole Hard Rock Hotel & Casino – Hollywood (Broward)
 - Seminole Hard Rock Hotel & Casino – Tampa (Hillsborough)

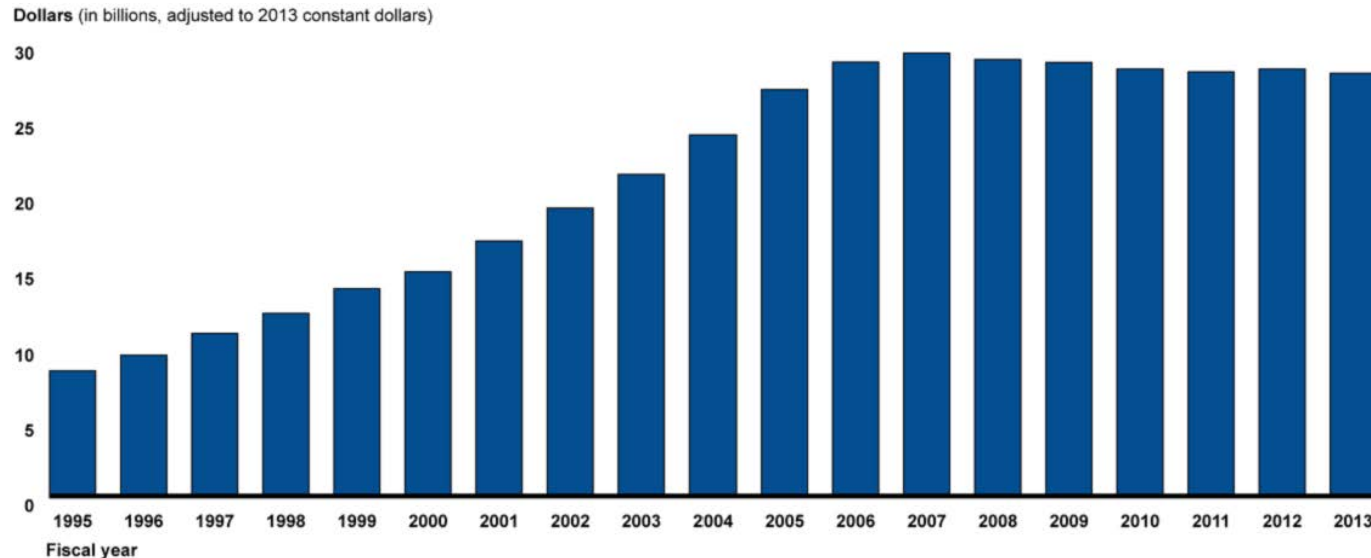
Revenue Sharing Details...

- **Guaranteed Minimum Payments were required for the first five years of the Compact which totaled \$1.0 billion.**
 - **\$150 million for Fiscal Years 2010-11 and 2011-12 ✓**
 - **\$233 million for Fiscal Years 2012-13 and 2013-14 ✓**
 - **\$234 million for Fiscal Year 2014-15 ✓**
- If the Revenue Sharing calculation exceeded the Minimum Guarantee, a True-up Payment had to be made.
 - True-up payments were generated in Fiscal Years 2012-13, 2013-14 and 2014-15; each payment was received in the immediately following fiscal year.
- The Compact also provides the following Revenue Sharing schedule.
 - 12% of Net Win up to \$2 billion (**in place through 2012-13**)
 - 15% of Net Win between \$2 billion and \$3 billion (**triggered in 2013-14**)
 - 17.5% of Net Win between \$3 billion and \$3.5 billion (**not reached in forecast**)
 - 20% of Net Win between \$3.5 billion and \$4 billion (**not reached in forecast**)
 - 22.5% of Net Win between \$4 billion and \$4.5 billion (**not reached in forecast**)
 - 25% of Net Win over \$4.5 billion (**not reached in forecast**)

Indian Gaming Across States...

Florida's estimate assumes annual long-term growth of about 1.6% per year, but slightly higher growth rates over the next few years.

Growth of Indian Gaming Revenues, Fiscal Years from 1995 to 2013 (GAO)

