

Tab 1 CS/SB 2 by ED, Galvano; (Identical to H 0003) Higher Education

525260	PCS	S	AP, AHE		02/10 08:56 AM
266322	A	S	AP, Galvano	Delete L.62 - 72:	02/22 08:56 AM
735718	A	S	AP, Galvano	btw L.421 - 422:	02/22 08:56 AM
840626	A	S	AP, Flores, Galvano	btw L.609 - 610:	02/22 08:28 AM
749062	A	S	AP, Galvano	btw L.609 - 610:	02/22 08:55 AM
945716	A	S	AP, Galvano	btw L.616 - 617:	02/22 08:56 AM

Tab 2 SB 4 by Galvano; (Identical to H 0005) Faculty Recruitment

270964	A	S	AP, Galvano	Delete L.101 - 119:	02/22 08:55 AM
--------	---	---	-------------	---------------------	----------------

Tab 3 SB 8 by Galvano; (Compare to H 0149) Gaming

496100	D	S	AP, Galvano	Delete everything after	02/22 08:53 AM
--------	---	---	-------------	-------------------------	----------------

Tab 4 SB 58 by Grimsley; (Similar to H 0059) Adult Cardiovascular Services

819118	A	S L	AP, Bean	Before L.11:	02/22 09:14 AM
366510	AA	S	AP, Bean	Delete L.12 - 30:	02/22 04:08 PM
928852	A	S L	AP, Bean	btw L.55 - 56:	02/22 06:41 PM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

APPROPRIATIONS
Senator Latvala, Chair
Senator Flores, Vice Chair

MEETING DATE: Thursday, February 23, 2017
TIME: 9:00 a.m.—1:00 p.m.
PLACE: Pat Thomas Committee Room, 412 Knott Building

MEMBERS: Senator Latvala, Chair; Senator Flores, Vice Chair; Senators Bean, Benacquisto, Book, Bracy, Bradley, Brandes, Braynon, Gainer, Galvano, Gibson, Grimsley, Montford, Powell, Simmons, Simpson, and Stargel

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
-----	-------------------------	--	------------------

A proposed committee substitute for the following bill (CS/SB 2) is available:

1	CS/SB 2 Education / Galvano (Identical H 3, Compare H 489, CS/S 374)	Higher Education; Citing this act as the “Florida Excellence in Higher Education Act of 2017”; revising requirements for the performance-based metrics used to award Florida College System institutions with performance-based incentives; revising the Distinguished Florida College System Institution Program excellence standards requirements; requiring each Florida Community College System institution to execute at least one “2+2” Targeted Pathway articulation agreement by a specified time, etc. ED 01/23/2017 Fav/CS AHE 02/08/2017 Fav/CS AP 02/23/2017
---	--	---

With subcommittee recommendation – Higher Education

2	SB 4 Galvano (Identical H 5)	Faculty Recruitment; Establishing the World Class Faculty and Scholar Program; authorizing investments in certain faculty retention, recruitment, and recognition activities; establishing the State University Professional and Graduate Degree Excellence Program; specifying the requirements for quality improvement efforts to elevate the prominence of state university medicine, law, and graduate-level business programs, etc. ED 01/23/2017 Favorable AHE 02/08/2017 Favorable AP 02/23/2017
---	---	---

With subcommittee recommendation – Higher Education

COMMITTEE MEETING EXPANDED AGENDA

Appropriations

Thursday, February 23, 2017, 9:00 a.m.—1:00 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
3	SB 8 Galvano (Compare H 149, S 592)	Gaming; Authorizing the department, a retailer operating from one or more locations, or a vendor approved by the department to use a point-of-sale terminal to sell a lottery ticket or game; ratifying and approving a specified compact executed by the Governor and the Seminole Tribe of Florida contingent upon the adoption of a specified amendment to the compact; creating the "Fantasy Contest Amusement Act"; creating the Office of Amusements within the Department of Business and Professional Regulation, etc.	RI 01/25/2017 Favorable AP 02/23/2017
4	SB 58 Grimsley (Similar H 59)	Adult Cardiovascular Services; Establishing additional criteria that must be included by the Agency for Health Care Administration in rules relating to adult cardiovascular services at hospitals seeking licensure for a Level I program, etc.	HP 01/24/2017 Favorable AHS 02/08/2017 Favorable AP 02/23/2017 RC
With subcommittee recommendation – Health and Human Services			
Other Related Meeting Documents			

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: PCS/CS/SB 2 (525260)

INTRODUCER: Appropriations Subcommittee on Higher Education; Education Committee; and Senator Galvano

SUBJECT: Higher Education

DATE: February 22, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bouck</u>	<u>Graf</u>	<u>ED</u>	<u>Fav/CS</u>
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AHE</u>	<u>Recommend: Fav/CS</u>
3.	<u>Sikes</u>	<u>Hansen</u>	<u>AP</u>	<u>Pre-Meeting</u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Technical Changes

I. Summary:

PCS/CS/SB 2 establishes the “Florida Excellence in Higher Education Act of 2017” to expand financial aid provisions and modify programmatic mechanisms to assist students in accessing higher education and incentivize postsecondary institutions to emphasize on-time graduation. Specifically, the bill:

- Modifies the state university and Florida College System institution performance accountability metrics and standards to promote on-time student graduation.
- Increases student financial aid and tuition assistance by:
 - Expanding the Florida Bright Futures Academic Scholars (FAS) award to cover 100 percent of tuition and specified fees plus \$300 per fall and spring semester for textbooks and college-related expenses;
 - Expanding eligibility for the Benacquisto Scholarship Program to include eligible students graduating from out of state; and
 - Revising the state-to-private match requirements for contributions to the First Generation Matching Grant Program from 1:1 to 2:1.
- Requires each state university board of trustees to adopt a resident and non-resident undergraduate block tuition policy.
- Strengthens “2+2” articulation by establishing the “2+2” targeted pathway program.
- Requires school districts to provide notification to students about applying acceleration mechanism credit to a postsecondary degree.

This bill has an estimated fiscal impact of \$157.5 million. Increasing the FAS award is estimated to cost \$126.2 million from the Educational Enhancement Trust Fund (EETF) for 45,213 students to cover 100 percent of tuition and specified fees, and \$24.9 million from EETF for college-related expenses. Including out-of-state students in the Benacquisto Scholarship Program is estimated to cost \$1.1 million from the General Revenue Fund for 54 scholars. Doubling the state matching funds for the First Generation in College Matching Grant program is estimated to cost an additional \$5.3 million from the General Revenue Fund.

This bill takes effect July 1, 2017.

II. Present Situation:

Under the leadership of the Legislature, the Board of Governors of the State University System (BOG), and the State Board of Education (SBE), Florida's public universities and colleges continue to maintain focus on improving institutional and student performance outcomes.

Institutional Accountability

The BOG has established the following accountability mechanisms to maintain a consistent focus on state university excellence:¹

- The *Annual Accountability Report*² tracks performance trends on key metrics over five years.
- The *2025 System Strategic Plan*³ provides a long-range roadmap for the System.
- The *University Work Plans*⁴ provide a three-year plan of action.

Additionally, the legislature has established performance-based funding models in recent years to evaluate the performance of Florida's state universities and Florida College System (FCS) institutions based on identified metrics and standards.

State University System Performance-Based Incentive

The State University System (SUS) Performance-Based Incentive is awarded to state universities using performance-based metrics⁵ adopted by the BOG.⁶ The metrics include, but are not limited to, bachelor's degree graduates' employment and wages, average cost per bachelor's degree, a

¹ Board of Governors, *Focus on Excellence: Board of Governors' State University System Initiatives*, Presentation to the Committee on Education, The Florida Senate (Dec. 12, 2016), available at http://www.flsenate.gov/PublishedContent/Committees/2016-2018/ED/MeetingRecords/MeetingPacket_3540.pdf.

² Board of Governors, *2014-15 System Accountability Report*, available at http://www.flbog.edu/about/doc/budget/ar_2014-15/2014_15_System_Accountability_Report_Summary_FINAL_2016-04-28.pdf.

³ Board of Governors, *2025 System Strategic Plan*, available at http://www.flbog.edu/board/doc/strategicplan/2025_System_Strategic_Plan_Amended_FINAL.pdf.

⁴ Board of Governors, *2016 Work Plan Reports*, <http://www.flbog.edu/resources/publications/workplan.php> (last visited Jan. 20, 2017).

⁵ Board of Governors, *Performance Funding Model Overview*, available at http://www.flbog.edu/about/budget/docs/performance_funding/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version.pdf.

⁶ Section 1001.92(1), F.S.

six-year graduation rate, academic progress rates, and bachelor's and graduate degrees in areas of strategic emphasis.

The BOG is required to adopt benchmarks to evaluate each state university's performance on the metrics.⁷ The evaluation measures a state university's achievement of institutional excellence or need for improvement, which determines the university's eligibility to receive performance funding.⁸

Preeminent State Research Universities Program

The Preeminent State Research Universities Program is a collaborative partnership between the BOG and the legislature to raise the academic and research preeminence of the highest performing state research universities in Florida.⁹ A state university that meets 11 of the 12 academic and research excellent standards specified in law¹⁰ is designated a "preeminent state research university."¹¹ Currently, the University of Florida and the Florida State University are designated as preeminent state research universities.¹²

A state research university that meets at least 6 of the 12 standards is designated as an "emerging preeminent state research university."¹³ Currently, the University of Central Florida and the University of South Florida-Tampa are designated as emerging preeminent state research universities.¹⁴ Each designated emerging preeminent state research university receives an amount of funding that is equal to one-half of the total increased amount awarded to each designated preeminent state research university.

Unique Courses

A university that is designated a preeminent state research university may require its incoming first-time-in-college (FTIC) students to take a six-credit set of unique courses.¹⁵ The university

⁷ Section 1001.92(1), F.S.

⁸ *Id.*

⁹ Section 1001.7065(1), F.S.

¹⁰ Section 1001.7065(2), F.S. The standards include: incoming freshman academic characteristics (average weighted GPA and average SAT score); institutional ranking nationally; freshman retention rate; six-year graduation rate; national academy membership of institution faculty; research expenditures (2 measures); research expenditure national ranking; patents awarded annually; doctoral degrees awarded annually; postdoctoral appointees annually; and institutional endowment.

¹¹ Section 1001.7065(3)(a), F.S.

¹² Board of Governors, State University System of Florida, *System Summary of University Work Plans 2016*, at 10, available at

http://www.flbog.edu/about/doc/budget/workplan_2016/2016_SYSTEM_WORK_PLAN_2016-09-09.pdf

¹³ Section 1001.7065(3)(b), F.S.

¹⁴ Board of Governors, *Focus on Excellence: Board of Governors' State University System Initiatives*, Presentation to the Committee on Education, The Florida Senate (Dec. 12, 2016), available at

http://www.flsenate.gov/PublishedContent/Committees/2016-2018/ED/MeetingRecords/MeetingPacket_3540.pdf.

¹⁵ Section 1001.7065(6), F.S.

may stipulate that credit for such courses may not be earned through any acceleration mechanism¹⁶ or any other transfer credit specifically determined by the university.¹⁷

Programs of National Excellence

The BOG is encouraged to establish standards and measures to identify individual programs in state universities that objectively reflect national excellence and make recommendations to the Legislature for ways to enhance and promote such programs.¹⁸

Florida College System Performance-Based Incentive

The FCS Performance-Based Incentive is awarded to FCS institutions using metrics adopted by the SBE. The metrics must include retention rates; program completion and graduation rates; postgraduation employment, salaries, and continuing education for workforce education and baccalaureate programs, with wage thresholds that reflect the added value of the certificate or degree; and outcome measures appropriate for associate of arts degree recipients.¹⁹ The SBE is required to adopt benchmarks to evaluate each institution's performance on the metrics for eligibility to receive performance funding.²⁰

Distinguished Florida College System Institution Program

The Distinguished FCS Institution Program is a collaborative partnership between the SBE and the Legislature to recognize the excellence of Florida's highest-performing FCS institutions.²¹

The excellence standards include:

- A 150 percent-of-normal-time completion rate²² of 50 percent or higher, as calculated by the Division of Florida Colleges.
- A 150 percent-of-normal-time completion rate for Pell Grant recipients of 40 percent or higher, as calculated by the Division of Florida Colleges.
- A retention rate of 70 percent or higher, as calculated by the Division of Florida Colleges.
- A continuing education, or transfer, rate of 72 percent or higher for students graduating with an associate of arts degree, as reported by the Florida Education and Training Placement Information Program (FETPIP).
- A licensure passage rate on the National Council Licensure Examination for Registered Nurses (NCLEX-RN) of 90 percent or higher for first-time exam takers, as reported by the Board of Nursing.
- A job placement or continuing education rate of 88 percent or higher for workforce programs, as reported by FETPIP.

¹⁶ Acceleration mechanisms include Advanced Placement (AP), International Baccalaureate (IB), Advanced International Certificate of Education (AICE), credit by examination, and dual enrollment.

¹⁷ Section 1001.7065(6), F.S.

¹⁸ Section 1001.7065(8), F.S.

¹⁹ Section 1001.66(1), F.S.

²⁰ *Id.* Rule 6A-14.07621, F.A.C., provides a description of the metrics and benchmarks, and calculations for performance funding.

²¹ Section 1001.67, F.S.

²² Rule 6A-14.07621(3)(b), F.A.C. The normal-time-completion rate captures the outcomes of a cohort of full-time, FTIC students who graduate within the amount of time is dependent on the catalogue time for the academic program.

- A time-to-degree for students graduating with an associate of arts degree of 2.25 years or less for first-time-in-college students with accelerated college credits, as reported by the Southern Regional Education Board.

An FCS institution that meets 5 of the 7 excellence standards is designated as a distinguished college.²³

Developmental Education

Developmental education is instruction through which a high school graduate who applies for any college credit program may attain the communication and computation skills necessary to successfully complete college credit instruction.²⁴ Developmental education may be delivered through a variety of delivery strategies described in law.²⁵

Each FCS institution board of trustees is required to develop a plan to implement the developmental education strategies defined in law²⁶ and rules²⁷ of the SBE.²⁸ A university board of trustees may contract with an FCS institution to provide developmental education services for their students in need of developmental education.²⁹ Florida Agricultural and Mechanical University (FAMU) is also authorized to offer developmental education.³⁰

Student Financial Aid and Tuition Assistance

Various student financial aid and tuition assistance programs have been created statutorily to assist students in accessing and pursuing higher education in Florida.

Florida Bright Futures Scholarship Program

The Florida Bright Futures Scholarship Program (Bright Futures) was established in 1997³¹ as a lottery-funded scholarship program to reward a Florida high school graduate who merits recognition for high academic achievement. The student must enroll in a degree program, certificate program, or applied technology program at an eligible public or private postsecondary

²³ Section 1001.67(1)-(2), F.S.

²⁴ Section 1008.02(1), F.S.

²⁵ *Id.* Strategies include modularized instruction that is customized and targeted to address specific skills gaps, compressed course structures that accelerate student progression from developmental instruction to college level coursework, contextualized developmental instruction that is related to meta-majors, and corequisite developmental instruction or tutoring that supplements credit instruction while a student is concurrently enrolled in a credit-bearing course.

²⁶ *Id.*

²⁷ Rule 6A-14.030(12), F.A.C.

²⁸ Section 1008.30(5)(a), F.S.

²⁹ Section 1008.30(5)(c), F.S.

³⁰ Board of Governors Regulation 6.008(1).

³¹ Section 2, ch. 1997-77, L.O.F.

education institution³² in Florida after graduating from high school.³³ Bright Futures consists of three types of awards:³⁴

- Florida Academic Scholars (FAS);³⁵
- Florida Medallion Scholars (FMS);³⁶ and
- Florida Gold Seal Vocational Scholars (FGSV) and Florida Gold Seal CAPE Scholars.³⁷

Bright Futures award amounts are specified annually in the General Appropriations Act (GAA).^{38,39}

Benacquisto Scholarship Program

The Benacquisto Scholarship Program, created in 2014,⁴⁰ rewards any Florida high school graduate who receives recognition as a National Merit Scholar (NMS) or National Achievement Scholar (NAS) and who enrolls in a baccalaureate degree program at an eligible Florida public or independent postsecondary education institution.⁴¹ Among other statutory eligibility requirements,⁴² the student must earn a standard Florida high school diploma or equivalent⁴³ and be a state resident.⁴⁴

The award amounts are as follows:

³² A student who receives any award under the Florida Bright Futures Scholarship Program, who is enrolled in a nonpublic postsecondary education institution, and who is assessed tuition and fees that are the same as those of a full-time student at that institution, receives a fixed award calculated by using the average tuition and fee calculation as prescribed by the Department of Education for full-time attendance at a public postsecondary education institution at the comparable level. Section 1009.538, F.S.

³³ Sections 1009.53(1) and 1009.531(2)(a)-(c), F.S. Starting with 2012-2013 graduates, a student graduating from high school is able to accept an initial award for 2 years following high school and to accept a renewal award for 5 years following high school graduation.

³⁴ Section 1009.53(2), F.S.

³⁵ Section 1009.534, F.S.

³⁶ Section 1009.535, F.S.

³⁷ Section 1009.536, F.S.

³⁸ Specific Appropriation 4, 2016-066, L.O.F.

³⁹ Sections 1009.534 (2), 1009.535 (2), and 1009.536(3), F.S.

⁴⁰ The Benacquisto Scholarship Program was formerly titled the Florida National Merit Scholar Incentive Program. Section 26, ch. 2016-237, L.O.F.

⁴¹ Section 1009.893, F.S.

⁴² Section 1009.893(4), F.S.

⁴³ Other graduation options include Academically Challenging Curriculum to Enhance Learning (ACCEL) options (s. 1002.3105, F.S.), early high school graduation (s. 1003.4281, F.S.), a high school equivalency diploma (s. 1003.435, F.S.), completion of a home education program (s. 1002.41, F.S.), or earning a high school diploma from a school outside Florida while living with a parent or guardian who is on military or public service assignment outside Florida.

⁴⁴ Section 1009.893(4)(a), F.S. Under section 1009.40(1)(a)2., F.S., the student must meet the requirements of Florida residency for tuition purposes under s. 1009.21, F.S.; see also Rule 6A-10.044, F.A.C.

- At a Florida public postsecondary education institution the award is equal to the institutional cost of attendance less the sum of the student's Bright Futures Scholarship and NMS or NAS award.^{45,46}
- At a Florida independent postsecondary education institution the award is equal to the highest cost of attendance at a Florida public university, as reported by the BOG, less the sum of the student's Bright Futures Scholarship and NMS or NAS award.⁴⁷

First Generation Matching Grant Program

The First Generation Matching Grant Program was established in 2006⁴⁸ to enable each state university to provide donors with a matching grant incentive for contributions to create grant-based student financial aid for undergraduate students who demonstrate financial need and whose parents have not earned a baccalaureate degree.⁴⁹ Funds appropriated for the program must be allocated by the Office of Student Financial Assistance (within the Florida Department of Education) to match private contributions on a dollar-for-dollar basis.⁵⁰

William L. Boyd, IV, Florida Resident Access Grant (FRAG)

The William L. Boyd, IV, FRAG is a tuition assistance program that is available to full-time degree-seeking undergraduate students registered at an independent nonprofit college or university which is located in and chartered by the state; which is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools; which grants baccalaureate degrees; which is not a state university or FCS institution; and which has a secular purpose.⁵¹

Tuition Incentives

State universities are authorized to implement flexible tuition policies to further assist students in accessing and pursuing higher education in our state.

Block Tuition

The BOG is authorized to approve a proposal from a university board of trustees to implement flexible tuition⁵² policies including, but not limited to, block tuition.⁵³ The block tuition policy for resident undergraduate students or undergraduate-level courses must be based on the established per-credit-hour undergraduate tuition.⁵⁴ The block tuition policy for nonresident undergraduate students must be based on the established per-credit-hour undergraduate tuition

⁴⁵ The National Merit Scholarship Corporation discontinued the National Achievement Scholarship Program with the conclusion of the 2015 program,

<http://www.nationalmerit.org/s/1758/interior.aspx?sid=1758&gid=2&pgid=433> (last visited Jan. 20, 2017).

