A bill to be entitled
An act relating to the horse racing industry;
providing legislative findings; directing the Animal
Industry Technical Council within the Department of
Agriculture and Consumer Services to prepare a report
on the state's equine breeding and racing industry;
requiring submission of the report to the Commissioner
of Agriculture and the Legislature by a specified
date; amending s. 551.104, F.S.; requiring an
applicant for a slot machine license or renewal
thereof holding a harness horse racing permit to have
on file with the Division of Pari-mutuel Wagering of
the Department of Business and Professional Regulation
an agreement between the applicant and the Florida
Standardbred Breeders and Owners Association, Inc.,
governing purses and certain awards; providing an
effective date.

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

Section 1. The Legislature finds that the state's equine
breeding and racing industry has a long-established history in
Florida's agricultural and pari-mutuel community, and it is
necessary to review the current state of that industry and its
ancillary economic and workforce implications regarding the
state's equine pari-mutuel industry, equine industry service
providers, and equine veterinary services industry. The Animal Industry Technical Council created under s. 570.38, Florida Statutes, shall prepare a report containing an assessment of the current state of the equine breeding and racing industry relevant to those equine breeds participating in pari-mutuel events under chapters 550 and 551, Florida Statutes. The report shall include data regarding the annual fiscal impact of the equine breeding and racing industry on the state's economy and workforce and shall provide recommendations for sustained economic and workforce growth within the industry. The report shall be submitted to the Commissioner of Agriculture, the President of the Senate, and the Speaker of the House of Representatives by December 31, 2014.

Section 2. Subsection (10) of section 551.104, Florida Statutes, is amended to read:

551.104 License to conduct slot machine gaming.—

(10)(a)1. A no slot machine license or renewal thereof may not be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of thoroughbred racing unless the applicant has on file with the division a binding written agreement between the applicant and the Florida Horsemen's Benevolent and Protective Association, Inc., governing the payment of purses on live thoroughbred races conducted at the licensee's pari-mutuel facility. In addition, a no slot machine license or renewal thereof may not be issued to such an applicant unless the applicant has on file
with the division a binding written agreement between the applicant and the Florida Thoroughbred Breeders' Association, Inc., governing the payment of breeder breeders', stallion, and special racing awards on live thoroughbred races conducted at the licensee's pari-mutuel facility. The agreement governing purses and the agreement governing awards may direct the payment of such purses and awards from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses and awards shall be subject to the terms of chapter 550. All sums for breeder breeders', stallion, and special racing awards shall be remitted monthly to the Florida Thoroughbred Breeders' Association, Inc., for the payment of awards subject to the administrative fee authorized in s. 550.2625(3).

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

3. A slot machine license or renewal thereof may not be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of harness horse racing unless the applicant has on file with the division a binding written agreement between the applicant and the Florida Standardbred Breeders and Owners Association, Inc., governing the payment of purses on live harness horse races conducted at the licensee's pari-mutuel facility. In addition, a slot machine license or renewal thereof may not be issued to an applicant unless the applicant has on file with the division a binding written agreement between the applicant and the Florida Standardbred Breeders and Owners Association, Inc., governing the payment of breeder and stallion awards on live harness horse races conducted at the licensee's pari-mutuel facility. The agreement governing purses and the agreement governing awards may direct the payment of such purses and awards from revenues generated by any wagering or gaming that the applicant is authorized to conduct. All purses and awards are subject to the terms of chapter 550. All sums for breeder and stallion awards shall be remitted monthly to the Florida Standardbred Breeders and Owners Association, Inc., for the payment of awards subject to the administrative fee authorized in s. 550.2625(4).

(b) The division shall suspend a slot machine license if one or more of the agreements required under paragraph (a) are
terminated or otherwise cease to operate or if the division
determines that the licensee is materially failing to comply
with the terms of such an agreement. Any such suspension shall
take place in accordance with chapter 120.

(c)1. If an agreement required under paragraph (a) cannot
be reached before prior to the initial issuance of the slot
machine license, either party may request arbitration, or, in
the case of a renewal, if an agreement required under paragraph
(a) is not in place 120 days before prior to the scheduled
expiration date of the slot machine license, the applicant shall
immediately ask the American Arbitration Association to furnish
a list of 11 arbitrators, each of whom shall have at least 5
years of commercial arbitration experience and no financial
interest in or prior relationship with any of the parties or
their affiliated or related entities or principals. Each
required party to the agreement shall select a single arbitrator
from the list provided by the American Arbitration Association
within 10 days after receipt, and the individuals so selected
shall choose one additional arbitrator from the list within the
next 10 days.

2. If an agreement required under paragraph (a) is not in
place 60 days after the request under subparagraph 1. in the
case of an initial slot machine license or, in the case of a
renewal, 60 days before prior to the scheduled expiration date
of the slot machine license in the case of a renewal, the matter
shall be immediately submitted to mandatory binding arbitration
to resolve the disagreement between the parties. The three arbitrators selected pursuant to subparagraph 1. shall constitute the panel that shall arbitrate the dispute between the parties pursuant to the American Arbitration Association Commercial Arbitration Rules and chapter 682.

3. At the conclusion of the proceedings, which shall be no later than 90 days after the request under subparagraph 1. in the case of an initial slot machine license or, in the case of a renewal, 30 days before prior to the scheduled expiration date of the slot machine license in the case of a renewal, the arbitration panel shall present to the parties a proposed agreement that the majority of the panel believes equitably balances the rights, interests, obligations, and reasonable expectations of the parties. The parties shall immediately enter into such agreement, which shall satisfy the requirements of paragraph (a) and permit issuance of the pending annual slot machine license or renewal. The agreement produced by the arbitration panel under this subparagraph shall be effective until the last day of the license or renewal period or until the parties enter into a different agreement. Each party shall pay its respective costs of arbitration and shall pay one-half of the costs of the arbitration panel, unless the parties otherwise agree. If the agreement produced by the arbitration panel under this subparagraph remains in place 120 days before prior to the scheduled issuance of the next annual license renewal, then the arbitration process established in this paragraph will begin
again.

4. In the event that neither of the agreements required under subparagraph (a)1. or the agreement required under subparagraph (a)2. are in place by the deadlines established in this paragraph, arbitration regarding each agreement will proceed independently, with separate lists of arbitrators, arbitration panels, arbitration proceedings, and resulting agreements.

5. With respect to the agreements required under paragraph (a) governing the payment of purses, the arbitration and resulting agreement called for under this paragraph shall be limited to the payment of purses from slot machine revenues only.

(d) If any provision of this subsection or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this subsection or chapter which can be given effect without the invalid provision or application, and to this end the provisions of this subsection are severable.

Section 3. This act shall take effect upon becoming a law.