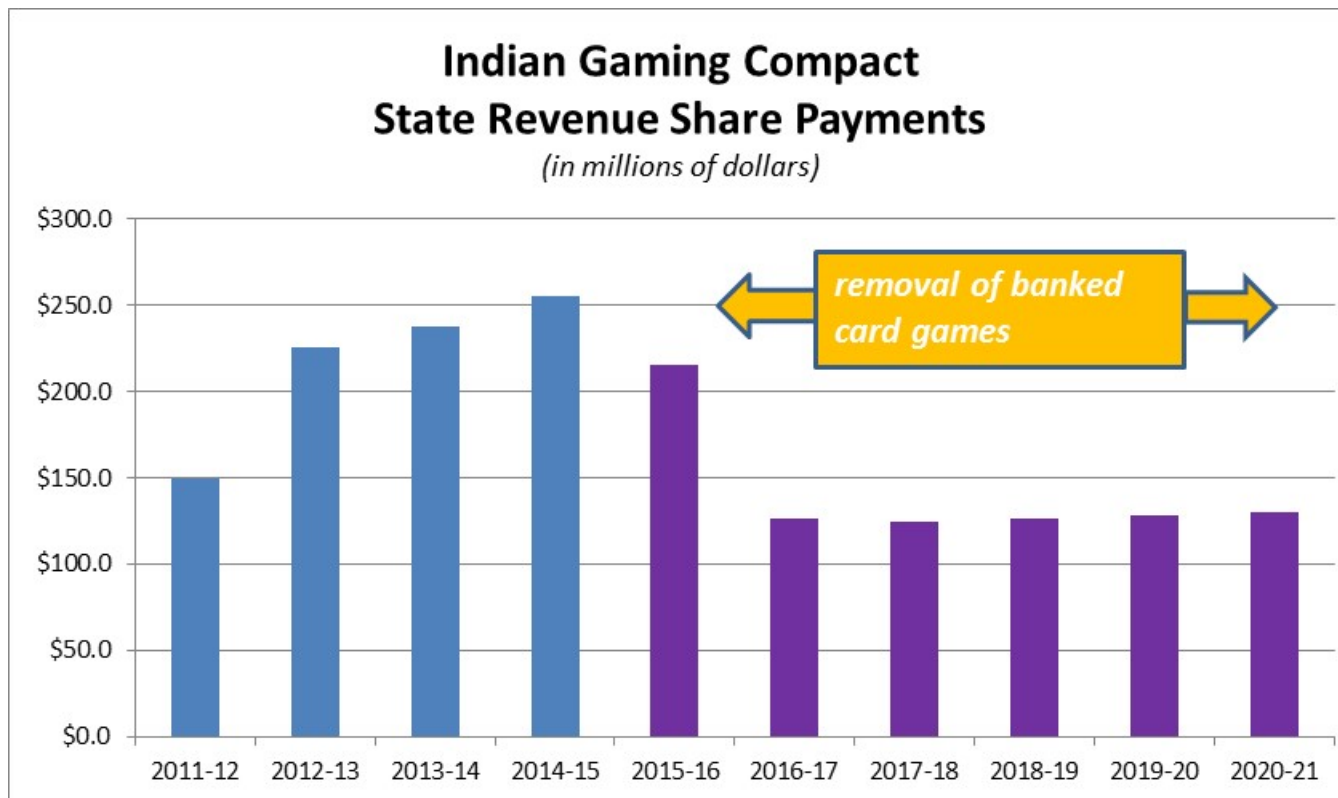


Source: GAO analysis of National Indian Gaming Commission data. | GAO-15-355

- In fiscal year 2013, about 240 of the 566 federally recognized tribes operated more than 400 Indian gaming operations across 28 states, generating \$28.0 billion. These establishments included a broad range of operations, from tribal bingo to multimillion dollar casino gaming facilities. Of these establishments, a few large operations account for a major portion of the revenue. [GAO-15-355T]

- HISTORY...** True-up payments are received the year after they are generated, so they appear here in Fiscal Years 2013-14 (\$4.3m), 2014-15 (\$21.7m), and 2015-16 (\$38.8 m). By the end of FY 2014-15, the Compact generated \$1.0648 billion in revenue sharing over its first five years (\$1 billion through the minimum payments, and \$64.8 million in true-up payments).

- FORECAST...** The Revenue Estimating Conference's convention of looking at current law / current administration means that the current forecast assumes that the authorization expires. This removes all revenue sharing related to Broward County, as well as the banked card games for the remainder of the forecast. FY 2015-16 contains the mid-year transition.



Proposed Compact...

The Revenue Estimating Conference considered the simple ratification of the Compact, with no other changes. The key revenue provisions are:

- 1) IGRA approval prior to June 30, 2016, and application of the new Compact provisions to the entire 2015-16 fiscal year.
- 2) Restoration of banked card games (and all of the share from Broward).
- 3) Extension of banked card games to potentially two facilities (Brighton and Big Cypress).
- 4) Addition of Craps and Roulette at potentially all seven facilities.
- 5) New Revenue Sharing brackets and guarantee.

Adjustments to Net Win...

Net Win	Current Forecast	Add Back Broward + Banked Card Games	Add New Banked Card Games at 2 Facilities	Add New Craps & Roulette	Total
2015-16	1,428.0	879.7	**	**	2,307.7
2016-17	1,017.8	1,359.1	8.6	40.6	2,426.1
2017-18	1,038.2	1,386.3	8.8	41.4	2,474.6
2018-19	1,054.4	1,407.9	8.9	42.0	2,513.2
2019-20	1,070.8	1,429.9	9.0	42.7	2,552.4
2020-21	1,087.5	1,452.2	9.2	43.4	2,592.2
2021-22	1,104.5	1,474.9	9.3	44.0	2,632.7
2022-23	1,121.7	1,497.9	9.5	44.7	2,673.8
2023-24	1,139.2	1,521.2	9.6	45.4	2,715.5

Based on Nevada;
assumes 45 tables.