⁴⁶ Section 1009.893(5)(a), F.S.

⁴⁷ *Id.* at (5)(b)

⁴⁸ Section 1, ch. 2006-73, L.O.F.

⁴⁹ Section 1009.701(1), F.S.

⁵⁰ *Id.* at (2)

⁵¹ Section 1009.89(1) and (3), F.S.

⁵² Section 1009.01, F.S., defines tuition as the basic fee charged to a student for instruction provided by a public postsecondary education institution in this state.

⁵³ Section 1009.24(15)(a), F.S.

⁵⁴ Section 1009.24(15)(a)3., F.S.

and out-of-state fee.⁵⁵ The BOG has not received a block tuition policy proposal for approval from any state university.⁵⁶

2+2 Articulation and Academic Notification

It is the intent of the Legislature to facilitate articulation and seamless integration of the K-20 education system by building, sustaining, and strengthening relationships among the various education sectors and delivery systems within the state.⁵⁷

Additionally, it is also the intent of the Legislature that a variety of articulated acceleration mechanisms be available for secondary and postsecondary students attending public education institutions.⁵⁸ These mechanisms should shorten the time necessary for students to fulfill high school and postsecondary education requirements, broaden the scope of curricular options available to students, and increase the depth of study in a particular subject.⁵⁹

2+2 Articulation

The SBE and the BOG are required to enter into a statewide articulation agreement to preserve Florida's "2+2" system of articulation, facilitate the seamless articulation of student credit across and among Florida's education entities, and reinforce the articulation and admission policies specified in law.⁶⁰

The articulation agreement must provide that every associate in arts graduate of an FCS institution has met all general education requirements, has indicated a baccalaureate institution and program of interest by the time the student earns 30 semester hours, and must be granted admission to the upper division, with certain exceptions,⁶¹ of a state university or an FCS institution that offers a baccalaureate degree.⁶² However, eligibility for admission to a state university does not provide to a transfer student guaranteed admission to the specific university or degree program that the student chooses.⁶³

Academic Notification

Articulated acceleration mechanisms include, but are not limited, to Advanced Placement (AP), Advanced International Certificate of Education (AICE), International Baccalaureate (IB), credit by examination, and dual enrollment.⁶⁴ The Department of Education is required to annually identify and publish the minimum scores, maximum credit, and course or courses for which

⁵⁵ Section 1009.24(15)(a)3., F.S.

⁵⁶ Board of Governors, *2017 Legislative Bill Analysis for SB 2* (Jan. 18, 2017), at 4.

⁵⁷ Section 1007.01(1), F.S.

⁵⁸ Section 1007.27(1), F.S.

⁵⁹ Section 1007.27(1), F.S.

⁶⁰ Section 1007.23(1), F.S.

⁶¹ Section 1007.23(2)(a), F.S., exceptions include limited access programs, teacher certification programs, and those requiring an audition.

⁶² Section 1007.23(2)(a), F.S.

⁶³ Board of Governors Regulation 6.004(2)(b)

⁶⁴ Section 1007.27(1), F.S.

credit must be awarded for specified examinations.⁶⁵ The Articulation Coordinating Committee (ACC)⁶⁶ has established passing scores and course and credit equivalents for examinations specified in law.^{67,68} The credit-by-exam equivalencies have been adopted in rule by the SBE.⁶⁹ Each FCS institution and state university must award credit for specific courses for which competency has been demonstrated by successful passage of one of the examinations associated with the identified acceleration mechanisms.⁷⁰

The law also requires the Commissioner of Education to appoint faculty committees representing secondary and public postsecondary education institutions to identify postsecondary courses that meet high school graduation requirements and equivalent high school credits earned through dual enrollment.⁷¹ Additionally, the commissioner must recommend such courses to the SBE.⁷² The dual enrollment course-to-high school subject area equivalency list specifies postsecondary courses that when completed earn both high school and college credit.⁷³ All high schools must accept these dual enrollment courses toward meeting the standard high school diploma requirements.⁷⁴

III. Effect of Proposed Changes:

This bill establishes the “Florida Excellence in Higher Education Act of 2017” to expand financial aid provisions and modify programmatic mechanisms to assist students in accessing higher education and incentivizing postsecondary institutions to emphasize on-time graduation. Specifically, the bill:

- Modifies the state university and Florida College System institution performance accountability metrics and standards to promote on-time student graduation.
- Increases student financial aid and tuition assistance by:
 - Expanding the Florida Bright Futures Academic Scholars (FAS) award to cover 100 percent of tuition and specified fees plus \$300 per fall and spring semester for textbooks and college-related expenses;
 - Expanding eligibility for the Benacquisto Scholarship Program to include eligible students graduating from out of state; and

⁶⁵ Section 1007.27(2), F.S.

⁶⁶ The Articulation Coordinating Committee (ACC) is established by the Commissioner of Education in consultation with the Chancellor of the SUS, to make recommendations related to statewide articulation policies regarding access, quality, and data reporting. The ACC serves as an advisory body to the Higher Education Coordinating Council, the SBE, and BOG.

⁶⁷ Section 1007.27(2), F.S.

⁶⁸ Florida Department of Education, *Articulation Coordinating Committee Credit by Exam Equivalencies* (Initially adopted Nov. 14, 2001), available at <http://www.fldoe.org/core/fileparse.php/5421/urlt/0078391-acc-cbe.pdf>.

⁶⁹ Rule 6A-10.024, F.A.C.

⁷⁰ *Id.*

⁷¹ Section 1007.271(9), F.S.

⁷² *Id.*

⁷³ Florida Department of Education, *2016-2017 Dual Enrollment Course—High School Subject Area Equivalency List*, available at <http://www.fldoe.org/core/fileparse.php/5421/urlt/0078394-delist.pdf>.

⁷⁴ *Id.*

- Revising the state-to-private match requirements for contributions to the First Generation Matching Grant Program from 1:1 to 2:1.
- Requires each state university board of trustees to adopt a resident and non-resident undergraduate block tuition policy for implementation by the fall 2018 semester.
- Strengthens “2+2” articulation by establishing the “2+2” targeted pathway program.
- Requires school districts to provide notification to students about applying acceleration mechanism credit to a postsecondary degree.
- Renames the William L. Boyd, IV, Florida Resident Access Grant (FRAG) Program as the William L. Boyd, IV, Effective Access to Student Education (EASE) Program.

Institutional Accountability (Sections 2, 3, 4, 5, and 8)

The bill strengthens institution accountability by modifying state university and FCS institution performance and accountability metrics and standards to promote on-time student graduation.

State University System Performance-Based Incentive (Section 2)

Section 2 of the bill specifies that the State University System (SUS) performance-based metric for graduation rate must be a 4-year graduation rate.

Currently, the 6-year and 4-year graduation rates for first-time-in-college (FTIC) students within the SUS are approximately 71 percent⁷⁵ and 44 percent,⁷⁶ respectively. During the 2015-16 academic year, the 6-year graduation rate ranged from approximately 39 percent at Florida Agricultural and Mechanical University (FAMU) to 87 percent at the University of Florida (UF).⁷⁷ The 4-year graduation rate during the same period ranged from approximately 14 percent at FAMU to 68 percent at UF.⁷⁸ In comparison, the 4-year graduation rates for peer universities in other states are 87 percent at the University of Virginia, 81 percent at the University of North Carolina-Chapel Hill and 75 percent at the University of Michigan.⁷⁹ The shift in focus from a 6-year to 4-year graduation rate will likely prompt a modification to the State University System (SUS) strategic plan, as well as state university accountability mechanisms, which may assist with elevating the prominence and national competitiveness of the state universities in Florida.

Graduation rates are one of the key accountability measures that demonstrate an institution’s effectiveness in serving its FTIC students.⁸⁰ On-time graduation in 4 years with a baccalaureate degree may result in savings related to cost-of-attendance for students and their families. For example, nationally, every extra year beyond 4 years to graduate with a baccalaureate degree

⁷⁵ State University System of Florida, *2014-2015 System Accountability Report*, p.7, available at http://www.flbog.edu/about/doc/budget/ar_2014-15/2014_15_System_Accountability_Report_Summary_FINAL_2016-04-28.pdf.

⁷⁶ Email, Office of Program Policy Analysis and Government Accountability (Sept. 6, 2016).

⁷⁷ State University System of Florida, *2014-2015 System Accountability Report*, p.7, available at http://www.flbog.edu/about/doc/budget/ar_2014-15/2014_15_System_Accountability_Report_Summary_FINAL_2016-04-28.pdf.

⁷⁸ Email, Office of Program Policy Analysis and Government Accountability (Sept. 6, 2016).

⁷⁹ *Id.*

⁸⁰ Board of Governors, *2025 System Strategic Plan*, March 2016, p. 26, available at http://www.flbog.edu/board/doc/strategicplan/2025_System_Strategic_Plan_Amended_FINAL.pdf.

costs a student \$22,826⁸¹ at a public 4-year college. This additional time to complete a baccalaureate degree may also result in lost wages owing to delayed entrance into the workforce. The median wage of 2013-14 baccalaureate degree graduates employed full-time one year after graduation is \$35,600.⁸²

Preeminent State Research Universities Program (Section 4)

Consistent with the emphasis on a 4-year graduation rate metric for the SUS Performance-Based Incentive program, section 4 of the bill revises the full-time FTIC student graduation rate metric for the preeminent state research university program from a 6-year to a 4-year rate, and modifies the benchmark for the graduation rate metric from 70 percent to 50 percent. Additionally, this section requires the Board of Governors of the State University System (BOG) to calculate the graduation rate. Currently, the graduation rate is based on data reported annually to the Integrated Postsecondary Education Data System.⁸³ The amount of funding provided to emerging preeminent state research universities is revised from one-half to one-quarter of the total additional funding awarded to preeminent state research universities.

Unique Courses

Section 4 of the bill eliminates the authority for the preeminent state research universities to require FTIC students to take a six-credit unique set of courses. Currently, UF lists two such courses and Florida State University lists 123 such courses.⁸⁴ Students are not able to apply acceleration mechanism or transfer credits toward the unique course requirements.⁸⁵ By deleting the authority for unique courses, the bill provides students more flexibility in applying earned college credits purposefully toward degree requirements.

Programs of Excellence

Consistent with efforts to strengthen institutional accountability to elevate the prominence of state universities, section 4 of the bill changes from a recommendation to a requirement that the BOG establish standards and measures for programs of excellence throughout the SUS and specifies that the programs include undergraduate, graduate, and professional degrees. Additionally, this section requires the BOG to make recommendations to the Legislature for enhancing and promoting such programs by September 1, 2017.

⁸¹ Complete College America, *Four-Year Myth: Make College More Affordable. Restore the Promise of Graduating on Time* (2014), p.5, available at <http://completecollege.org/wp-content/uploads/2014/11/4-Year-Myth.pdf>.

⁸² Board of Governors, *2014-15 System Accountability Report*, p. 6, available at http://www.flbog.edu/about/doc/budget/ar_2014-15/2014_15_System_Accountability_Report_Summary_FINAL_2016-04-28.pdf.

⁸³ The Integrated Postsecondary Education Data System (IPEDS) calculates the graduation rate as the total number of completers within 150% of normal time divided by the revised adjusted cohort. *2016-17 Glossary*, available at <https://surveys.nces.ed.gov/ipeds/VisGlossaryAll.aspx>.

⁸⁴ The Florida Senate staff analysis of the Florida Statewide Course Numbering System (<http://scns.fldoe.org>).

⁸⁵ Section 1001.7065(6), F.S.

Florida College System Performance-Based Incentive (Section 5)

Section 5 of the bill revises the FCS performance metrics for awarding performance-based incentives to FCS institutions by emphasizing on-time program completion. Specifically, this section:

- Incorporates and modifies the performance metrics for the Distinguished FCS Institution Program;
- Adds a graduation rate metric for FTIC students in associate in arts (AA) programs who graduate with a baccalaureate degree in 4 years after initially enrolling in the AA programs; and
- Adds a college affordability metric, adopted by the State Board of Education (SBE).

The statewide 4-year graduation rate for a 2009 cohort of students who started at an FCS institution and earned a bachelor's degree from the FCS or SUS was approximately 4 percent.⁸⁶ The 4-year graduation rate ranged from zero percent at Florida Keys Community College to approximately 13 percent at Santa Fe College.

The revisions to the FCS institution performance metrics are likely to prompt a modification to the SBE strategic plan for the FCS, as well as changes in the FCS accountability mechanisms, which may direct FCS institutional efforts toward on-time graduation.

Distinguished Florida College System Institution Program (Section 3)

Section 3 of the bill emphasizes on-time graduation by revising the excellence standards for the Distinguished FCS Institution Program. Specifically, section 3 of the bill:

- Changes the normal-time completion rate metric from 150 percent to 100 percent for full-time, first-time-in-college students;
- Changes the normal-time completion rate metric for full-time, first-time-in-college Pell Grant recipients from 150 percent to 100 percent;
- Specifies that the job placement metric must be based on the wage thresholds that reflect the added value of the applicable certificate or degree; and specifying that the continuing education and job placement metric does not apply to AA degrees; and
- Replaces the time-to-degree metric with an excess-hours rate metric of 40 percent or lower of AA degree recipients who graduate with 72 or more credit hours.

The modifications to the excellence standards may guide institutional efforts toward helping students graduate timely.

Developmental Education (Section 8)

Section 8 of the bill strengthens developmental education instruction by emphasizing the focus on instructional strategies specified in law⁸⁷ in the delivery of developmental education instruction by a state university. FAMU is the only state university within the SUS that provides developmental education.⁸⁸ In accordance with the bill modifications, FAMU may need to revise

⁸⁶ Email, Office of Program Policy Analysis and Government Accountability (Dec. 29, 2016).

⁸⁷ Section 1008.02, F.S.

⁸⁸ BOG Regulation 6.008(1).

its developmental education program to incorporate the developmental education strategies specified in law. Currently, each FCS institution board of trustees is required to develop a plan to implement the developmental education strategies defined in law.⁸⁹

Student Financial Aid and Tuition Assistance (Sections 12, 13, 14, and 15)

Sections 12 through 15 of the bill expand student financial aid and tuition assistance programs, which may help to address financial insecurity concerns of students, and their families, as they consider higher education options in Florida. These sections may assist students with paying for higher education, graduating on time, and incurring less education-related debt. Additionally, these sections may assist Florida’s postsecondary education institutions in recruiting and retaining talented and qualified students.

Florida Bright Futures Scholarship Program – Florida Academic Scholars (FAS) (Section 12)

Section 12 of the bill increases the FAS award amount to cover 100 percent of public postsecondary education institution tuition and certain tuition-indexed fees⁹⁰ plus \$300 for textbooks and college-related expenses during fall and spring terms, beginning in the fall 2017 semester.

The table below shows the current and projected FAS award per credit hour:

Current 2016-17 FAS Per-Credit-Hour Award⁹¹	Projected 2017-18 FAS Average Per-Credit-Hour Award
\$103 at 4-year institutions	\$198.11 at 4-year institutions ⁹²
\$63 at two-year institutions	\$106.74 at two-year institutions ⁹³

The 2016-17 General Appropriations Act (GAA) provided \$217.3 million for the Florida Bright Futures Scholarship Program. From that appropriation, \$104.2 million⁹⁴ is the estimated cost for FAS awards. The change in the FAS award to 100 percent of tuition and specified fees is estimated to cost an additional \$126.2 million for 45,213 students⁹⁵ in the 2017-18 fiscal year.⁹⁶

⁸⁹ Section 1008.30(5)(a), F.S.

⁹⁰ The tuition-indexed fees specified in SB 2 include financial aid, capital improvements, technology enhancements, equipping buildings, or the acquisition of improved real property, and technology (s. 1009.22, F.S.); activity and service, financial aid, technology, capital improvements, technology enhancements, and equipping student buildings or the acquisition of improved real property (s. 1009.23, F.S.); financial aid, Capital Improvement Trust Fund, activity and service, health, athletic, technology, transportation access, and includes the tuition differential (s. 1009.24, F.S.).

⁹¹ Specific Appropriation 4, Ch. 2016-66, L.O.F.

⁹² State University System of Florida, *Tuition and Required Fees, 2016-17*, available at http://www.flbog.edu/about/doc/budget/tuition/Tuition_Fees_%202016-17.pdf.

⁹³ Florida Department of Education, Florida College System, *2016 Fact Book*, Table 7.8T, available at <http://fldoe.org/core/fileparse.php/15267/urlt/FactBook2016.pdf>.

⁹⁴ Office of Economic & Demographic Research, *Florida Bright Futures Scholarship Program* (Nov. 16, 2016) <http://edr.state.fl.us/Content/conferences/financialaid/ConsensusDetail.pdf>.

⁹⁵ *Id.*

⁹⁶ The Florida Senate staff analysis based on data from the Student Financial Aid Education Estimating Conference (November 16, 216) available at

The bill also includes \$300 per semester for textbooks and other education-related expenses, which is estimated to cost \$24.9 million.⁹⁷ The total additional cost for FAS awards is estimated to be \$151.1 million in the 2017-18 fiscal year.⁹⁸

Increasing the FAS award should make postsecondary education more affordable for eligible students. The bill may also help with retaining Florida's talented students in the state since these students have a greater financial incentive to attend a Florida institution.

Benacquisto Scholarship Program (Section 15)

Section 15 of the bill modifies eligibility requirements for the Benacquisto Scholarship Program to attract qualified students from out-of-state and assist these students in paying for higher education in Florida, graduate on time, and incur less education-related debt. Specifically, this section:

- Establishes student eligibility criteria, which only apply to students who are not residents of the state and who initially enroll in a baccalaureate degree program in the 2017-2018 academic year or thereafter, requiring such students to:
 - Physically reside in Florida on or near the campus of the postsecondary education institution in which they enroll;
 - Earn a high school diploma or equivalent or complete a home education program, comparable to Florida; and
 - Be accepted by and enroll full-time in a baccalaureate degree program at an eligible regionally accredited public or private postsecondary education institution.
- Provides that for an eligible student who is not a resident of the state and who attends:
 - A public postsecondary education institution, the award amount must be equal to the institutional cost of attendance⁹⁹ for a resident of the state less the student's National Merit Scholarship. Such student is exempt from out-of-state fees.

<http://edr.state.fl.us/Content/conferences/financialaid/ConsensusDetail.pdf>, State University System of Florida, *Tuition and Required Fees, 2016-17*, available at

http://www.flbog.edu/about/doc/budget/tuition/Tuition_Fees_%202016-17.pdf, and Florida Department of Education, Florida College System, *2016 Fact Book*, Table 7.8T, available at <http://fldoe.org/core/fileparse.php/15267/urlt/FactBook2016.pdf>.

⁹⁷ Florida Senate staff analysis based on data from the Student Financial Aid Education Estimating Conference (November 16, 216) available at <http://edr.state.fl.us/Content/conferences/financialaid/ConsensusDetail.pdf>.

⁹⁸ The Florida Senate staff analysis based on data from the Student Financial Aid Education Estimating Conference (November 16, 216) available at

<http://edr.state.fl.us/Content/conferences/financialaid/ConsensusDetail.pdf>, State University System of Florida, *Tuition and Required Fees, 2016-17*, available at

http://www.flbog.edu/about/doc/budget/tuition/Tuition_Fees_%202016-17.pdf, and Florida Department of Education, Florida College System, *2016 Fact Book*, Table 7.8T, available at <http://fldoe.org/core/fileparse.php/15267/urlt/FactBook2016.pdf>...

⁹⁹ The 2016-17 cost of attendance on campus for full time undergraduate Florida resident students includes tuition and fees, books and supplies, room and board, transportation, and other expenses; the average annual cost of attendance for the State University System is \$21,534.98. Board of Governors, *Fall/Spring Cost of Attendance On-Campus for Full-Time Undergraduate Florida Residents 2016-17*, available at

http://www.flbog.edu/about/doc/budget/attendance/CostAttendance2016_17_FINAL.xlsx.

- A private postsecondary education institution, the award amount must be equal to the highest cost of attendance¹⁰⁰ for a resident of the state enrolled at a state university, less the student's National Merit Scholarship.

Of the 320 National Merit Scholars (NMS) and National Achievement Scholars (NAS) who attended Florida colleges and universities in the 2015-16 academic year,¹⁰¹ 266 received an initial award as a Benacquisto Scholar.¹⁰² The other 54 NMS who enrolled in a Florida university during the 2015-16 academic year most likely graduated from out-of-state high schools, and thus were not eligible for the Benacquisto Scholarship. Assuming this number of students remains constant for the 2017-18 academic year, and these out-of-state students otherwise meet the eligibility requirements, the cost to fund the additional out-of-state students is estimated to be \$1.1 million. The modifications to student eligibility requirements may assist the state universities in recruiting and retaining talented and qualified students from other states.

First Generation Matching Grant Program (Section 13)

Section 13 of the bill expands need-based financial aid by revising the state to private match requirements from a 1:1 match to a 2:1 match. In Fiscal Year 2015-16, 8,234 initial and renewal students received an average award of \$1,289.45, with 13,700 unfunded eligible students reported by postsecondary education institutions.¹⁰³ The increase in the state matching contribution may raise the award amount and make more awards available for eligible students, which may help these students to graduate on time.

William L. Boyd, IV, Florida Resident Access Grant (FRAG) (Section 14)

Section 14 of the bill renames the William L. Boyd, IV, Florida Resident Access Grant (FRAG) Program as the William L. Boyd, IV, Effective Access to Student Education (EASE) Grant Program.

Tuition Incentives (Section 11)

Section 11 of the bill requires each state university to establish a block tuition and fee policy, which is intended to provide students with a financial incentive to enroll in additional courses and graduate in 4 years with a baccalaureate degree.

Block Tuition (Section 11)

Section 11 of the bill requires each state university board of trustees to adopt, for implementation by the fall 2018 semester, a block tuition policy for resident and non-resident undergraduate

¹⁰⁰ The highest State University System cost of attendance in 2016-17 is \$23,463 at Florida International University.

¹⁰¹ National Merit Scholarship Corporation, *2014-15 Annual Report* (Oct. 31, 2015), available at http://www.nationalmerit.org/s/1758/images/gid2/editor_documents/annual_report.pdf

¹⁰² Florida Department of Education, Office of Student Financial Assistance, *End-of-Year Report, 2015-16*, Benacquisto Scholarship (FIS), available at: https://www.floridastudentfinancialaidsg.org/pdf/EOY_Reports/2015-16/FIS_2015_2016.pdf.

¹⁰³ Florida Department of Education, Office of Student Financial Assistance, *End-of-Year Report, 2015-16*, First Generation Matching Grant Program (FGMG), available at https://www.floridastudentfinancialaidsg.org/pdf/EOY_Reports/2015-16/FGMG_2015_2016.pdf.

students. Under such a policy, students may take additional courses without paying increased tuition, which gives students a financial incentive to take more courses within an academic term or year and which may help students to graduate earlier.¹⁰⁴

Institutions that have implemented a block tuition policy include, but are not limited to, the University of Michigan, the Ohio State University and the University of North Carolina at Chapel Hill (UNC).¹⁰⁵ As an example, UNC allows students to take 12 or more credit hours and assesses a block tuition based on 12 credit hours.¹⁰⁶

2+2 Articulation and Academic Notification (Sections 6 and 7)

Sections 6 and 7 of the bill strengthen “2+2” articulation and improves academic notification by creating mechanisms for expanding locally-developed targeted “2+2” articulation agreements and requiring school districts to provide notification to students about applying acceleration mechanism credit to a postsecondary degree.

2+2 Targeted Pathway Program (Section 6)

Section 6 of the bill reinforces the state’s intent to assist students enrolled in associate in arts (AA) degree programs to graduate on time, transfer to a baccalaureate degree program, and complete the baccalaureate degree within 4 years. Accordingly, the bill establishes the “2+2” targeted pathway program to strengthen Florida’s “2+2” system of articulation and improve student retention and on-time graduation. Specifically, section 6 of the bill:

- Requires each public college to execute at least one “2+2” targeted pathway articulation agreement with one or more state universities.
- Requires the “2+2” targeted pathway articulation agreement to provide students who meet specified requirements guaranteed access to the state university and baccalaureate degree program in accordance with the terms of the agreement.
- Establishes student eligibility criteria to participate in a “2+2” targeted pathway articulation agreement. A student must:
 - Enroll in the program before completing 30 credit hours.
 - Complete an associate in arts degree.
 - Meet the university’s transfer admission requirements.
- Establishes requirements for state universities that execute “2+2” targeted pathway articulation agreements with their partner public college. A state university must:
 - Establish a 4-year on-time graduation plan for a baccalaureate degree program.
 - Advise students enrolled in the program about the university’s transfer and degree program requirements.
 - Provide students access to academic advisors and campus events, and guarantee admittance to the state university and degree program.

¹⁰⁴ Office of Program Policy and Government Accountability (OPPAGA), *The State Has Several Options Available When Considering the Funding of Higher Education*, Report 04-54, August 2004.

¹⁰⁵ Presentation to the Committee on Education, The Florida Senate (Dec. 12, 2016), Office of Program Policy and Government Accountability, *State University System Undergraduate Student Success Overview*, p. 33, available at http://www.flsenate.gov/PublishedContent/Committees/2016-2018/ED/MeetingRecords/MeetingPacket_3540.pdf.

¹⁰⁶ Email, Office of Program Policy and Government Accountability (Nov. 29, 2016).

- Requires the state board governing the public colleges and BOG to collaborate to eliminate barriers to executing “2+2” targeted pathway articulation agreements.

The “2+2” targeted pathway program is consistent with recent efforts by state universities to strengthen regional articulation. The statewide “2+2” articulation agreement established in law¹⁰⁷ does not require a 4-year graduation plan and does not guarantee access to a specific university or degree program. To provide students a path to on-time graduation in 4 years with a baccalaureate degree, some state universities have established articulation agreements with regional public colleges.¹⁰⁸ For instance, the “DirectConnect to UCF”¹⁰⁹ guarantees admission to the University of Central Florida (UCF) with an associate degree from a partner institution, and offers university advising to develop an academic plan and access to UCF campuses for services and events. Similarly, the University of South Florida (USF) “FUSE” program¹¹⁰ offers students guaranteed admission to a USF System institution. The FUSE program creates an academic pathway that provides a map for taking required courses, advising at USF and the partner institution regarding university requirements, a specially-designed orientation session for 2+2 students at the beginning of the program, and access to USF facilities and events.

The value of such targeted “2+2” agreements is to assist AA students in transferring to a state university and graduating on time in 4 years with a baccalaureate degree. In 2014-15, more than 36 percent of AA graduates from the FCS did not apply to the SUS. Forty-five percent of AA graduates from the FCS ultimately enrolled in the SUS.¹¹¹ The 4-year graduation rate for a 2011 cohort of AA transfer students to the SUS (those who transferred with an AA and graduated in two years) was 25 percent.¹¹²

Academic Notification (Section 7)

Section 7 of the bill requires district school boards to notify students who enroll in acceleration mechanism courses or take exams about the *credit-by-examination equivalency list* and *dual enrollment and high school subject area equivalency list*. The notification requirement promotes targeted student advising at the secondary school level to inform students about generating college credits through certain acceleration mechanism courses and exams, and applying such credits purposefully to a postsecondary certificate or degree program, to ensure students receive

¹⁰⁷ Section 1007.23(2), F.S.

¹⁰⁸ Examples of regional articulation agreements are the “[DirectConnect to UCF](#),” the [University of South Florida “FUSE” program](#), “[TCC2FSU](#),” “[TCC2FAMU](#),” “[FIU Connect4Success](#),” “[Link to FAU](#),” “[2UWF Transfer Student Partnership](#),” and “[UNF/SJR Gateway](#).” The Florida Senate staff analysis.

¹⁰⁹ University of Central Florida, Presentation to the Senate Committee on Education, *DirectConnect to UCF* (Dec. 12, 2016), available at <http://www.flsenate.gov/Committees/Show/ED/Meeting%20Packet/3540/>.

¹¹⁰ University of South Florida, Presentation to the Senate Committee on Education, *FUSE* (Dec. 12, 2016), available at <http://www.flsenate.gov/Committees/Show/ED/Meeting%20Packet/3540/>.

¹¹¹ Board of Governors, *Associate in Arts Transfer Students in the State University System*, Presentation to the BOG Select Committee on 2+2 Articulation, (Mar. 17, 2016), available at http://www.flbog.edu/documents_meetings/0199_0978_7295_6.3.2%202+2%2003b_AA%20Transfer%20data%20points_JMI.pdf.

¹¹² Office of Program Policy Analysis and Government Accountability, *State University System Undergraduate Student Success Overview*, Presentation to the Committee on Education, The Florida Senate (Dec. 12, 2016), available at <http://www.flsenate.gov/Committees/Show/ED/Meeting%20Packet/3540/>.

credit for such courses and exams taken during high school.¹¹³ As a result, the notification may also assist students with higher education planning and affordability considerations.

The bill takes effect July 1, 2017.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

PCS/CS/SB 2 provides additional financial aid and tuition assistance to students and families. Specifically, the bill:

- Provides students who qualify for the Florida Academic Scholars (FAS) award an increased tuition and fee benefit, plus \$300 for textbooks and college-related expenses in the fall and spring terms, which will reduce the out-of-pocket cost of education for these students. This may increase the average FAS award by approximately \$3,063 over the average 2015-16 award, from \$2,581 to \$5,644.
- Expands the Benacquisto Scholarship Program to include out-of-state National Merit Scholar students who are accepted by and enroll in an eligible Florida postsecondary education institution, which is likely to provide a significant cost savings to such students. These students will be eligible for an annual award of approximately \$20,500.
- Doubles the state match for the First Generation in College Matching Grant, which is likely to make the matching grant available to more students, or result in an increased award amount. The average award could double from \$1,289 to \$2,578.
- Requires a block tuition policy that may provide a cost savings to students, but the potential savings are indeterminate.

¹¹³ Office of The Governor, *Governor Rick Scott Issues “Finish in Four, Save More” Challenge to Universities and Colleges* (May 25, 2016), <http://www.flgov.com/2016/05/25/governor-rick-scott-issues-finish-in-four-save-more-challenge-to-universities-and-colleges/> (last visited Jan. 20, 2017).

C. Government Sector Impact:

The bill has an estimated fiscal impact of \$157.5 million. Specifically, the bill:

- Increases the Florida Academic Scholars (FAS) award, which is estimated to cost an additional \$126.2 million from the Educational Enhancement Trust Fund (EETF) to cover 100 percent of tuition and specified fees, and \$24.9 million from EETF for college-related expenses.
- Includes out-of-state students in the Benacquisto Scholarship Program, which may cost up to an estimated \$1.1 million from the General Revenue Fund for 54 additional scholars.
- Doubles the state match for the First Generation in College Matching Grant program, which may cost up to an additional \$5.3 million from the General Revenue Fund.
- Requires implementation of a block tuition policy for resident and non-resident undergraduate students at the state universities; however, the potential cost to the state universities in lost tuition revenue is indeterminate.
- Revises the state university and Florida College System performance funding programs, which has no state fiscal impact. However, such revisions may influence institutional performance relating to the revised metrics, and therefore affect the performance-funding distribution.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1001.66, 1001.67, 1001.7065, 1001.92, 1007.23, 1007.27, 1008.30, 1009.22, 1009.23, 1009.24, 1009.534, 1009.701, 1009.89, and 1009.893.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

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

Recommended CS by Appropriations Subcommittee on Higher Education on February 8, 2017:

The committee substitute clarifies that:

- The Florida College System Performance-Based Incentive must include the distinguished college performance measures specified in s. 1001.67(1), F.S., but not the related standards for those metrics.
- The distinguished college metrics related to a normal-time completion rate apply only to full-time, first-time-in-college students.

CS by Education on January 23, 2017:

The committee substitute clarifies that:

- The eligibility requirements for out-of-state students to qualify for the Benacquisto Scholarship applies to students who initially enroll in a baccalaureate program in the 2017-18 academic year or later.
- The Benacquisto Scholarship award for an out-of-state student must be equal to the institutional cost of attendance for a resident of this state less the student's National Merit Scholarship.

B. Amendments:

None.



266322

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Appropriations (Galvano) recommended the following:

Senate Amendment

Delete lines 62 - 72

and insert:

(1) The State Board of Education shall adopt the following performance-based metrics for use in awarding a Florida College System Performance-Based Incentive ~~shall be awarded to a Florida College System institution: institutions using performance-based metrics~~

(a) A student retention rate, as calculated by the Division



266322

11 of Florida Colleges;

12 (b) A 100 percent-of-normal-time program completion and
13 graduation rate for full-time, first-time-in-college students,
14 as calculated by the Division of Florida Colleges using a cohort
15 definition of "full-time" based on a student's majority
16 enrollment in full-time terms;

17 (c) A continuing education or postgraduation job placement
18 rate for workforce education programs, including workforce
19 baccalaureate degree programs, as reported by the Florida
20 Education and Training Placement Information Program, with wage
21 thresholds that reflect the added value of the applicable
22 certificate or degree. This paragraph does not apply to
23 associate in arts degrees;

24 (d) A graduation rate for first-time-in-college students
25 enrolled in an associate of arts degree program who graduate
26 with a baccalaureate degree in 4 years after initially enrolling
27 in an associates of arts degree program; and

28 (e) One performance-based metric on college affordability



735718

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Appropriations (Galvano) recommended the following:

Senate Amendment (with title amendment)

Between lines 421 and 422

insert:

Section 12. Subsection (9) of section 1009.53, Florida Statutes, is amended to read:

1009.53 Florida Bright Futures Scholarship Program.—

(9) A student may use an award for summer term enrollment if funds are available, including funds appropriated in the General Appropriations Act to support, at a minimum, summer term



735718

11 enrollment for a Florida Academic Scholars award.

12

13 ===== T I T L E A M E N D M E N T =====

14 And the title is amended as follows:

15 Delete line 41

16 and insert:

17 tuition; amending s. 1009.53, F.S.; authorizing a
18 student to use funds appropriated in the General
19 Appropriations Act for summer term enrollment for
20 Florida Academic Scholars awards; amending s.
21 1009.534, F.S.; specifying



840626

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Appropriations (Flores and Galvano) recommended the following:

Senate Amendment (with title amendment)

Between lines 609 and 610

insert:

Section 16. Section 1009.894, Florida Statutes, is created to read:

1009.894. Florida Farmworker Student Scholarship Program.-
The Legislature recognizes the vital contribution of farmworkers
to the economy of this state. The Florida Farmworker Student
Scholarship Program is created to provide scholarships for



840626

11 farmworkers, as defined in s. 420.503, and the children of such
12 farmworkers.

13 (1) The Department of Education shall administer the
14 Florida Farmworker Student Scholarship Program according to
15 rules and procedures established by the State Board of
16 Education. Up to 50 scholarships shall be awarded annually
17 according to the criteria established in subsection (2) and
18 contingent upon an appropriation in the General Appropriations
19 Act.

20 (2) (a) To be eligible for an initial scholarship, a student
21 must, at a minimum:

22 1. Have a resident status as required by s. 1009.40 and
23 rules of the State Board of Education;

24 2. Earn a minimum cumulative 3.5 weighted grade point
25 average for all high school courses creditable towards a
26 diploma;

27 3. Complete a minimum of 30 hours of community service; and
28 4. Have at least a 90 percent attendance rate and not have
29 had any disciplinary action brought against him or her, as
30 documented on the student's high school transcript.

31 (b) The department shall rank eligible initial applicants
32 for the purposes of awarding scholarships based on need, as
33 determined by the department.

34 (c) In order to renew a scholarship awarded pursuant to
35 this section, a student must maintain at least a cumulative
36 grade point average of 2.5 or higher on a 4.0 scale for college
37 coursework.

38 (3) A scholarship recipient must enroll in a minimum of 12
39 credit hours per term, or the equivalent, at a public



840626

40 postsecondary educational institution in this state to receive
41 funding.

42 (4) A scholarship recipient may receive an award for a
43 maximum of 100 percent of the number of credit hours required to
44 complete an associate or baccalaureate degree program or receive
45 an award for a maximum of 100 percent of the credit hours or
46 clock hours required to complete up to 90 credit hours of a
47 program that terminates in a career certificate. The scholarship
48 recipient is eligible for an award equal to the amount required
49 to pay the tuition and fees established under ss. 1009.22(3),
50 (5), (6), and (7); 1009.23(3), (4), (7), (8), (10), and (11);
51 and 1009.24(4), (7)-(13), (14)(r), and (16), as applicable, at a
52 public postsecondary educational institution in this state.
53 Renewal scholarships must take precedence over new awards in a
54 year in which funds are not sufficient to accommodate both
55 initial and renewal awards. The scholarship must be prorated for
56 any such year.

57 (5) Subject to appropriation in the General Appropriations
58 Act, the department shall annually issue awards from the
59 scholarship program. Before the registration period each
60 semester, the department shall transmit payment for each award
61 to the president or director of the postsecondary educational
62 institution, or his or her representative. However, the
63 department may withhold payment if the receiving institution
64 fails to submit the following reports or make the following
65 refunds to the department:

66 (a) Each institution shall certify to the department the
67 eligibility status of each student to receive a disbursement
68 within 30 days before the end of its regular registration



840626

69 period, inclusive of a drop and add period. An institution is
70 not required to reevaluate the student eligibility after the end
71 of the drop and add period.

72 (b) An institution that receives funds from the scholarship
73 program must certify to the department the amount of funds
74 disbursed to each student and remit to the department any
75 undisbursed advance within 60 days after the end of the regular
76 registration period.

77 (6) The department shall allocate funds to the appropriate
78 institutions and collect and maintain data regarding the
79 scholarship program within the student financial assistance
80 database as specified in s. 1009.94.

81 (7) Funding for this program shall be as provided in the
82 General Appropriations Act.

83
84 ===== T I T L E A M E N D M E N T =====

85 And the title is amended as follows:

86 Delete line 51

87 and insert:

88 students; creating s. 1009.894, F.S.; creating the
89 Florida Farmworker Student Scholarship Program;
90 providing a purpose; requiring the Department of
91 Education to administer the scholarship program;
92 providing initial and renewal scholarship student
93 eligibility criteria; specifying award amounts and
94 distributions; requiring the department to issue the
95 awards annually; requiring institutions to certify
96 certain information and remit any remaining funds to
97 the department by a specified timeframe; requiring the



98 department to maintain program data; providing for
99 funding as specified in the General Appropriations
100 Act; providing a directive to the Division of Law



749062

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Appropriations (Galvano) recommended the following:

Senate Amendment (with title amendment)

Between lines 609 and 610

insert:

Section 16. Present paragraphs (e) and (f) of subsection (10) of section 1009.98, Florida Statutes, are redesignated as paragraphs (f) and (g), respectively, and a new paragraph (e) is added to that subsection, to read:

1009.98 Stanley G. Tate Florida Prepaid College Program.—

(10) PAYMENTS ON BEHALF OF QUALIFIED BENEFICIARIES.—



749062

11 (e) Notwithstanding the number of credit hours used by a
12 state university to assess the amount for registration fees, the
13 tuition differential, or local fees, the amount paid by the
14 board to any state university on behalf of a qualified
15 beneficiary of an advance payment contract purchased before July
16 1, 2024, may not exceed the number of credit hours taken by that
17 qualified beneficiary at a state university.