Revenue Sharing Adjustments...

The term of the 2015 Compact is from its effective date through June 30, 2036.

- **Initial Payment Period (IPP)**... runs from the effective date to June 30, 2017. During the Initial Payment Period, the revenue share rates and brackets are equal to those in the 2010 Compact.
- **Guarantee Payment Period (GPP)**... runs through the seven-year period beginning July 1, 2017 and ending June 30, 2024. During the Guarantee Payment Period, the Tribe will make payments as specified, ranging from \$325 million in the first year to \$550 million in the last year, for a total of \$3 billion.

- At the end of the seven-year period, a **true-up payment** is required if the amount due using the revenue share rates and brackets outlined in the 2015 Compact would have generated more than \$3 billion.

New Revenue Sharing Rates (effective July 1, 2017)

Brackets	Current		difference
	Compact	2015 Compact	
\$0-\$2.0B	12.0%	13.0%	1.0%
\$2.0B-\$3.0B	15.0%	17.5%	2.5%
\$3.0B-\$3.5B	17.5%	17.5%	0.0%
\$3.5B-\$4.0B	20.0%	20.0%	0.0%
\$4.0B-\$4.5B	22.5%	22.5%	0.0%
\$4.5B+	25.0%	25.0%	0.0%

Revenue Sharing

	Current <u>Forecast</u>	2015 <u>Compact</u>	<u>Impact</u>	
2015-16	215.4	286.2	70.7	Initial Payment Period
2016-17	126.2	303.9	177.7	
2017-18	124.4	325.0	200.6	
2018-19	126.4	350.0	223.6	Guarantee Payment Period
2019-20	128.3	375.0	246.7	
2020-21	130.3	425.0	294.7	
2021-22	132.4	475.0	342.6	
2022-23	134.4	500.0	365.6	
2023-24	136.5	550.0	413.5	

Amounts shown for the new Compact are by year of obligation (not receipt). The Compact establishes the actual amount due to the State for each of the seven years in the Guarantee period.

At this time, the Conference does not believe a true-up payment will be needed. The minimum guarantee generates more than the application of the brackets over the seven-year period. Even with the changes set in motion by the new Compact, the state does not move out of the second bracket (net win greater than \$3 billion) in the forecast window.

Revenue Sharing			
	2015 Compact Minimum <u>Guarantee</u>	2015 Compact Revenue Share <u>Calculated</u>	<u>difference</u>
2017-18	325.0	343.1	-18.1
2018-19	350.0	349.8	0.2
2019-20	375.0	356.7	18.3
2020-21	425.0	363.6	61.4
2021-22	475.0	370.7	104.3
2022-23	500.0	377.9	122.1
2023-24	<u>550.0</u>	<u>385.2</u>	<u>164.8</u>
7-Year	3,000.0	2,547.0	453.0

Key Assumption for Impact Conference...

- Cannibalization—creating demand for one product at the expense of another; substitution of one purchase for another. It can be detected through:
 - The shifting among state revenue sources when the gambling product is a substitute purchase replacing the purchase of another good which would have been taxed in a different manner. (+ or – depending on the difference in tax rates)
 - The shifting among gambling products that are substitutes for each other. (+ or - depending on the difference in tax rates)
 - The shifting between a nontaxable purchase to a taxed gambling product. (+)
- Conference assumed that the additional \$40+ million from craps and roulette would mostly come from additional out-of-state visitors and Floridians who used to leave the state to play this type of game—essentially eliminating the cannibalization effect from this change. This comports with the Tribe’s stated plans to attract additional tourists.

Adjustments Not Included...

- Stated intention to undertake significant fixed capital investment, since no guarantees or deadlines were provided.
- New non-tribal gaming and other adjustments authorized by the compact, but requiring additional legislation.
- Cash Adjustments to line the estimate up with state fiscal years.

**Initial Payment Period
Comparison of Cash Numbers for Fiscal Years 2015-16 and 2016-17**

Current Forecast		2015 Compact		difference
	<i>FY15-16</i>		<i>FY15-16</i>	<i>FY15-16</i>
✓ june 14-15	19.5	✓ june 14-15	19.5	0.0
jul-may 15-16	157.1	jul-may 15-16	262.3	105.2
true-up	<u>38.8</u>	true-up	<u>38.8</u>	<u>0.0</u>
	215.4		320.6	105.2
	<i>FY16-17</i>		<i>FY16-17</i>	<i>FY16-17</i>
✓ june 15-16	14.3	✓ june 15-16	23.8	9.6
jul-may 16-17	<u>112.0</u>	jul-may 16-17	<u>278.6</u>	<u>166.6</u>
	126.2		302.4	176.2

Difference column shows additional \$281.4 million that could be appropriated in the upcoming budget.