18
19 ===== T I T L E A M E N D M E N T =====

20 And the title is amended as follows:

21 Delete line 51

22 and insert:

23 students; amending s. 1009.98, F.S.; providing that
24 certain payments from the Florida Prepaid College
25 Board to a state university on behalf of a qualified
26 beneficiary may not exceed a specified amount;
27 providing a directive to the Division of Law



945716

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Appropriations (Galvano) recommended the following:

Senate Amendment (with title amendment)

Between lines 616 and 617

insert:

Section 17. Paragraph (b) of subsection (5) of section 1001.706, Florida Statutes, is amended to read:

1001.706 Powers and duties of the Board of Governors.—

(5) POWERS AND DUTIES RELATING TO ACCOUNTABILITY.—

(b) The Board of Governors shall develop a strategic plan specifying goals and objectives for the State University System



945716

11 and each constituent university, including each university's
12 contribution to overall system goals and objectives. The
13 strategic plan must:

14 1. Include performance metrics and standards common for all
15 institutions and metrics and standards unique to institutions
16 depending on institutional core missions, including, but not
17 limited to, student admission requirements, retention,
18 graduation, percentage of graduates who have attained
19 employment, percentage of graduates enrolled in continued
20 education, licensure passage, average wages of employed
21 graduates, average cost per graduate, excess hours, student loan
22 burden and default rates, faculty awards, total annual research
23 expenditures, patents, licenses and royalties, intellectual
24 property, startup companies, annual giving, endowments, and
25 well-known, highly respected national rankings for institutional
26 and program achievements.

27 2. Consider reports and recommendations of the Higher
28 Education Coordinating Council pursuant to s. 1004.015 and the
29 Articulation Coordinating Committee pursuant to s. 1007.01.

30 3. Include student enrollment and performance data
31 delineated by method of instruction, including, but not limited
32 to, traditional, online, and distance learning instruction.

33 4. Include criteria for designating baccalaureate degree
34 and master's degree programs at specified universities as high-
35 demand programs of emphasis. Fifty percent of the criteria for
36 designation as high-demand programs of emphasis must be based on
37 achievement of performance outcome thresholds determined by the
38 Board of Governors, and 50 percent of the criteria must be based
39 on achievement of performance outcome thresholds specifically



945716

40 linked to:

41 a. Job placement in employment of 36 hours or more per week
42 and average full-time wages of graduates of the degree programs
43 1 year and 5 years after graduation, based in part on data
44 provided in the economic security report of employment and
45 earning outcomes produced annually pursuant to s. 445.07.

46 b. Data-driven gap analyses, conducted by the Board of
47 Governors, of the state's job market demands and the outlook for
48 jobs that require a baccalaureate or higher degree. Each state
49 university must use the gap analyses to identify internship
50 opportunities for students to benefit from mentorship by
51 industry experts, earn industry certifications, and become
52 employed in high-demand fields.

53 Section 18. Section 1004.6497, Florida Statutes, is created
54 to read:

55 1004.6497 World Class Faculty and Scholar Program.—

56 (1) PURPOSE AND LEGISLATIVE INTENT.—The World Class Faculty
57 and Scholar Program is established to fund and support the
58 efforts of state universities to recruit and retain exemplary
59 faculty and research scholars. It is the intent of the
60 Legislature to elevate the national competitiveness of Florida's
61 state universities through faculty and scholar recruitment and
62 retention.

63 (2) INVESTMENTS.—Retention, recruitment, and recognition
64 efforts, activities, and investments may include, but are not
65 limited to, investments in research-centric cluster hires,
66 faculty research and research commercialization efforts,
67 instructional and research infrastructure, undergraduate student
68 participation in research, professional development, awards for



945716

69 outstanding performance, and postdoctoral fellowships.

70 (3) FUNDING AND USE.—Funding for the program shall be as
71 provided in the General Appropriations Act. Each state
72 university shall use the funds only for the purpose and
73 investments authorized under this section.

74 (4) ACCOUNTABILITY.—By March 15 of each year, the Board of
75 Governors shall provide to the Governor, the President of the
76 Senate, and the Speaker of the House of Representatives a report
77 summarizing information from the universities in the State
78 University System, including, but not limited to:

79 (a) Specific expenditure information as it relates to the
80 investments identified in subsection (2).

81 (b) The impact of those investments in elevating the
82 national competitiveness of the universities, specifically
83 relating to:

84 1. The success in recruiting research faculty and the
85 resulting research funding;

86 2. The 4-year graduation rate;

87 3. The number of undergraduate courses offered with fewer
88 than 50 students; and

89 4. The increased national academic standing of targeted
90 programs, specifically advancement among top 50 universities in
91 the targeted programs in well-known and highly respected
92 national public university rankings, including, but not limited
93 to, the U.S. News and World Report rankings, which reflect
94 national preeminence, using the most recent rankings.

95 Section 19. Section 1004.6498, Florida Statutes, is created
96 to read:

97 1004.6498 State University Professional and Graduate Degree



945716

98 Excellence Program.—

99 (1) PURPOSE.—The State University Professional and Graduate
100 Degree Excellence Program is established to fund and support the
101 efforts of state universities to enhance the quality and
102 excellence of professional and graduate schools and degree
103 programs in medicine, law, and business and expand the economic
104 impact of state universities.

105 (2) INVESTMENTS.—Quality improvement efforts may include,
106 but are not limited to, targeted investments in faculty,
107 students, research, infrastructure, and other strategic
108 endeavors to elevate the national and global prominence of state
109 university medicine, law, and graduate-level business programs.

110 (3) FUNDING AND USE.—Funding for the program shall be as
111 provided in the General Appropriations Act. Each state
112 university shall use the funds only for the purpose and
113 investments authorized under this section.

114 (4) ACCOUNTABILITY.—By March 15 of each year, the Board of
115 Governors shall provide to the Governor, the President of the
116 Senate, and the Speaker of the House of Representatives a report
117 summarizing information from the universities in the State
118 University System, including, but not limited to:

119 (a) Specific expenditure information as it relates to the
120 investments identified in subsection (2).

121 (b) The impact of those investments in elevating the
122 national and global prominence of the state university medicine,
123 law, and graduate-level business programs, specifically relating
124 to:

125 1. The first-time pass rate on the United States Medical
126 Licensing Examination;



945716

127 2. The first-time pass rate on The Florida Bar Examination;

128 3. The percentage of graduates enrolled or employed at a
129 wage threshold that reflects the added value of a graduate-level
130 business degree;

131 4. The advancement in the rankings of the state university
132 medicine, law, and graduate-level programs in well-known and
133 highly respected national graduate-level university rankings,
134 including, but not limited to, the U.S. News and World Report
135 rankings, which reflect national preeminence, using the most
136 recent rankings; and

137 5. The added economic benefit of the universities to the
138 state.

139 Section 20. Section 1013.79, Florida Statutes, is amended
140 to read:

141 1013.79 University Facility Enhancement Challenge Grant
142 Program.—

143 (1) The Legislature recognizes that the universities do not
144 have sufficient physical facilities to meet the current demands
145 of their instructional and research programs. It further
146 recognizes that, to strengthen and enhance universities, it is
147 necessary to provide facilities in addition to those currently
148 available from existing revenue sources. It further recognizes
149 that there are sources of private support that, if matched with
150 state support, can assist in constructing much-needed facilities
151 and strengthen the commitment of citizens and organizations in
152 promoting excellence throughout the state universities.

153 ~~Therefore, it is the intent of the Legislature to establish a~~
154 ~~trust fund to provide the opportunity for each university to~~
155 ~~receive support for challenge grants for instructional and~~



945716

156 ~~research-related capital facilities within the university.~~

157 (2) There is established the Alec P. Courtelis University
158 Facility Enhancement Challenge Grant Program for the purpose of
159 assisting universities build high priority instructional and
160 research-related capital facilities, including common areas
161 connecting such facilities. The associated foundations that
162 serve the universities shall solicit gifts from private sources
163 to provide matching funds for capital facilities. For the
164 purposes of this act, private sources of funds may ~~shall~~ not
165 include any federal, state, or local government funds that a
166 university may receive.

167 ~~(3) (a) There is established the Alec P. Courtelis Capital~~
168 ~~Facilities Matching Trust Fund to facilitate the development of~~
169 ~~high priority instructional and research-related capital~~
170 ~~facilities, including common areas connecting such facilities,~~
171 ~~within a university. All appropriated funds deposited into the~~
172 ~~trust fund shall be invested pursuant to s. 17.61. Interest~~
173 ~~income accruing to that portion of the trust fund shall increase~~
174 ~~the total funds available for the challenge grant program.~~

175 ~~(b) Effective July 1, 2009, the Alec P. Courtelis Capital~~
176 ~~Facilities Matching Trust Fund is terminated.~~

177 ~~(c) The State Board of Education shall pay any outstanding~~
178 ~~debts and obligations of the terminated fund as soon as~~
179 ~~practicable, and the Chief Financial Officer shall close out and~~
180 ~~remove the terminated funds from various state accounting~~
181 ~~systems using generally accepted accounting principles~~
182 ~~concerning warrants outstanding, assets, and liabilities.~~

183 ~~(d) By June 30, 2008, all private funds and associated~~
184 ~~interest earnings held in the Alec P. Courtelis Capital~~



945716

185 ~~Facilities Matching Trust Fund shall be transferred to the~~
186 ~~originating university's individual program account.~~

187 (3)~~(4)~~ Each university shall establish, pursuant to s.
188 1011.42, a facilities matching grant program account as a
189 depository for private contributions provided under this
190 section. Once a project is under contract, funds appropriated as
191 state matching funds may be transferred to the university's
192 account once the Board of Governors certifies receipt of the
193 private matching funds pursuant to subsection (4) ~~(5)~~. State
194 funds that are not needed as matching funds for the project for
195 which appropriated shall be transferred, together with any
196 accrued interest, back to the state fund from which such funds
197 were appropriated. The transfer of unneeded state funds must
198 ~~shall~~ occur within 30 days after final completion of the project
199 or within 30 days after a determination that the project will
200 not be completed. The Public Education Capital Outlay and Debt
201 Service Trust Fund or the Capital Improvement Trust Fund may
202 ~~shall~~ not be used as the source of the state match for private
203 contributions. Interest income accruing from the private
204 donations shall be returned to the participating foundation upon
205 completion of the project.

206 (4)~~(5)~~ A project may not be initiated unless all private
207 funds for planning, construction, and equipping the facility
208 have been received and deposited in the separate university
209 program account designated for this purpose. However, these
210 requirements do not preclude the university from expending funds
211 derived from private sources to develop a prospectus, including
212 preliminary architectural schematics or models, for use in its
213 efforts to raise private funds for a facility, and for site



945716

214 preparation, planning, and construction. The Board of Governors
215 shall establish a method for validating the receipt and deposit
216 of private matching funds. The Legislature may appropriate the
217 state's matching funds in one or more fiscal years for the
218 planning, construction, and equipping of an eligible facility.
219 Each university shall notify all donors of private funds of a
220 substantial delay in the availability of state matching funds
221 for this program.

222 (5)~~(6)~~ To be eligible to participate in the Alec P.
223 Courtelis University Facility Enhancement Challenge Grant
224 Program, a university must ~~shall~~ raise a contribution equal to
225 one-half of the total cost of a facilities construction project
226 from private nongovernmental sources which must ~~shall~~ be matched
227 by a state appropriation equal to the amount raised for a
228 facilities construction project subject to the General
229 Appropriations Act.

230 (6)~~(7)~~ If the state's share of the required match is
231 insufficient to meet the requirements of subsection (5) ~~(6)~~, the
232 university must ~~shall~~ renegotiate the terms of the contribution
233 with the donors. If the project is terminated, each private
234 donation, plus accrued interest, reverts to the foundation for
235 remittance to the donor.

236 (7)~~(8)~~ By October 15 of each year, the Board of Governors
237 shall transmit to the Legislature a list of projects that meet
238 all eligibility requirements to participate in the Alec P.
239 Courtelis University Facility Enhancement Challenge Grant
240 Program and a budget request that includes the recommended
241 schedule necessary to complete each project.

242 (8)~~(9)~~ In order for a project to be eligible under this



945716

243 program, it must be included in the university 5-year capital
244 improvement plan and must receive approval from the Board of
245 Governors or the Legislature.

246 (9)~~(10)~~ A university's project may not be removed from the
247 approved 3-year PECO priority list because of its successful
248 participation in this program until approved by the Legislature
249 and provided for in the General Appropriations Act. When such a
250 project is completed and removed from the list, all other
251 projects shall move up on the 3-year PECO priority list. A
252 university may ~~shall~~ not use PECO funds, including the Capital
253 Improvement Trust Fund fee and the building fee, to complete a
254 project under this section.

255 (10)~~(11)~~ The surveys, architectural plans, facility, and
256 equipment are ~~shall be~~ the property of the State of Florida. A
257 facility constructed pursuant to this section may be named in
258 honor of a donor at the option of the university and the Board
259 of Governors. A ~~No~~ facility may not ~~shall~~ be named after a
260 living person without prior approval by the Legislature.

261 (11)~~(12)~~ Effective July 1, 2011, state matching funds are
262 temporarily suspended for donations received for this program on
263 or after June 30, 2011. Existing eligible donations remain
264 eligible for future matching funds. The program may be restarted
265 after \$200 million of the backlog for programs under ss.
266 1011.32, 1011.85, 1011.94, and this section have been matched.

267 (12) Notwithstanding the suspension provision under
268 subsection (11), for the 2017-2018 fiscal year and subject to
269 the General Appropriations Act, the Legislature may choose to
270 prioritize funding for those projects that have matching funds
271 available before June 30, 2011, and that have not yet been



945716

272 constructed.

273 Section 21. Subsection (3) of section 267.062, Florida
274 Statutes, is amended to read:

275 267.062 Naming of state buildings and other facilities.—

276 (3) Notwithstanding ~~the provisions of~~ subsection (1) or s.
277 1013.79(10) ~~s. 1013.79(11)~~, any state building, road, bridge,
278 park, recreational complex, or other similar facility of a state
279 university may be named for a living person by the university
280 board of trustees in accordance with regulations adopted by the
281 Board of Governors of the State University System.

282

283 ===== T I T L E A M E N D M E N T =====

284 And the title is amended as follows:

285 Delete line 52

286 and insert:

287 Revision and Information; amending s. 1001.706, F.S.;
288 requiring state universities to use gap analyses to
289 identify internship opportunities in high-demand
290 fields; creating s. 1004.6497, F.S.; establishing the
291 World Class Faculty and Scholar Program; providing the
292 purpose and intent of the program; authorizing
293 investments in certain faculty retention, recruitment,
294 and recognition activities; specifying funding as
295 provided in the General Appropriations Act; requiring
296 the funds to be used only for authorized purposes and
297 investments; requiring the Board of Governors to
298 submit an annual report to the Governor and the
299 Legislature by a specified date; creating s.
300 1004.6498, F.S.; establishing the State University



945716

301 Professional and Graduate Degree Excellence Program;
302 providing the purpose of the program; listing the
303 quality improvement efforts that may be used to
304 elevate the prominence of state university medicine,
305 law, and graduate-level business programs; specifying
306 funding as provided in the General Appropriations Act;
307 requiring the funds to be used only for authorized
308 purposes and investments; requiring the Board of
309 Governors to submit an annual report to the Governor
310 and the Legislature by a specified date; amending s.
311 1013.79, F.S.; revising the intent of the Alec P.
312 Courtelis University Facility Enhancement Challenge
313 Grant Program; deleting the Alec P. Courtelis Capital
314 Facilities Matching Trust Fund; authorizing the
315 Legislature to prioritize certain funds for the 2017-
316 2018 fiscal year; amending s. 267.062, F.S.;
317 conforming a cross-reference; providing an effective
318 date.



576-01754A-17

Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on Higher Education)

A bill to be entitled

An act relating to higher education; providing a short title; amending s. 1001.66, F.S.; revising requirements for the performance-based metrics used to award Florida College System institutions with performance-based incentives; amending s. 1001.67, F.S.; revising the Distinguished Florida College System Institution Program excellence standards requirements; amending s. 1001.7065, F.S.; revising the preeminent state research universities program graduation rate requirements and funding distributions; deleting the authority for such universities to stipulate a special course requirement for incoming students; requiring the Board of Governors to establish certain standards by a specified date; amending s. 1001.92, F.S.; requiring certain performance-based metrics to include specified graduation rates; amending s. 1007.23, F.S.; requiring each Florida Community College System institution to execute at least one "2+2" Targeted Pathway articulation agreement by a specified time; providing requirements and student eligibility for the agreements; requiring the State Board of Community Colleges and the Board of Governors to collaborate to eliminate barriers for the agreements; amending s. 1007.27, F.S.; requiring school districts to notify students about certain lists and equivalencies;



576-01754A-17

amending s. 1008.30, F.S.; providing that certain state universities may continue to provide developmental education instruction; amending ss. 1009.22 and 1009.23, F.S.; revising the prohibition on the inclusion of a technology fee in the Florida Bright Futures Scholarship Program award; amending s. 1009.24, F.S.; revising the prohibition on the inclusion of a technology fee in the Florida Bright Futures Scholarship Program award; requiring each state university board of trustees to implement a block tuition policy for specified undergraduate students or undergraduate-level courses by a specified time; revising the conditions for differential tuition; amending s. 1009.534, F.S.; specifying Florida Academic Scholars award amounts to cover tuition, fees, textbooks, and other college-related expenses; amending s. 1009.701, F.S.; revising the state-to-private match requirement for contributions to the First Generation Matching Grant Program; amending s. 1009.89, F.S.; renaming the Florida Resident Access Grant Program; amending s. 1009.893, F.S.; extending coverage of Benacquisto Scholarships to include tuition and fees for qualified nonresident students; providing a directive to the Division of Law Revision and Information; providing an effective date.

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

Section 1. This act shall be cited as the "Florida



525260

576-01754A-17

57 Excellence in Higher Education Act of 2017.

58 Section 2. Subsection (1) of section 1001.66, Florida
59 Statutes, is amended to read:

60 1001.66 Florida College System Performance-Based
61 Incentive.-

62 (1) The following performance-based metrics must be used in
63 awarding a Florida College System Performance-Based Incentive
64 shall be awarded to a Florida College System institution:
65 institutions using performance-based metrics

66 (a) The distinguished college performance metrics specified
67 in s. 1001.67(1);

68 (b) A graduation rate for first-time-in-college students
69 enrolled in an associate of arts degree program who graduate
70 with a baccalaureate degree in 4 years after initially enrolling
71 in an associates of arts degree program; and

72 (c) One performance-based metric on college affordability
73 adopted by the State Board of Education. ~~The performance-based~~
74 ~~metrics must include retention rates, program completion and~~
75 ~~graduation rates, postgraduation employment, salaries, and~~
76 ~~continuing education for workforce education and baccalaureate~~
77 ~~programs, with wage thresholds that reflect the added value of~~
78 ~~the certificate or degree, and outcome measures appropriate for~~
79 ~~associate of arts degree recipients.~~

80
81 The state board shall adopt benchmarks to evaluate each
82 institution's performance on the metrics to measure the
83 institution's achievement of institutional excellence or need
84 for improvement and ~~the~~ minimum requirements for eligibility to
85 receive performance funding.



525260

576-01754A-17

86 Section 3. Subsection (1) of section 1001.67, Florida
87 Statutes, is amended to read:

88 1001.67 Distinguished Florida College System Institution
89 Program.-A collaborative partnership is established between the
90 State Board of Education and the Legislature to recognize the
91 excellence of Florida's highest-performing Florida College
92 System institutions.

93 (1) EXCELLENCE STANDARDS.-The following excellence
94 standards are established for the program:

95 (a) A 100 ~~150~~ percent-of-normal-time completion rate for
96 full-time, first-time-in-college students of 50 percent or
97 higher, as calculated by the Division of Florida Colleges.

98 (b) A 100 ~~150~~ percent-of-normal-time completion rate for
99 full-time, first-time-in-college Pell Grant recipients of 40
100 percent or higher, as calculated by the Division of Florida
101 Colleges.

102 (c) A retention rate of 70 percent or higher, as calculated
103 by the Division of Florida Colleges.

104 (d) A continuing education, or transfer, rate of 72 percent
105 or higher for students graduating with an associate of arts
106 degree, as reported by the Florida Education and Training
107 Placement Information Program (FETPIP).

108 (e) A licensure passage rate on the National Council
109 Licensure Examination for Registered Nurses (NCLEX-RN) of 90
110 percent or higher for first-time exam takers, as reported by the
111 Board of Nursing.

112 (f) A job placement ~~or~~ continuing education or job
113 placement rate of 88 percent or higher for workforce programs,
114 as reported by FETPIP, with wage thresholds that reflect the



576-01754A-17

115 added value of the applicable certificate or degree. This
116 paragraph does not apply to associate of arts degrees.

117 (g) ~~An excess hours rate of 40 percent or lower for A time-~~
118 ~~to-degree for students graduating with an~~ associate of arts
119 degree recipients who graduate with 72 or more credit hours, as
120 calculated by the Division of Florida Colleges of 2.25 years or
121 less for first-time-in-college students with accelerated college
122 credits, as reported by the Southern Regional Education Board.

123 Section 4. Paragraph (d) of subsection (2), paragraph (c)
124 of subsection (5), and subsections (6), (7), and (8) of section
125 1001.7065, Florida Statutes, are amended to read:

126 1001.7065 Preeminent state research universities program.—

127 (2) ACADEMIC AND RESEARCH EXCELLENCE STANDARDS.—The
128 following academic and research excellence standards are
129 established for the preeminent state research universities
130 program:

131 (d) A 4-year ~~6-year~~ graduation rate of 50 ~~70~~ percent or
132 higher for full-time, first-time-in-college students, as
133 calculated by the Board of Governors reported annually to the
134 FPEDS.

135 (5) PREEMINENT STATE RESEARCH UNIVERSITIES PROGRAM
136 SUPPORT.—

137 (c) The award of funds under this subsection is contingent
138 upon funding provided in the General Appropriations Act to
139 support the preeminent state research universities program
140 created under this section. Funding increases appropriated
141 beyond the amounts funded in the previous fiscal year shall be
142 distributed as follows:

143 1. Each designated preeminent state research university



576-01754A-17

144 that meets the criteria in paragraph (a) shall receive an equal
145 amount of funding.

146 2. Each designated emerging preeminent state research
147 university that meets the criteria in paragraph (b) shall
148 receive an amount of funding that is equal to one-fourth ~~one-~~
149 ~~half~~ of the total increased amount awarded to each designated
150 preeminent state research university.

151 ~~(6) PREEMINENT STATE RESEARCH UNIVERSITY SPECIAL COURSE~~
152 ~~REQUIREMENT AUTHORITY. In order to provide a jointly shared~~
153 ~~educational experience, a university that is designated a~~
154 ~~preeminent state research university may require its incoming~~
155 ~~first-time-in-college students to take a six-credit set of~~
156 ~~unique courses specifically determined by the university and~~
157 ~~published on the university's website. The university may~~
158 ~~stipulate that credit for such courses may not be earned through~~
159 ~~any acceleration mechanism pursuant to s. 1007.27 or s. 1007.271~~
160 ~~or any other transfer credit. All accelerated credits earned up~~
161 ~~to the limits specified in ss. 1007.27 and 1007.271 shall be~~
162 ~~applied toward graduation at the student's request.~~

163 ~~(6)(7) PREEMINENT STATE RESEARCH UNIVERSITY FLEXIBILITY~~
164 ~~AUTHORITY.—The Board of Governors is encouraged to identify and~~
165 ~~grant all reasonable, feasible authority and flexibility to~~
166 ~~ensure that each designated preeminent state research university~~
167 ~~and each designated emerging preeminent state research~~
168 ~~university is free from unnecessary restrictions.~~

169 ~~(7)(8) PROGRAMS OF EXCELLENCE THROUGHOUT THE STATE~~
170 ~~UNIVERSITY SYSTEM.—The Board of Governors shall is encouraged to~~
171 ~~establish standards and measures whereby individual~~
172 ~~undergraduate, graduate, and professional degree programs in~~



525260

576-01754A-17

173 state universities ~~which that~~ objectively reflect national
174 excellence can be identified and make recommendations to the
175 Legislature by September 1, 2017, as to how any such programs
176 could be enhanced and promoted.

177 Section 5. Subsection (1) of section 1001.92, Florida
178 Statutes, is amended to read:

179 1001.92 State University System Performance-Based
180 Incentive.—

181 (1) A State University System Performance-Based Incentive
182 shall be awarded to state universities using performance-based
183 metrics adopted by the Board of Governors of the State
184 University System. The performance-based metrics must include 4-
185 year graduation rates; retention rates; postgraduation education
186 rates; degree production; affordability; postgraduation
187 employment and salaries, including wage thresholds that reflect
188 the added value of a baccalaureate degree; access; and other
189 metrics approved by the board in a formally noticed meeting. The
190 board shall adopt benchmarks to evaluate each state university's
191 performance on the metrics to measure the state university's
192 achievement of institutional excellence or need for improvement
193 and minimum requirements for eligibility to receive performance
194 funding.

195 Section 6. Subsection (7) is added to section 1007.23,
196 Florida Statutes, to read:

197 1007.23 Statewide articulation agreement.—

198 (7) To strengthen Florida's "2+2" system of articulation
199 and improve student retention and on-time graduation, by the
200 2018-2019 academic year, each Florida Community College System
201 institution shall execute at least one "2+2" targeted pathway



525260

576-01754A-17

202 articulation agreement with one or more state universities to
203 establish "2+2" targeted pathway programs. The agreement must
204 provide students who graduate with an associate in arts degree
205 and who meet specified requirements guaranteed access to the
206 state university and a degree program at that university, in
207 accordance with the terms of the "2+2" targeted pathway
208 articulation agreement.

209 (a) To participate in a "2+2" targeted pathway program, a
210 student must:

211 1. Enroll in the program before completing 30 credit hours,
212 including, but not limited to, college credits earned through
213 articulated acceleration mechanisms pursuant to s. 1007.27;

214 2. Complete an associate in arts degree; and

215 3. Meet the university's transfer requirements.

216 (b) A state university that executes a "2+2" targeted
217 pathway articulation agreement must meet the following
218 requirements in order to implement a "2+2" targeted pathway
219 program in collaboration with its partner Florida Community
220 College System institution:

221 1. Establish a 4-year on-time graduation plan for a
222 baccalaureate degree program, including, but not limited to, a
223 plan for students to complete associate in arts degree programs,
224 general education courses, common prerequisite courses, and
225 elective courses;

226 2. Advise students enrolled in the program about the
227 university's transfer and degree program requirements; and

228 3. Provide students who meet the requirements under this
229 paragraph with access to academic advisors and campus events and
230 with guaranteed admittance to the state university and a degree



576-01754A-17

231 program of the state university, in accordance with the terms of
232 the agreement.

233 (c) To assist the state universities and Florida Community
234 College institutions with implementing the "2+2" targeted
235 pathway programs effectively, the State Board of Community
236 Colleges and the Board of Governors shall collaborate to
237 eliminate barriers in executing "2+2" targeted pathway
238 articulation agreements.

239 Section 7. Subsection (2) of section 1007.27, Florida
240 Statutes, is amended to read:

241 1007.27 Articulated acceleration mechanisms.—

242 (2) (a) The Department of Education shall annually identify
243 and publish the minimum scores, maximum credit, and course or
244 courses for which credit is to be awarded for each College Level
245 Examination Program (CLEP) subject examination, College Board
246 Advanced Placement Program examination, Advanced International
247 Certificate of Education examination, International
248 Baccalaureate examination, Excelsior College subject
249 examination, Defense Activity for Non-Traditional Education
250 Support (DANTES) subject standardized test, and Defense Language
251 Proficiency Test (DLPT). The department shall use student
252 performance data in subsequent postsecondary courses to
253 determine the appropriate examination scores and courses for
254 which credit is to be granted. Minimum scores may vary by
255 subject area based on available performance data. In addition,
256 the department shall identify such courses in the general
257 education core curriculum of each state university and Florida
258 College System institution.

259 (b) Each district school board shall notify students who



576-01754A-17

260 enroll in articulated acceleration mechanism courses or take
261 examinations pursuant to this section of the credit-by-
262 examination equivalency list adopted by rule by the State Board
263 of Education and the dual enrollment course and high school
264 subject area equivalencies approved by the state board pursuant
265 to s. 1007.271(9).

266 Section 8. Paragraph (c) of subsection (5) of section
267 1008.30, Florida Statutes, is amended to read:
268 1008.30 Common placement testing for public postsecondary
269 education.—

270 (5)

271 (c) A university board of trustees may contract with a
272 Florida College System institution board of trustees for the
273 Florida College System institution to provide developmental
274 education on the state university campus. Any state university
275 in which the percentage of incoming students requiring
276 developmental education equals or exceeds the average percentage
277 of such students for the Florida College System may offer
278 developmental education without contracting with a Florida
279 College System institution; however, any state university
280 offering college-preparatory instruction as of January 1, 1996,
281 may continue to provide developmental education instruction
282 pursuant to s. 1008.02(1) such services.

283 Section 9. Subsection (7) of section 1009.22, Florida
284 Statutes, is amended to read:

285 1009.22 Workforce education postsecondary student fees.—

286 (7) Each district school board and Florida College System
287 institution board of trustees is authorized to establish a
288 separate fee for technology, not to exceed 5 percent of tuition



525260

576-01754A-17

289 per credit hour or credit-hour equivalent for resident students
290 and not to exceed 5 percent of tuition and the out-of-state fee
291 per credit hour or credit-hour equivalent for nonresident
292 students. Revenues generated from the technology fee shall be
293 used to enhance instructional technology resources for students
294 and faculty and may shall not be included in an any award under
295 the Florida Bright Futures Scholarship Program, except as
296 authorized for the Florida Academic Scholars award under s.
297 1009.534. Fifty percent of technology fee revenues may be
298 pledged by a Florida College System institution board of
299 trustees as a dedicated revenue source for the repayment of
300 debt, including lease-purchase agreements, not to exceed the
301 useful life of the asset being financed. Revenues generated from
302 the technology fee may not be bonded.

303 Section 10. Subsection (10) of section 1009.23, Florida
304 Statutes, is amended to read:

305 1009.23 Florida College System institution student fees.—

306 (10) Each Florida College System institution board of
307 trustees is authorized to establish a separate fee for
308 technology, which may not exceed 5 percent of tuition per credit
309 hour or credit-hour equivalent for resident students and may not
310 exceed 5 percent of tuition and the out-of-state fee per credit
311 hour or credit-hour equivalent for nonresident students.
312 Revenues generated from the technology fee shall be used to
313 enhance instructional technology resources for students and
314 faculty. The technology fee may apply to both college credit and
315 developmental education and may shall not be included in an any
316 award under the Florida Bright Futures Scholarship Program,
317 except as authorized for the Florida Academic Scholars award



525260

576-01754A-17

318 under s. 1009.534. Fifty percent of technology fee revenues may
319 be pledged by a Florida College System institution board of
320 trustees as a dedicated revenue source for the repayment of
321 debt, including lease-purchase agreements, not to exceed the
322 useful life of the asset being financed. Revenues generated from
323 the technology fee may not be bonded.

324 Section 11. Subsection (13), paragraph (a) of subsection
325 (15), and paragraph (b) of subsection (16) of section 1009.24,
326 Florida Statutes, are amended to read:

327 1009.24 State university student fees.—

328 (13) Each university board of trustees may establish a
329 technology fee of up to 5 percent of the tuition per credit
330 hour. The revenue from this fee shall be used to enhance
331 instructional technology resources for students and faculty. The
332 technology fee may not be included in an any award under the
333 Florida Bright Futures Scholarship Program established pursuant
334 to ss. 1009.53-1009.538, except as authorized for the Florida
335 Academic Scholars award under s. 1009.534.

336 (15) (a) The Board of Governors may approve:

- 337 1. A proposal from a university board of trustees to
338 establish a new student fee that is not specifically authorized
339 by this section.
- 340 2. A proposal from a university board of trustees to
341 increase the current cap for an existing fee authorized pursuant
342 to paragraphs (14) (a)-(g).
- 343 3. A proposal from a university board of trustees to
344 implement flexible tuition policies, such as undergraduate or
345 graduate block tuition, block tuition differential, or market
346 tuition rates for graduate-level online courses or graduate-



525260

576-01754A-17

347 level courses offered through a university's continuing
348 education program. A block tuition policy for resident
349 undergraduate students or undergraduate-level courses ~~must shall~~
350 be adopted by each university board of trustees for
351 implementation by the fall 2018 academic semester and must be
352 based on the per-credit-hour undergraduate tuition established
353 under subsection (4). A block tuition policy for nonresident
354 undergraduate students ~~must shall~~ be adopted by each university
355 board of trustees for implementation by the fall 2018 academic
356 semester and must be based on the per-credit-hour undergraduate
357 tuition and out-of-state fee established under subsection (4).
358 Flexible tuition policies, including block tuition, may not
359 increase the state's fiscal liability or obligation.

360 (16) Each university board of trustees may establish a
361 tuition differential for undergraduate courses upon receipt of
362 approval from the Board of Governors. However, beginning July 1,
363 2014, the Board of Governors may only approve the establishment
364 of or an increase in tuition differential for a state research
365 university designated as a preeminent state research university
366 pursuant to s. 1001.7065(3). The tuition differential shall
367 promote improvements in the quality of undergraduate education
368 and shall provide financial aid to undergraduate students who
369 exhibit financial need.

370 (b) Each tuition differential is subject to the following
371 conditions:

372 1. The tuition differential may be assessed on one or more
373 undergraduate courses or on all undergraduate courses at a state
374 university.

375 2. The tuition differential may vary by course or courses,



525260

576-01754A-17

376 by campus or center location, and by institution. Each
377 university board of trustees shall strive to maintain and
378 increase enrollment in degree programs related to math, science,
379 high technology, and other state or regional high-need fields
380 when establishing tuition differentials by course.

381 3. For each state university that is designated as a
382 preeminent state research university by the Board of Governors,
383 pursuant to s. 1001.7065, the aggregate sum of tuition and the
384 tuition differential may be increased by no more than 6 percent
385 of the total charged for the aggregate sum of these fees in the
386 preceding fiscal year. The tuition differential may be increased
387 if the university meets or exceeds performance standard targets
388 for that university established annually by the Board of
389 Governors for the following performance standards, amounting to
390 no more than a 2-percent increase in the tuition differential
391 for each performance standard:

392 a. An increase in the ~~4-year~~ ~~6-year~~ graduation rate for
393 full-time, first-time-in-college students, as calculated by the
394 Board of Governors reported annually to the Integrated
395 Postsecondary Education Data System.

396 b. An increase in the total annual research expenditures.

397 c. An increase in the total patents awarded by the United
398 States Patent and Trademark Office for the most recent years.

399 4. The aggregate sum of undergraduate tuition and fees per
400 credit hour, including the tuition differential, may not exceed
401 the national average of undergraduate tuition and fees at 4-year
402 degree-granting public postsecondary educational institutions.

403 5. The tuition differential shall not be included in ~~an any~~
404 award under the Florida Bright Futures Scholarship Program



525260

576-01754A-17

405 established pursuant to ss. 1009.53-1009.538, except as
406 authorized for the Florida Academic Scholars award under s.
407 1009.534.

408 6. Beneficiaries having prepaid tuition contracts pursuant
409 to s. 1009.98(2)(b) which were in effect on July 1, 2007, and
410 which remain in effect, are exempt from the payment of the
411 tuition differential.

412 7. The tuition differential may not be charged to any
413 student who was in attendance at the university before July 1,
414 2007, and who maintains continuous enrollment.

415 8. The tuition differential may be waived by the university
416 for students who meet the eligibility requirements for the
417 Florida public student assistance grant established in s.
418 1009.50.

419 9. Subject to approval by the Board of Governors, the
420 tuition differential authorized pursuant to this subsection may
421 take effect with the 2009 fall term.

422 Section 12. Subsection (2) of section 1009.534, Florida
423 Statutes, is amended to read:

424 1009.534 Florida Academic Scholars award.-

425 (2) A Florida Academic Scholar who is enrolled in a
426 certificate, diploma, associate, or baccalaureate degree program
427 at a public or nonpublic postsecondary education institution is
428 eligible, beginning in the fall 2017 academic semester, for an
429 award equal to the amount required to pay 100 percent of tuition
430 and fees established under ss. 1009.22(3), (5), (6), and (7);
431 1009.23(3), (4), (7), (8), (10), and (11); and 1009.24(4), (7)-
432 (13), (14)(r), and (16), as applicable, and is eligible for an
433 additional \$300 each fall and spring academic semester or the



525260

576-01754A-17

434 equivalent for textbooks and college-related ~~specified in the~~
435 ~~General Appropriations Act to assist with the payment of~~
436 ~~educational expenses.~~

437 Section 13. Subsection (2) of section 1009.701, Florida
438 Statutes, is amended to read:

439 1009.701 First Generation Matching Grant Program.-

440 (2) Funds appropriated by the Legislature for the program
441 shall be allocated by the Office of Student Financial Assistance
442 to match private contributions at a ratio of \$2 of state
443 funds to \$1 of private contributions ~~dollar-for-dollar basis.~~
444 Contributions made to a state university and pledged for the
445 purposes of this section are eligible for state matching funds
446 appropriated for this program and are not eligible for any other
447 state matching grant program. Pledged contributions are not
448 eligible for matching prior to the actual collection of the
449 total funds. The Office of Student Financial Assistance shall
450 reserve a proportionate allocation of the total appropriated
451 funds for each state university on the basis of full-time
452 equivalent enrollment. Funds that remain unmatched as of
453 December 1 shall be reallocated to state universities that have
454 remaining unmatched private contributions for the program on the
455 basis of full-time equivalent enrollment.

456 Section 14. Section 1009.89, Florida Statutes, is amended
457 to read:

458 1009.89 The William L. Boyd, IV, Effective Access to
459 Student Education ~~Florida resident access~~ grants.-

460 (1) The Legislature finds and declares that independent
461 nonprofit colleges and universities eligible to participate in
462 the William L. Boyd, IV, Effective Access to Student Education



576-01754A-17

463 ~~Florida Resident Access~~ Grant Program are an integral part of
464 the higher education system in this state and that a significant
465 number of state residents choose this form of higher education.
466 The Legislature further finds that a strong and viable system of
467 independent nonprofit colleges and universities reduces the tax
468 burden on the citizens of the state. Because the William L.
469 Boyd, IV, Effective Access to Student Education Florida Resident
470 ~~Access~~ Grant Program is not related to a student's financial
471 need or other criteria upon which financial aid programs are
472 based, it is the intent of the Legislature that the William L.
473 Boyd, IV, Effective Access to Student Education Florida Resident
474 ~~Access~~ Grant Program not be considered a financial aid program
475 but rather a tuition assistance program for its citizens.

476 (2) The William L. Boyd, IV, Effective Access to Student
477 Education Florida Resident Access Grant Program shall be
478 administered by the Department of Education. The State Board of
479 Education shall adopt rules for the administration of the
480 program.

481 (3) The department shall issue through the program a
482 William L. Boyd, IV, Effective Access to Student Education
483 ~~Florida resident access~~ grant to any full-time degree-seeking
484 undergraduate student registered at an independent nonprofit
485 college or university which is located in and chartered by the
486 state; which is accredited by the Commission on Colleges of the
487 Southern Association of Colleges and Schools; which grants
488 baccalaureate degrees; which is not a state university or
489 Florida College System institution; and which has a secular
490 purpose, so long as the receipt of state aid by students at the
491 institution would not have the primary effect of advancing or



576-01754A-17

492 impeding religion or result in an excessive entanglement between
493 the state and any religious sect. Any independent college or
494 university that was eligible to receive tuition vouchers on
495 January 1, 1989, and which continues to meet the criteria under
496 which its eligibility was established, shall remain eligible to
497 receive William L. Boyd, IV, Effective Access to Student
498 Education Florida resident access grant payments.

499 (4) A person is eligible to receive such William L. Boyd,
500 IV, Effective Access to Student Education Florida resident
501 ~~access~~ grant if:

502 (a) He or she meets the general requirements, including
503 residency, for student eligibility as provided in s. 1009.40,
504 except as otherwise provided in this section; and

505 (b)1. He or she is enrolled as a full-time undergraduate
506 student at an eligible college or university;

507 2. He or she is not enrolled in a program of study leading
508 to a degree in theology or divinity; and

509 3. He or she is making satisfactory academic progress as
510 defined by the college or university in which he or she is
511 enrolled.

512 (5) (a) Funding for the William L. Boyd, IV, Effective
513 Access to Student Education Florida Resident Access Grant
514 Program for eligible institutions shall be as provided in the
515 General Appropriations Act. The William L. Boyd, IV, Effective
516 Access to Student Education Florida resident access grant may be
517 paid on a prorated basis in advance of the registration period.
518 The department shall make such payments to the college or
519 university in which the student is enrolled for credit to the
520 student's account for payment of tuition and fees. Institutions



576-01754A-17

521 shall certify to the department the amount of funds disbursed to
522 each student and shall remit to the department any undisbursed
523 advances or refunds within 60 days of the end of regular
524 registration. A student is not eligible to receive the award for
525 more than 9 semesters or 14 quarters, except as otherwise
526 provided in s. 1009.40(3).

527 (b) If the combined amount of the William L. Boyd, IV,
528 Effective Access to Student Education Florida resident access
529 grant issued pursuant to this act and all other scholarships and
530 grants for tuition or fees exceeds the amount charged to the
531 student for tuition and fees, the department shall reduce the
532 William L. Boyd, IV, Effective Access to Student Education
533 Florida resident access grant issued pursuant to this act by an
534 amount equal to such excess.

535 (6) If the number of eligible students exceeds the total
536 authorized in the General Appropriations Act, an institution may
537 use its own resources to assure that each eligible student
538 receives the full benefit of the grant amount authorized.

539 Section 15. Subsections (2), (4), and (5) of section
540 1009.893, Florida Statutes, are amended to read:

541 1009.893 Benacquisto Scholarship Program.—

542 (2) The Benacquisto Scholarship Program is created to
543 reward ~~a any Florida~~ high school graduate who receives
544 recognition as a National Merit Scholar or National Achievement
545 Scholar and who initially enrolls in the 2014-2015 academic year
546 or, later, in a baccalaureate degree program at an eligible
547 Florida public or independent postsecondary educational
548 institution.

549 (4) In order to be eligible for an award under the



576-01754A-17

550 scholarship program, a student must meet the requirements of
551 paragraph (a) or paragraph (b).+

552 (a) A student who is a resident of the state, ~~Be a state~~
553 ~~resident~~ as determined in s. 1009.40 and rules of the State
554 Board of Education, must:+

555 1. ~~(b)~~ Earn a standard Florida high school diploma or its
556 equivalent pursuant to s. 1002.3105, s. 1003.4281, s. 1003.4282,
557 or s. 1003.435 unless:

558 a.1. The student completes a home education program
559 according to s. 1002.41; or

560 b.2. The student earns a high school diploma from a non-
561 Florida school while living with a parent who is on military or
562 public service assignment out of this state;

563 2. ~~(e)~~ Be accepted by and enroll in a Florida public or
564 independent postsecondary educational institution that is
565 regionally accredited; and

566 3. ~~(a)~~ Be enrolled full-time in a baccalaureate degree
567 program at an eligible regionally accredited Florida public or
568 independent postsecondary educational institution during the
569 fall academic term following high school graduation.

570 (b) A student who initially enrolls in a baccalaureate
571 degree program in the 2017-2018 academic year or later and who
572 is not a resident of this state, as determined pursuant to s.
573 1009.40 and rules of the State Board of Education, must:

574 1. Physically reside in this state on or near the campus of
575 the postsecondary educational institution in which the student
576 is enrolled;

577 2. Earn a high school diploma from a school outside Florida
578 which is comparable to a standard Florida high school diploma or



525260

576-01754A-17

579 its equivalent pursuant to s. 1002.3105, s. 1003.4281, s.
580 1003.4282, or s. 1003.435 or must complete a home education
581 program in another state; and

582 3. Be accepted by and enrolled full-time in a baccalaureate
583 degree program at an eligible regionally accredited Florida
584 public or independent postsecondary educational institution
585 during the fall academic term following high school graduation.

586 (5) (a) 1. An eligible student who meets the requirements of
587 paragraph (4) (a), who is a National Merit Scholar or National
588 Achievement Scholar, and who attends a Florida public
589 postsecondary educational institution shall receive a
590 scholarship award equal to the institutional cost of attendance
591 minus the sum of the student's Florida Bright Futures
592 Scholarship and National Merit Scholarship or National
593 Achievement Scholarship.

594 2. An eligible student who meets the requirements under
595 paragraph (4) (b), who is a National Merit Scholar, and who
596 attends a Florida public postsecondary educational institution
597 shall receive a scholarship award equal to the institutional
598 cost of attendance for a resident of this state less the
599 student's National Merit Scholarship. Such student is exempt
600 from the payment of out-of-state fees.

601 (b) An eligible student who is a National Merit Scholar or
602 National Achievement Scholar and who attends a Florida
603 independent postsecondary educational institution shall receive
604 a scholarship award equal to the highest cost of attendance for
605 a resident of this state enrolled at a Florida public
606 university, as reported by the Board of Governors of the State
607 University System, minus the sum of the student's Florida Bright



525260

576-01754A-17

608 Futures Scholarship and National Merit Scholarship or National
609 Achievement Scholarship.

610 Section 16. The Division of Law Revision and Information is
611 directed to prepare a reviser's bill for the 2018 Regular
612 Session to substitute the term "Effective Access to Student
613 Education Grant Program" for "Florida Resident Access Grant
614 Program" and the term "Effective Access to Student Education
615 grant" for "Florida resident access grant" wherever those terms
616 appear in the Florida Statutes.

617 Section 17. This act shall take effect July 1, 2017.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/SB 2

INTRODUCER: Education Committee and Senator Galvano

SUBJECT: Higher Education

DATE: February 22, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bouck</u>	<u>Graf</u>	<u>ED</u>	Fav/CS
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AHE</u>	Recommend: Fav/CS
3.	<u>Sikes</u>	<u>Hansen</u>	<u>AP</u>	Pre-meeting

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Technical Changes

I. Summary:

CS/SB 2 establishes the “Florida Excellence in Higher Education Act of 2017” to strengthen funding and programmatic mechanisms so that every student in Florida, regardless of his or her economic circumstances, is able to access higher education and graduate on time in 4 years with a baccalaureate degree. Specifically, the bill:

- Modifies the state university and Florida College System institution performance accountability metrics and standards to promote on-time student graduation in 4 years.
- Increases student financial aid and tuition assistance to:
 - Expand the Florida Bright Futures Academic Scholars (FAS) award to cover 100 percent of tuition and specified fees plus \$300 per fall and spring semester for textbooks and college-related expenses;
 - Expand eligibility for the Benacquisto Scholarship Program to include eligible students graduating from out of state; and
 - Revise the state-to-private match requirements for contributions to the First Generation Matching Grant Program from 1:1 to 2:1.
- Establishes tuition incentives by requiring state university boards of trustees to adopt a resident and non-resident undergraduate student block tuition policy.
- Strengthens “2+2” articulation by establishing the “2+2” targeted pathway program.
- Requires school districts to provide notification to students and parents about applying acceleration mechanism credit to a postsecondary degree.

Increasing the FAS award is estimated to cost \$126.2 million for 45,213 students to cover 100 percent of tuition and specified fees, and \$24.9 million for college-related expenses. Including out-of-state students in the Benacquisto Scholarship Program is estimated to cost \$1.1 million for 54 scholars. Doubling the state matching funds for the First Generation in College Matching Grant program is estimated to cost an additional \$5.3 million.

The bill takes effect July 1, 2017.

II. Present Situation:

Under the leadership of the Legislature, the Board of Governors of the State University System (BOG), and the State Board of Education (SBE), Florida's public universities and colleges continue to maintain focus on improving institutional and student performance outcomes.

Institutional Accountability

The BOG has established the following accountability mechanisms to maintain a consistent focus on state university excellence:¹

- The *Annual Accountability Report*² tracks performance trends on key metrics over five years.
- The *2025 System Strategic Plan*³ provides a long-range roadmap for the System.
- The *University Work Plans*⁴ provide a three-year plan of action.

Additionally, the Legislature has established performance-based funding models in recent years to evaluate the performance of Florida's state universities and Florida College System (FCS) institutions, based on identified metrics and standards.

State University System Performance-Based Incentive

The State University System (SUS) Performance-Based Incentive is awarded to state universities using performance-based metrics⁵ adopted by the BOG.⁶ The metrics include, but are not limited to, bachelor's degree graduates' employment and wages, average cost per bachelor's degree, a six-year graduation rate, academic progress rates, and bachelor's and graduate degrees in areas of strategic emphasis.

¹ Board of Governors, *Focus on Excellence: Board of Governors' State University System Initiatives*, Presentation to the Committee on Education, The Florida Senate (Dec. 12, 2016), available at http://www.flsenate.gov/PublishedContent/Committees/2016-2018/ED/MeetingRecords/MeetingPacket_3540.pdf.

² Board of Governors, *2014-15 System Accountability Report*, available at http://www.flbog.edu/about/doc/budget/ar_2014-15/2014_15_System_Accountability_Report_Summary_FINAL_2016-04-28.pdf.

³ Board of Governors, *2025 System Strategic Plan*, available at http://www.flbog.edu/board/doc/strategicplan/2025_System_Strategic_Plan_Amended_FINAL.pdf.

⁴ Board of Governors, *2016 Work Plan Reports*, <http://www.flbog.edu/resources/publications/workplan.php> (last visited Jan. 20, 2017).

⁵ Board of Governors, *Performance Funding Model Overview*, available at http://www.flbog.edu/about/budget/docs/performance_funding/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version.pdf.

⁶ Section 1001.92(1), F.S.

The BOG is required to adopt benchmarks to evaluate each state university's performance on the metrics.⁷ The evaluation assists with measuring a state university's achievement of institutional excellence or need for improvement, which determines the university's eligibility to receive performance funding.⁸

Preeminent State Research Universities Program

The Preeminent State Research Universities Program is established as a collaborative partnership between the BOG and the Legislature to raise the academic and research preeminence of the highest performing state research universities in Florida.⁹ A state university that meets 11 of the 12 academic and research excellent standards, specified in law,¹⁰ is designated a "preeminent state research university."¹¹ Currently, the University of Florida and the Florida State University are designated as preeminent state research universities.¹²

A state research university that meets at least 6 of the 12 standards is designated as an "emerging preeminent state research university."¹³ Currently, the University of Central Florida and the University of South Florida-Tampa are designated as emerging preeminent state research universities.¹⁴ Each designated emerging preeminent state research university receives an amount of funding that is equal to one-half of the total increased amount awarded to each designated preeminent state research university.

Unique Courses

A university that is designated a preeminent state research university may require its incoming first-time-in-college (FTIC) students to take a six-credit set of unique courses.¹⁵ The university may stipulate that credit for such courses may not be earned through any acceleration mechanism¹⁶ or any other transfer credit specifically determined by the university.¹⁷

⁷ Section 1001.92(1), F.S.

⁸ *Id.*

⁹ Section 1001.7065(1), F.S.

¹⁰ Section 1001.7065(2), F.S. The standards include: incoming freshman academic characteristics (average weighted GPA and average SAT score); institutional ranking nationally; freshman retention rate; six-year graduation rate; national academy membership of institution faculty; research expenditures and patents awarded annually; doctoral degrees awarded annually; postdoctoral appointees annually; and institutional endowment.

¹¹ Section 1001.7065(3)(a), F.S.

¹² Board of Governors, State University System of Florida, *System Summary of University Work Plans 2016*, at 10, available at

http://www.flbog.edu/about/doc/budget/workplan_2016/2016_SYSTEM_WORK_PLAN_2016-09-09.pdf

¹³ Section 1001.7065(3)(b), F.S.

¹⁴ Board of Governors, *Focus on Excellence: Board of Governors' State University System Initiatives*, Presentation to the Committee on Education, The Florida Senate (Dec. 12, 2016), available at

http://www.flsenate.gov/PublishedContent/Committees/2016-2018/ED/MeetingRecords/MeetingPacket_3540.pdf.

¹⁵ Section 1001.7065(6), F.S.

¹⁶ Acceleration mechanisms include Advanced Placement (AP), International Baccalaureate (IB), Advanced International Certificate of Education (AICE), credit by examination, and dual enrollment.

¹⁷ Section 1001.7065(6), F.S.

Programs of National Excellence

The BOG is encouraged to establish standards and measures to identify individual programs in state universities that objectively reflect national excellence and make recommendations to the Legislature about ways to enhance and promote such programs.¹⁸

Florida College System Performance-Based Incentive

The FCS Performance-Based Incentive is awarded to FCS institutions using metrics adopted by the SBE. The metrics must include retention rates; program completion and graduation rates; postgraduation employment, salaries, and continuing education for workforce education and baccalaureate programs, with wage thresholds that reflect the added value of the certificate or degree; and outcome measures appropriate for associate of arts degree recipients.¹⁹ The SBE is required to adopt benchmarks to evaluate each institution's performance on the metrics for eligibility to receive performance funding.²⁰

Distinguished Florida College System Program

The Distinguished FCS Program is established as a collaborative partnership between the SBE and the Legislature to recognize the excellence of Florida's highest-performing FCS institutions.²¹ The excellence standards include:

- A 150 percent-of-normal-time completion rate²² of 50 percent or higher, as calculated by the Division of Florida Colleges.
- A 150 percent-of-normal-time completion rate for Pell Grant recipients of 40 percent or higher, as calculated by the Division of Florida Colleges.
- A retention rate of 70 percent or higher, as calculated by the Division of Florida Colleges.
- A continuing education, or transfer, rate of 72 percent or higher for students graduating with an associate of arts degree, as reported by the Florida Education and Training Placement Information Program (FETPIP).
- A licensure passage rate on the National Council Licensure Examination for Registered Nurses (NCLEX-RN) of 90 percent or higher for first-time exam takers, as reported by the Board of Nursing.

- A job placement or continuing education rate of 88 percent or higher for workforce programs, as reported by FETPIP.
- A time-to-degree for students graduating with an associate of arts degree of 2.25 years or less for first-time-in-college students with accelerated college credits, as reported by the Southern Regional Education Board.

¹⁸ Section 1001.7065(8), F.S.

¹⁹ Section 1001.66(1), F.S.

²⁰ *Id.* Rule 6A-14.07621, F.A.C., provides a description of the metrics and benchmarks, and calculations for performance funding.

²¹ Section 1001.67, F.S.

²² Rule 6A-14.07621(3)(b), F.A.C. The normal-time-completion rate captures the outcomes of a cohort of full-time, FTIC students who graduate within the amount of time is dependent on the catalogue time for the academic program.

An FCS institution that meets 5 of the 7 excellence standards is designated as a distinguished college.²³

Developmental Education

Developmental education is instruction through which a high school graduate who applies for any college credit program may attain the communication and computation skills necessary to successfully complete college credit instruction.²⁴ Developmental education may be delivered through a variety of delivery strategies, described in law.²⁵

Each FCS institution board of trustees is required to develop a plan to implement the developmental education strategies defined in law²⁶ and rules²⁷ of the SBE.²⁸ A university board of trustees may contract with a FCS institution to provide developmental education services for their students in need of developmental education.²⁹ Florida Agricultural and Mechanical University (FAMU) is authorized to offer developmental education.³⁰

Student Financial Aid and Tuition Assistance

The Legislature has established student financial aid programs to assist students in accessing and pursuing higher education in Florida.

Florida Bright Futures Scholarship Program

The Florida Bright Futures Scholarship Program (BFSP) was established in 1997³¹ as a lottery-funded scholarship program to reward a Florida high school graduate who merits recognition for high academic achievement. The student must enroll in a degree program, certificate program, or

²³ Section 1001.67(1)-(2), F.S.

²⁴ Section 1008.02(1), F.S.

²⁵ *Id.* Strategies include modularized instruction that is customized and targeted to address specific skills gaps, compressed course structures that accelerate student progression from developmental instruction to college level coursework, contextualized developmental instruction that is related to meta-majors, and corequisite developmental instruction or tutoring that supplements credit instruction while a student is concurrently enrolled in a credit-bearing course.

²⁶ *Id.*

²⁷ Rule 6A-14.030(12), F.A.C.

²⁸ Section 1008.30(5)(a), F.S.

²⁹ Section 1008.30(5)(c), F.S.

³⁰ Board of Governors Regulation 6.008(1).

³¹ Section 2, ch. 1997-77, L.O.F.

applied technology program at an eligible public or private postsecondary education institution³² in Florida after graduating from high school.³³ The BFSP consists of three types of awards:³⁴

- Florida Academic Scholars (FAS);³⁵
- Florida Medallion Scholars (FMS);³⁶ and
- Florida Gold Seal Vocational Scholars (FGSV).³⁷

BFSP award amounts are specified in the General Appropriations Act (GAA)^{38, 39}.

Benacquisto Scholarship Program

The Benacquisto Scholarship Program, created in 2014,⁴⁰ rewards any Florida high school graduate who receives recognition as a National Merit Scholar or National Achievement Scholar and who enrolls in a baccalaureate degree program at an eligible Florida public or independent postsecondary education institution.⁴¹

Student eligibility requirements are established in law,⁴² and include requirements that the student must earn a standard Florida high school diploma or equivalent⁴³ and be a state resident.⁴⁴

An eligible student may use the Benacquisto Scholarship Program at a Florida public or private postsecondary education institution. The award amounts are as follows:

³² A student who receives any award under the Florida Bright Futures Scholarship Program, who is enrolled in a nonpublic postsecondary education institution, and who is assessed tuition and fees that are the same as those of a full-time student at that institution, receives a fixed award calculated by using the average tuition and fee calculation as prescribed by the Department of Education for full-time attendance at a public postsecondary education institution at the comparable level. Section 1009.538, F.S.

³³ Sections 1009.53(1) and 1009.531(2)(a)-(c), F.S. Starting with 2012-2013 graduates, a student graduating from high school is able to accept an initial award for 2 years following high school and to accept a renewal award for 5 years following high school graduation.

³⁴ Section 1009.53(2), F.S.

³⁵ Section 1009.534, F.S.

³⁶ Section 1009.535, F.S.

³⁷ Section 1009.536, F.S.

³⁸ Specific Appropriation 4, 2016-066, L.O.F.

³⁹ Sections 1009.22(7), 1009.23(10), and 1009.24(13) and (16), F.S., prohibit the tuition differential and technology fees from inclusion in any BFSP award.

⁴⁰ The Benacquisto Scholarship Program was formerly titled the Florida National Merit Scholar Incentive Program. Section 26, ch. 2016-237, L.O.F.

⁴¹ Section 1009.893, F.S.

⁴² Section 1009.893(4), F.S.

⁴³ Other graduation options include Academically Challenging Curriculum to Enhance Learning (ACCEL) options (s. 1002.3105, F.S.), early high school graduation (s. 1003.4281, F.S.), a high school equivalency diploma (s. 1003.435, F.S.), completion of a home education program (s. 1002.41, F.S.), or earning a high school diploma from a school outside Florida while living with a parent or guardian who is on military or public service assignment outside Florida.

⁴⁴ Section 1009.893(4)(a), F.S. Under section 1009.40(1)(a)2., F.S., the student must meet the requirements of Florida residency for tuition purposes under s. 1009.21, F.S.; see also Rule 6A-10.044, F.A.C.

- At a Florida public postsecondary education institution the award is equal to the institutional cost of attendance minus the sum of the student's Florida Bright Futures Scholarship and National Merit Scholarship (NMS) or National Achievement Scholarship (NAS)^{45,46}
- At a Florida independent postsecondary education institution the award is equal to the highest cost of attendance at a Florida public university, as reported by the BOG, minus the sum of the student's Florida Bright Futures Scholarship and NMS or NAS.⁴⁷

First Generation Matching Grant Program

The First Generation Matching Grant Program was established in 2006⁴⁸ to enable each state university to provide donors with a matching grant incentive for contributions to create grant-based student financial aid for undergraduate students who demonstrate financial need and whose parents have not earned a baccalaureate degree.⁴⁹ Funds appropriated by the Legislature for the program must be allocated by the Office of Student Financial Assistance (within the Florida Department of Education) to match private contributions on a dollar-for-dollar basis.⁵⁰

William L. Boyd, IV, Florida Resident Access Grant (FRAG)

The William L. Boyd, IV, FRAG is a tuition assistance program that is available to full-time degree-seeking undergraduate students registered at an independent nonprofit college or university which is located in and chartered by the state; which is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools; which grants baccalaureate degrees; which is not a state university or FCS institution; and which has a secular purpose.⁵¹

Tuition Incentives

The Legislature has authorized state universities to implement flexible tuition policies to further assist students in accessing and pursuing higher education in our state.

Block Tuition

The BOG is authorized to approve a proposal from a university board of trustees to implement flexible tuition⁵² policies including, but not limited to, block tuition.⁵³ The block tuition policy for resident undergraduate students or undergraduate-level courses must be based on the established per-credit-hour undergraduate tuition.⁵⁴ The block tuition policy for nonresident undergraduate students must be based on the established per-credit-hour undergraduate tuition

⁴⁵ The National Merit Scholarship Corporation discontinued the National Achievement Scholarship Program with the conclusion of the 2015 program,

<http://www.nationalmerit.org/s/1758/interior.aspx?sid=1758&gid=2&pgid=433> (last visited Jan. 20, 2017).

⁴⁶ Section 1009.893(5)(a), F.S.

⁴⁷ *Id.* at (5)(b)

⁴⁸ Section 1, ch. 2006-73, L.O.F.

⁴⁹ Section 1009.701(1), F.S.

⁵⁰ *Id.* at (2)

⁵¹ Section 1009.89(1) and (3), F.S.

⁵² Section 1009.01, F.S., defines tuition as the basic fee charged to a student for instruction provided by a public postsecondary education institution in this state.

⁵³ Section 1009.24(15)(a), F.S.

⁵⁴ Section 1009.24(15)(a)3., F.S.

and out-of-state fee.⁵⁵ The BOG has not received for approval, a block tuition policy from any state university.⁵⁶

2+2 Articulation and Academic Notification

It is the intent of the Legislature to facilitate articulation and seamless integration of the K-20 education system by building, sustaining, and strengthening relationships among the various education sectors and delivery systems within the state.⁵⁷

Additionally, it is also the intent of the Legislature that a variety of articulated acceleration mechanisms be available for secondary and postsecondary students attending public education institutions.⁵⁸ It is intended that such mechanisms serve to accelerate students in fulfilling high school and postsecondary education requirements, broaden the scope of curricular options available to students, and increase the depth of study in a particular subject.⁵⁹

2+2 Articulation

The SBE and the BOG are required to enter into a statewide articulation agreement to preserve Florida's "2+2" system of articulation, facilitate the seamless articulation of student credit across and among Florida's education entities, and reinforce the articulation and admission policies specified in law.⁶⁰

The articulation agreement must provide that every associate in arts graduate of an FCS institution has met all general education requirements, has indicated a baccalaureate institution and program of interest by the time the student earns 30 semester hours, and must be granted admission to the upper division, with certain exceptions,⁶¹ of a state university or an FCS institution that offers a baccalaureate degree.⁶² However, eligibility for admission to a state university does not provide to a transfer student guaranteed admission to the specific university or degree program that the student chooses.⁶³

Academic Notification

Articulated acceleration mechanisms include, but are not limited, to Advanced Placement (AP), Advanced International Certificate of Education (AICE), International Baccalaureate (IB), credit by examination, and dual enrollment.⁶⁴ The Department of Education is required to annually identify and publish the minimum scores, maximum credit, and course or courses for which

⁵⁵ Section 1009.24(15)(a)3., F.S.

⁵⁶ Board of Governors, *2017 Legislative Bill Analysis for SB 2* (Jan. 18, 2017), at 4.

⁵⁷ Section 1007.01(1), F.S.

⁵⁸ Section 1007.27(1), F.S.

⁵⁹ Section 1007.27(1), F.S.

⁶⁰ Section 1007.23(1), F.S.

⁶¹ Section 1007.23(2)(a), F.S., exceptions include limited access programs, teacher certification programs, and those requiring an audition.

⁶² Section 1007.23(2)(a), F.S.

⁶³ Board of Governors Regulation 6.004(2)(b)

⁶⁴ Section 1007.27(1), F.S.

credit must be awarded for specified examinations.⁶⁵ The Articulation Coordinating Committee (ACC)⁶⁶ has established passing scores and course and credit equivalents for examinations specified in law⁶⁷.⁶⁸ The credit-by-exam equivalencies have been adopted in rule by the SBE.⁶⁹ Each FCS institution and state university must award credit for specific courses for which competency has been demonstrated by successful passage of one of the examinations associated with the identified acceleration mechanisms.⁷⁰

The law also requires the Commissioner of Education to appoint faculty committees representing secondary and public postsecondary education institutions to identify postsecondary courses that meet high school graduation requirements and equivalent high school credits earned through dual enrollment.⁷¹ Additionally, the commissioner must recommend such courses to the SBE.⁷² The dual enrollment course-to-high school subject area equivalency list specifies postsecondary courses that when completed earn both high school and college credit.⁷³ All high schools must accept these dual enrollment courses toward meeting the standard high school diploma requirements.⁷⁴

III. Effect of Proposed Changes:

CS/SB 2 establishes the “Florida Excellence in Higher Education Act of 2017” to strengthen funding and programmatic mechanisms so that every student in Florida, regardless of his or her economic circumstances, is able to access higher education and graduate on time in 4 years with a baccalaureate degree. Specifically, the bill:

- Modifies the state university and Florida College System institution performance accountability metrics and standards to promote on-time student graduation in 4 years with a baccalaureate degree.
- Increases student financial aid and tuition assistance to:
 - Expand the Florida Bright Futures Academic Scholars (FAS) award to cover 100 percent of tuition and specified fees plus \$300 per fall and spring semester for textbooks and college-related expenses;

⁶⁵ Section 1007.27(2), F.S.

⁶⁶ The Articulation Coordinating Committee (ACC) is established by the Commissioner of Education in consultation with the Chancellor of the SUS, to make recommendations related to statewide articulation policies regarding access, quality, and data reporting. The ACC serves as an advisory body to the Higher Education Coordinating Council, the SBE, and BOG.

⁶⁷ Section 1007.27(2), F.S.

⁶⁸ Florida Department of Education, *Articulation Coordinating Committee Credit by Exam Equivalencies* (Initially adopted Nov. 14, 2001), available at <http://www.fldoe.org/core/fileparse.php/5421/urlt/0078391-acc-cbe.pdf>.

⁶⁹ Rule 6A-10.024, F.A.C.

⁷⁰ *Id.*

⁷¹ Section 1007.271(9), F.S.

⁷² *Id.*

⁷³ Florida Department of Education, *2016-2017 Dual Enrollment Course—High School Subject Area Equivalency List*, available at <http://www.fldoe.org/core/fileparse.php/5421/urlt/0078394-delist.pdf>.

⁷⁴ *Id.*

- Expand eligibility for the Benacquisto Scholarship Program to include eligible students graduating from out of state; and
- Revise the state-to-private match requirements for contributions to the First Generation Matching Grant Program from 1:1 to 2:1.
- Establishes tuition incentives by requiring state university boards of trustees to adopt a resident and non-resident undergraduate student block tuition policy for implementation by the fall 2018 semester.
- Strengthens “2+2” articulation by establishing the “2+2” targeted pathway program.
- Requires school districts to provide notification to students and parents about applying acceleration mechanism credit to a postsecondary degree.
- Renames the William L. Boyd, IV, Florida Resident Access Grant (FRAG) Program as the William L. Boyd, IV, Effective Access to Student Education (EASE) Program.

Institutional Accountability

The bill strengthens institution accountability by modifying state university and FCS institution performance and accountability metrics and standards to promote on-time student graduation in 4 years with a baccalaureate degree.

State University System Performance-Based Incentive

The bill specifies that the State University System (SUS) performance-based metric for graduation rate must be a 4-year graduation rate.

Currently, the 6-year and 4-year graduation rates for first-time-in-college (FTIC) students within the SUS are approximately 71 percent⁷⁵ and 44 percent,⁷⁶ respectively. During the 2015-16 academic year, the 6-year graduation rate for such students ranged from approximately 39 percent at Florida Agricultural and Mechanical University (FAMU) to 87 percent at the University of Florida (UF).⁷⁷ The 4-year graduation rate for such students during the same period ranged from approximately 14 percent at FAMU to 68 percent at UF.⁷⁸ In comparison, the 4-year graduation rate for peer universities in other states ranges from 87 percent at the University of Virginia, 81 percent at the University of North Carolina-Chapel Hill and 75 percent at the University of Michigan.⁷⁹ The shift in focus from 6-year to 4-year graduation rate will likely prompt a modification to the State University System (SUS) strategic plan, as well as state university accountability mechanisms, which may assist with elevating the prominence and national competitiveness of the state universities in Florida.

⁷⁵ State University System of Florida, *2014-2015 System Accountability Report*, p.7, available at http://www.flbog.edu/about/doc/budget/ar_2014-15/2014_15_System_Accountability_Report_Summary_FINAL_2016-04-28.pdf.

⁷⁶ Email, Office of Program Policy Analysis and Government Accountability (Sept. 6, 2016).

⁷⁷ State University System of Florida, *2014-2015 System Accountability Report*, p.7, available at http://www.flbog.edu/about/doc/budget/ar_2014-15/2014_15_System_Accountability_Report_Summary_FINAL_2016-04-28.pdf.

⁷⁸ Email, Office of Program Policy Analysis and Government Accountability (Sept. 6, 2016).

⁷⁹ *Id.*

Graduation rates are one of the key accountability measures that demonstrate how well an institution is serving its FTIC students.⁸⁰ On-time graduation in 4 years with a baccalaureate degree may result in savings related to cost-of-attendance for students and their families. For example, nationally, every extra year beyond 4 years to graduate with a baccalaureate degree at a public 4-year college costs a student \$22,826.⁸¹ This may also result in lost wages owing to delayed entrance into the workforce. The median wage of 2013-14 baccalaureate degree graduates employed full-time one year after graduation is \$35,600.⁸²

Preeminent State Research Universities Program

Consistent with the emphasis on a 4-year graduation rate metric for the SUS Performance-Based Incentive program, the bill revises the full-time FTIC student graduation rate metric for the preeminent state research university program from a 6-year to a 4-year rate, and modifies the benchmark for the graduation rate metric from 70 percent to 50 percent. Additionally, the bill requires the Board of Governors of the State University System (BOG) to calculate the graduation rate. Currently, the graduation rate is based on data reported annually to the Integrated Postsecondary Education Data System.⁸³ The bill also revises the amount of funding provided to emerging preeminent state research universities from one-half to one-quarter of the total additional funding awarded to preeminent state research universities.

Unique Courses

The bill eliminates the authority for the preeminent state research universities to require FTIC students to take a six-credit unique set of courses. Currently, UF lists two such courses, Florida State University lists 123 such courses.⁸⁴ Students are not able to apply acceleration mechanism or transfer credits toward the unique course requirements.⁸⁵ By deleting the authority for unique courses, the bill provides students more flexibility in applying earned college credits purposefully toward degree requirements.

Programs of Excellence

Consistent with efforts to strengthen institutional accountability to elevate the prominence of state universities, the bill changes from a recommendation to a requirement that the BOG establish standards and measures for programs of excellence throughout the SUS by specifying that the programs include undergraduate, graduate, and professional degrees. Additionally, the

⁸⁰ Board of Governors, *2025 System Strategic Plan*, March 2016, p. 26, available at http://www.flbog.edu/board/doc/strategicplan/2025_System_Strategic_Plan_Amended_FINAL.pdf.

⁸¹ Complete College America, *Four-Year Myth: Make College More Affordable. Restore the Promise of Graduating on Time* (2014), p.5, available at <http://completecollege.org/wp-content/uploads/2014/11/4-Year-Myth.pdf>.

⁸² Board of Governors, *2014-15 System Accountability Report*, p. 6, available at http://www.flbog.edu/about/doc/budget/ar_2014-15/2014_15_System_Accountability_Report_Summary_FINAL_2016-04-28.pdf.

⁸³ The Integrated Postsecondary Education Data System (IPEDS) calculates the graduation rate as the total number of completers within 150% of normal time divided by the revised adjusted cohort. *2016-17 Glossary*, available at <https://surveys.nces.ed.gov/ipeds/VisGlossaryAll.aspx>.

⁸⁴ The Florida Senate staff analysis of the Florida Statewide Course Numbering System (<http://scns.fldoe.org>).

⁸⁵ Section 1001.7065(6), F.S.

bill requires the BOG to make recommendations to the Legislature, by September 1, 2017, as to how such programs may be enhanced and promoted.

Florida College System Performance-Based Incentive

In order to focus institutional efforts on initiatives that promote student graduation on-time in 4 years with a baccalaureate degree, and help students avoid incurring debt, the bill revises the FCS performance metrics for awarding performance-based incentives to FCS institutions.

Specifically, the bill:

- Incorporates the excellence standards for the Distinguished FCS institution Program;
- Adds a graduation rate metric for FTIC students in associate in arts (AA) programs who graduate with a baccalaureate degree in 4 years after initially enrolling in the AA programs; and
- Adds a college affordability metric, which must be adopted by the SBE.

The statewide 4-year graduation rate for a 2009 cohort of students who started at an FCS institution and earned a bachelor's degree from the FCS or SUS was approximately 4 percent.⁸⁶ The 4-year graduation rate ranged from zero percent at Florida Keys Community College to approximately 13 percent at Santa Fe College.

The revisions to the FCS institution performance metrics are likely to prompt a modification to the SBE strategic plan for the FCS, as well as changes in the FCS accountability mechanisms, which may direct FCS institutional efforts toward on-time graduation.

Distinguished Florida College System Institution Program

The bill reinforces on-time graduation by revising the excellence standards for the Distinguished FCS institution Program. Specifically, the bill:

- Changes the normal-time completion rate metric from 150 percent to 100 percent;
- Changes the normal-time completion rate metric for Pell Grant recipients from 150 percent to 100 percent;
- Specifies that the job placement metric must be based on the wage thresholds that reflect the added value of the applicable certificate or degree; and specifying that the continuing education and job placement metric does not apply to AA degrees; and
- Replaces the time-to-degree metric with an excess-hours rate metric of 40 percent or lower of AA degree recipients who graduate with 72 or more credit hours.

Modifications to the excellence standards may steer institutional efforts toward helping students graduate timely.

Developmental Education

The bill strengthens developmental education instruction by emphasizing the focus on instructional strategies specified in law⁸⁷ in the delivery of developmental education instruction by a state university. FAMU is the only state university within the SUS that provides

⁸⁶ Email, Office of Program Policy Analysis and Government Accountability (Dec. 29, 2016).

⁸⁷ Section 1008.02, F.S.

developmental education.⁸⁸ In accordance with the bill modifications, FAMU may need to revise its developmental education program to incorporate the developmental education strategies specified in law. Currently, each FCS institution board of trustees is required to develop a plan to implement the developmental education strategies defined in law.⁸⁹

Student Financial Aid and Tuition Assistance

The bill expands student financial aid and tuition assistance programs to address financial insecurity concerns of students and their families as they consider higher education options in Florida. The bill is likely to assist students with accessing higher education, graduating on time in 4 years with a baccalaureate degree, and incurring less education-related debt. Additionally, the bill may assist Florida’s postsecondary education institutions in recruiting and retaining talented and qualified students.

Florida Bright Futures Scholarship Program – Florida Academic Scholars (FAS)

The bill increases the FAS award amount to cover 100 percent of public postsecondary education institution tuition and certain tuition-indexed fees⁹⁰ plus \$300 for textbooks and college-related expenses during fall and spring terms, beginning in the fall 2017 semester.

The table below shows the current and projected FAS award per credit hour:

Current 2016-17 FAS Per-Credit-Hour Award⁹¹	Projected 2017-18 FAS Average Per-Credit-Hour Award
\$103 at 4-year institutions	\$198.11 at 4-year institutions ⁹²
\$63 at two-year institutions	\$106.74 at two-year institutions ⁹³

The total cost for FAS awards in the 2016-17 fiscal year is projected to be \$104 million.⁹⁴ The change in the FAS award to 100 percent of tuition and specified fees is estimated to cost approximately an additional \$126.2 million for 45,213 students⁹⁵ in the 2017-18 fiscal year.⁹⁶ The bill also includes \$300 per semester for textbooks and other education-related expenses,

⁸⁸ BOG Regulation 6.008(1).

⁸⁹ Section 1008.30(5)(a), F.S.

⁹⁰ The tuition-indexed fees specified in SB 2 include financial aid, capital improvements, technology enhancements, equipping buildings, or the acquisition of improved real property, and technology (s. 1009.22, F.S.); activity and service, financial aid, technology, capital improvements, technology enhancements, and equipping student buildings or the acquisition of improved real property (s. 1009.23, F.S.); financial aid, Capital Improvement Trust Fund, activity and service, health, athletic, technology, transportation access, and includes the tuition differential (s. 1009.24, F.S.).

⁹¹ Specific Appropriation 4, Ch. 2016-66, L.O.F.

⁹² State University System of Florida, *Tuition and Required Fees, 2016-17*, available at http://www.flbog.edu/about/doc/budget/tuition/Tuition_Fees_%202016-17.pdf.

⁹³ Florida Department of Education, Florida College System, *2016 Fact Book*, Table 7.8T, available at <http://fldoe.org/core/fileparse.php/15267/urlt/FactBook2016.pdf>.

⁹⁴ Office of Economic & Demographic Research, *Florida Bright Futures Scholarship Program* (Nov. 16, 2016) <http://edr.state.fl.us/Content/conferences/financialaid/ConsensusDetail.pdf>.

⁹⁵ *Id.*

⁹⁶ The Florida Senate staff analysis.

which is estimated to cost approximately \$24.9 million⁹⁷ in the 2017-18 fiscal year. The total additional cost is estimated to be approximately \$151.1 million in the 2017-18 fiscal year.⁹⁸

Expanding the FAS program promotes college affordability and one-time graduation in 4 years with a baccalaureate degree. The bill may also help with retaining Florida's talented students in the state.

Benacquisto Scholarship Program

The bill modifies eligibility requirements for the Benacquisto Scholarship Program to attract talented and qualified students from out-of-state and assist out-of-state students to access higher education in Florida, graduate on time, and incur less education-related debt. Specifically, the bill:

- Establishes student eligibility criteria, which only apply to students who are not residents of the state and who initially enroll in a baccalaureate degree program in the 2017-2018 academic year or thereafter, requiring such students to:
 - Physically reside in Florida on or near the campus of the postsecondary education institution in which they enroll;
 - Earn a high school diploma or equivalent or complete a home education program, comparable to Florida; and
 - Be accepted by and enroll full-time in a baccalaureate degree program at an eligible regionally accredited public or private postsecondary education institution.
- Provides that for an eligible student who is not a resident of the state and who attends:
 - A public postsecondary education institution, the award amount must be equal to the institutional cost of attendance⁹⁹ for a resident of the state less the student's National Merit Scholarship. Such student is exempt from out-of-state fees.
 - A private postsecondary education institution, the award amount must be equal to the highest cost of attendance¹⁰⁰ for a resident of the state enrolled at a state university, less the student's National Merit Scholarship.

Of the 320 National Merit Scholars (NMS) and National Achievement Scholars (NAS) who attended Florida colleges and universities in the 2015-16 academic year,¹⁰¹ 266 received an initial award as a Benacquisto Scholar.¹⁰² Therefore, an estimated 54 NMS graduated from out-of-state in 2015 and enrolled in Florida universities in the 2015-16 academic year. Assuming this

⁹⁷ *Id.*

⁹⁸ *Id.*

⁹⁹ The 2016-17 cost of attendance on campus for full time undergraduate Florida resident students includes tuition and fees, books and supplies, room and board, transportation, and other expenses; the average annual cost of attendance for the State University System is \$21,534.98. Board of Governors, *Fall/Spring Cost of Attendance On-Campus for Full-Time Undergraduate Florida Residents 2016-17*, available at http://www.flbog.edu/about/doc/budget/attendance/CostAttendance2016_17_FINAL.xlsx.

¹⁰⁰ The highest State University System cost of attendance in 2016-17 is \$23,463 at Florida International University.

¹⁰¹ National Merit Scholarship Corporation, *2014-15 Annual Report* (Oct. 31, 2015), available at http://www.nationalmerit.org/s/1758/images/gid2/editor_documents/annual_report.pdf

¹⁰² Florida Department of Education, Office of Student Financial Assistance, *End-of-Year Report, 2015-16*, Benacquisto Scholarship (FIS), available at: https://www.floridastudentfinancialaidsg.org/pdf/EOY_Reports/2015-16/FIS_2015_2016.pdf.

number of students remains constant for the 2017-18 academic year, and out-of-state students meet the eligibility requirements, the cost to fund the additional out-of-state students is estimated to be approximately \$1.1 million. The modifications to student eligibility requirements may assist the state universities in recruiting and retaining talented and qualified students from other states.

First Generation Matching Grant Program

The bill expands need-based financial aid by revising the state to private match requirements from a 1:1 match to a 2:1 match. In 2015-16, 8,234 initial and renewal students received an average award of \$1,289.45, with 13,700 unfunded eligible students reported by postsecondary education institutions.¹⁰³ The increase in the state matching contribution may raise the award amount and assist more eligible students to receive the award, which may help the students to graduate on time.

William L. Boyd, IV, Florida Resident Access Grant (FRAG)

The bill renames the William L. Boyd, IV, Florida Resident Access Grant (FRAG) Program as the William L. Boyd, IV, Effective Access to Student Education (EASE) Grant Program.

Tuition Incentives

The bill establishes tuition incentives by codifying a block tuition and fee policy to provide to students incentives to graduate on time in 4 years with a baccalaureate degree.

Block Tuition

The bill requires each state university board of trustees to adopt, for implementation by the fall 2018 semester, a block tuition policy for resident and non-resident undergraduate students. Under such a policy, students may take additional courses without paying increased tuition, which gives students a financial incentive to take more courses within an academic term or year and which may help students to graduate faster.¹⁰⁴

Institutions that have implemented a block tuition policy include, but are not limited to, the University of Michigan, the Ohio State University and the University of North Carolina at Chapel Hill (UNC).¹⁰⁵ As an example, UNC allows students to take 12 or more credit hours and assesses a block tuition based on 12 credit hours.¹⁰⁶

¹⁰³ Florida Department of Education, Office of Student Financial Assistance, *End-of-Year Report, 2015-16*, First Generation Matching Grant Program (FGMG), available at https://www.floridastudentfinancialaidsg.org/pdf/EOY_Reports/2015-16/FGMG_2015_2016.pdf.

¹⁰⁴ Office of Program Policy and Government Accountability (OPPAGA), *The State Has Several Options Available When Considering the Funding of Higher Education*, Report 04-54, August 2004.

¹⁰⁵ Presentation to the Committee on Education, The Florida Senate (Dec. 12, 2016), Office of Program Policy and Government Accountability, *State University System Undergraduate Student Success Overview*, p. 33, available at http://www.flsenate.gov/PublishedContent/Committees/2016-2018/ED/MeetingRecords/MeetingPacket_3540.pdf.

¹⁰⁶ Email, Office of Program Policy and Government Accountability (Nov. 29, 2016).

2+2 Articulation and Academic Notification

The bill strengthens 2+2 articulation and academic notification by creating mechanisms for expanding locally-developed targeted “2+2” articulation agreements and student advising.

2+2 Targeted Pathway Program

The bill reinforces the state’s intent to assist students enrolled in associate in arts (AA) degree programs to graduate on-time. Accordingly, the bill establishes the “2+2” targeted pathway program to strengthen Florida’s “2+2” system of articulation and improve student retention and on-time graduation. Specifically, the bill:

- Requires each public college to execute at least one “2+2” targeted pathway articulation agreement to establish a “2+2” targeted pathway program with one or more state universities.
- Requires the “2+2” targeted pathway articulation agreement to provide students who meet specified requirements guaranteed access to the state university and baccalaureate degree program in accordance with the terms of the agreement.
- Establishes student eligibility criteria to participate in a “2+2” targeted pathway articulation agreement. A student must:
 - Enroll in the program before completing 30 credit hours.
 - Complete an associate in arts degree.
 - Meet the university’s transfer admission requirements.
- Establishes requirements for state universities that execute “2+2” targeted pathway articulation agreements with their partner public college. A state university must:
 - Establish a 4-year on-time graduation plan for a baccalaureate degree program.
 - Advise students enrolled in the program about the university’s transfer and degree program requirements.
 - Provide students access to academic advisors and campus events, and guarantee admittance to the state university and degree program.
- Requires the state board governing the public colleges and BOG to collaborate to eliminate barriers to executing “2+2” targeted pathway articulation agreements.

The “2+2” targeted pathway program is consistent with recent efforts by state universities to strengthen regional articulation. The statewide “2+2” articulation agreement established in law¹⁰⁷ does not require a 4-year graduation plan and does not guarantee access to a university or degree program of a student’s choice. To provide students a path to on-time graduation in 4 years with a baccalaureate degree, some state universities have established articulation agreements with regional public colleges.¹⁰⁸ For instance, the “DirectConnect to UCF”¹⁰⁹ guarantees admission to UCF with an associate degree from a partner institution, and offers university advising to develop an academic plan and access to UCF campuses for services and events. Similarly, the

¹⁰⁷ Section 1007.23(2), F.S.

¹⁰⁸ Examples of regional articulation agreements are the “[DirectConnect to UCF](#),” the [University of South Florida “FUSE” program](#), “[TCC2FSU](#),” “[TCC2FAMU](#),” “[FIU Connect4Success](#),” “[Link to FAU](#),” “[2UWF Transfer Student Partnership](#),” and “[UNF/SJR Gateway](#).” The Florida Senate staff analysis.

¹⁰⁹ University of Central Florida, Presentation to the Senate Committee on Education, *DirectConnect to UCF* (Dec. 12, 2016), available at <http://www.flsenate.gov/Committees/Show/ED/Meeting%20Packet/3540/>.

University of South Florida's "FUSE" program¹¹⁰ offers students guaranteed admission to a USF System institution. The FUSE program creates an academic pathway that provides a map for taking required courses, advising at USF and the partner institution regarding university requirements, a specially-designed orientation session for 2+2 students at the beginning of the program, and access to USF facilities and events.

The value of such targeted "2+2" agreements is to assist AA students to transfer to a state university and graduate on time in 4 years with a baccalaureate degree. In 2014-15, more than 36 percent of AA graduates from the FCS did not apply to the SUS. Forty-five percent of AA graduates from the FCS ultimately enrolled in the SUS.¹¹¹ The 4-year graduation rate for a 2011 cohort of AA transfer students to the SUS (those who transferred with an AA and graduated in two more years) was 25 percent.¹¹²

Academic Notification

The bill requires district school boards to notify students who enroll in acceleration mechanism courses or take exams about the *credit-by-examination equivalency list* and *dual enrollment and high school subject area equivalency list*. The notification requirement promotes targeted student advising at the secondary school level to inform students about generating college credits through certain acceleration mechanism courses and exams, and applying such credits purposefully to a postsecondary certificate or degree program, to ensure students receive credit for such courses and exams taken during high school.¹¹³ As a result, the notification may also assist students with higher education planning and affordability considerations.

The bill takes effect July 1, 2017.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

¹¹⁰ University of South Florida, Presentation to the Senate Committee on Education, *FUSE* (Dec. 12, 2016), available at <http://www.flsenate.gov/Committees/Show/ED/Meeting%20Packet/3540/>.

¹¹¹ Board of Governors, *Associate in Arts Transfer Students in the State University System*, Presentation to the BOG Select Committee on 2+2 Articulation, (Mar. 17, 2016), available at http://www.flbog.edu/documents_meetings/0199_0978_7295_6.3.2%202+2%2003b_AA%20Transfer%20data%20points_JMI.pdf.

¹¹² Office of Program Policy Analysis and Government Accountability, *State University System Undergraduate Student Success Overview*, Presentation to the Committee on Education, The Florida Senate (Dec. 12, 2016), available at <http://www.flsenate.gov/Committees/Show/ED/Meeting%20Packet/3540/>.

¹¹³ Office of The Governor, *Governor Rick Scott Issues "Finish in Four, Save More" Challenge to Universities and Colleges* (May 25, 2016), <http://www.flgov.com/2016/05/25/governor-rick-scott-issues-finish-in-four-save-more-challenge-to-universities-and-colleges/> (last visited Jan. 20, 2017).

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

CS/SB 2 provides financial benefits to students and families. Specifically, the bill:

- Provides students who qualify for the Florida Academic Scholars program an increased tuition and fee benefit, plus \$300 for textbooks and college-related expenses in the fall and spring terms, which is likely to lower the cost of education for such students.
- Expands the Benacquisto Scholarship Program to include out-of-state National Merit Scholar students who are accepted by and enroll in an eligible Florida postsecondary education institution, which is likely to provide a significant cost savings to such students.
- Doubles the state match for the First Generation in College Matching Grant, which is likely to make the matching grant available to more students, or result in an increase in the award amount.
- Requires a block tuition policy that is likely to provide a cost savings to students, but the savings are indeterminate to students and their families.

C. Government Sector Impact:

CS/SB 2 creates a state fiscal impact. Specifically, the bill:

- Revises the state university and colleges performance funding programs, which has no state fiscal impact. However, such revisions may change institution performance relating to revised metrics, and therefore how the funds are distributed to institutions.
- Increases the Florida Academic Scholars (FAS) program award, which is estimated to cost an additional \$126.2 million to cover 100 percent and specified fees, and \$24.9 million for college-related expenses.
- Includes out-of-state students in the Benacquisto Scholarship Program, which may cost an estimated \$1.1 million for 54 scholars.
- Doubles the state match for the First Generation in College Matching Grant program, which may cost an additional \$5.3 million.
- Requires implementation of a block tuition policy for resident and non-resident undergraduate students; however, the cost to the state universities in lost revenue is indeterminate.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1001.66, 1001.67, 1001.7065, 1001.92, 1007.23, 1007.27, 1008.30, 1009.22, 1009.23, 1009.24, 1009.534, 1009.701, 1009.89, and 1009.893.

This bill creates two undesignated sections of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

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

CS by Education on January 23, 2017:

The committee substitute clarifies that:

- The eligibility requirements for out-of-state students to qualify for the Benacquisto Scholarship applies to students who initially enroll in a baccalaureate program in the 2017-18 academic year or later.
- The Benacquisto Scholarship award for an out-of-state student must be equal to the institutional cost of attendance for a resident of this state less the student's National Merit Scholarship.

B. Amendments:

None.

By the Committee on Education; and Senator Galvano

581-00893-17

20172c1

1 A bill to be entitled
 2 An act relating to higher education; providing a short
 3 title; amending s. 1001.66, F.S.; revising
 4 requirements for the performance-based metrics used to
 5 award Florida College System institutions with
 6 performance-based incentives; amending s. 1001.67,
 7 F.S.; revising the Distinguished Florida College
 8 System Institution Program excellence standards
 9 requirements; amending s. 1001.7065, F.S.; revising
 10 the preeminent state research universities program
 11 graduation rate requirements and funding
 12 distributions; deleting the authority for such
 13 universities to stipulate a special course requirement
 14 for incoming students; requiring the Board of
 15 Governors to establish certain standards by a
 16 specified date; amending s. 1001.92, F.S.; requiring
 17 certain performance-based metrics to include specified
 18 graduation rates; amending s. 1007.23, F.S.; requiring
 19 each Florida Community College System institution to
 20 execute at least one "2+2" Targeted Pathway
 21 articulation agreement by a specified time; providing
 22 requirements and student eligibility for the
 23 agreements; requiring the State Board of Community
 24 Colleges and the Board of Governors to collaborate to
 25 eliminate barriers for the agreements; amending s.
 26 1007.27, F.S.; requiring school districts to notify
 27 students about certain lists and equivalencies;
 28 amending s. 1008.30, F.S.; providing that certain
 29 state universities may continue to provide
 30 developmental education instruction; amending ss.
 31 1009.22 and 1009.23, F.S.; revising the prohibition on
 32 the inclusion of a technology fee in the Florida

Page 1 of 22

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

581-00893-17

20172c1

33 Bright Futures Scholarship Program award; amending s.
 34 1009.24, F.S.; revising the prohibition on the
 35 inclusion of a technology fee in the Florida Bright
 36 Futures Scholarship Program award; requiring each
 37 state university board of trustees to implement a
 38 block tuition policy for specified undergraduate
 39 students or undergraduate-level courses by a specified
 40 time; revising the conditions for differential
 41 tuition; amending s. 1009.534, F.S.; specifying
 42 Florida Academic Scholars award amounts to cover
 43 tuition, fees, textbooks, and other college-related
 44 expenses; amending s. 1009.701, F.S.; revising the
 45 state-to-private match requirement for contributions
 46 to the First Generation Matching Grant Program;
 47 amending s. 1009.89, F.S.; renaming the Florida
 48 Resident Access Grant Program; amending s. 1009.893,
 49 F.S.; extending coverage of Benacquisto Scholarships
 50 to include tuition and fees for qualified nonresident
 51 students; providing a directive to the Division of Law
 52 Revision and Information; providing an effective date.

53
 54 Be It Enacted by the Legislature of the State of Florida:

55
 56 Section 1. This act shall be cited as the "Florida
 57 Excellence in Higher Education Act of 2017."

58 Section 2. Subsection (1) of section 1001.66, Florida
 59 Statutes, is amended to read:

60 1001.66 Florida College System Performance-Based
 61 Incentive.-

Page 2 of 22

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

581-00893-17

20172c1

62 (1) The following performance-based metrics must be used in
 63 awarding a Florida College System Performance-Based Incentive
 64 shall be awarded to a Florida College System institution:
 65 ~~institutions using performance-based metrics~~

66 (a) The distinguished college performance measures and
 67 respective excellence standards specified in s. 1001.67(1);

68 (b) A graduation rate for first-time-in-college students
 69 enrolled in an associate of arts degree program who graduate
 70 with a baccalaureate degree in 4 years after initially enrolling
 71 in an associates of arts degree program; and

72 (c) One performance-based metric on college affordability
 73 adopted by the State Board of Education. The performance based
 74 metrics must include retention rates; program completion and
 75 graduation rates; postgraduation employment, salaries, and
 76 continuing education for workforce education and baccalaureate
 77 programs, with wage thresholds that reflect the added value of
 78 the certificate or degree; and outcome measures appropriate for
 79 associate of arts degree recipients.

80
 81 The state board shall adopt benchmarks to evaluate each
 82 institution's performance on the metrics to measure the
 83 institution's achievement of institutional excellence or need
 84 for improvement and the minimum requirements for eligibility to
 85 receive performance funding.

86 Section 3. Subsection (1) of section 1001.67, Florida
 87 Statutes, is amended to read:

88 1001.67 Distinguished Florida College System Institution
 89 Program.—A collaborative partnership is established between the
 90 State Board of Education and the Legislature to recognize the

581-00893-17

20172c1

91 excellence of Florida's highest-performing Florida College
 92 System institutions.

93 (1) EXCELLENCE STANDARDS.—The following excellence
 94 standards are established for the program:

95 (a) A ~~100~~ 150 percent-of-normal-time completion rate of 50
 96 percent or higher, as calculated by the Division of Florida
 97 Colleges.

98 (b) A ~~100~~ 150 percent-of-normal-time completion rate for
 99 Pell Grant recipients of 40 percent or higher, as calculated by
 100 the Division of Florida Colleges.

101 (c) A retention rate of 70 percent or higher, as calculated
 102 by the Division of Florida Colleges.

103 (d) A continuing education, or transfer, rate of 72 percent
 104 or higher for students graduating with an associate of arts
 105 degree, as reported by the Florida Education and Training
 106 Placement Information Program (FETPIP).

107 (e) A licensure passage rate on the National Council
 108 Licensure Examination for Registered Nurses (NCLEX-RN) of 90
 109 percent or higher for first-time exam takers, as reported by the
 110 Board of Nursing.

111 (f) A ~~job placement or~~ continuing education or job
 112 placement rate of 88 percent or higher for workforce programs,
 113 as reported by FETPIP, with wage thresholds that reflect the
 114 added value of the applicable certificate or degree. This
 115 paragraph does not apply to associate of arts degrees.

116 (g) An excess hours rate of 40 percent or lower for A-time-
 117 to-degree for students graduating with an associate of arts
 118 degree recipients who graduate with 72 or more credit hours, as
 119 calculated by the Division of Florida Colleges of 2.25 years or

581-00893-17 20172c1

120 ~~less for first-time-in-college students with accelerated college~~
 121 ~~credits, as reported by the Southern Regional Education Board.~~

122 Section 4. Paragraph (d) of subsection (2), paragraph (c)
 123 of subsection (5), and subsections (6), (7), and (8) of section
 124 1001.7065, Florida Statutes, are amended to read:

125 1001.7065 Preeminent state research universities program.—

126 (2) ACADEMIC AND RESEARCH EXCELLENCE STANDARDS.—The
 127 following academic and research excellence standards are
 128 established for the preeminent state research universities
 129 program:

130 (d) A 4-year ~~6-year~~ graduation rate of 50 ~~70~~ percent or
 131 higher for full-time, first-time-in-college students, as
 132 calculated by the Board of Governors reported annually to the
 133 IPEDS.

134 (5) PREEMINENT STATE RESEARCH UNIVERSITIES PROGRAM
 135 SUPPORT.—

136 (c) The award of funds under this subsection is contingent
 137 upon funding provided in the General Appropriations Act to
 138 support the preeminent state research universities program
 139 created under this section. Funding increases appropriated
 140 beyond the amounts funded in the previous fiscal year shall be
 141 distributed as follows:

142 1. Each designated preeminent state research university
 143 that meets the criteria in paragraph (a) shall receive an equal
 144 amount of funding.

145 2. Each designated emerging preeminent state research
 146 university that meets the criteria in paragraph (b) shall
 147 receive an amount of funding that is equal to one-fourth ~~one-~~
 148 ~~half~~ of the total increased amount awarded to each designated

581-00893-17 20172c1

149 preeminent state research university.

150 ~~(6) PREEMINENT STATE RESEARCH UNIVERSITY SPECIAL COURSE~~
 151 ~~REQUIREMENT AUTHORITY. In order to provide a jointly shared~~
 152 ~~educational experience, a university that is designated a~~
 153 ~~preeminent state research university may require its incoming~~
 154 ~~first-time-in-college students to take a six-credit set of~~
 155 ~~unique courses specifically determined by the university and~~
 156 ~~published on the university's website. The university may~~
 157 ~~stipulate that credit for such courses may not be earned through~~
 158 ~~any acceleration mechanism pursuant to s. 1007.27 or s. 1007.271~~
 159 ~~or any other transfer credit. All accelerated credits earned up~~
 160 ~~to the limits specified in ss. 1007.27 and 1007.271 shall be~~
 161 ~~applied toward graduation at the student's request.~~

162 (6)(7) PREEMINENT STATE RESEARCH UNIVERSITY FLEXIBILITY
 163 AUTHORITY.—The Board of Governors is encouraged to identify and
 164 grant all reasonable, feasible authority and flexibility to
 165 ensure that each designated preeminent state research university
 166 and each designated emerging preeminent state research
 167 university is free from unnecessary restrictions.

168 (7)(8) PROGRAMS OF EXCELLENCE THROUGHOUT THE STATE
 169 UNIVERSITY SYSTEM.—The Board of Governors shall ~~is encouraged to~~
 170 establish standards and measures whereby individual
 171 undergraduate, graduate, and professional degree programs in
 172 state universities which that objectively reflect national
 173 excellence can be identified and make recommendations to the
 174 Legislature by September 1, 2017, as to how any such programs
 175 could be enhanced and promoted.

176 Section 5. Subsection (1) of section 1001.92, Florida
 177 Statutes, is amended to read:

581-00893-17

20172c1

178 1001.92 State University System Performance-Based
 179 Incentive.-
 180 (1) A State University System Performance-Based Incentive
 181 shall be awarded to state universities using performance-based
 182 metrics adopted by the Board of Governors of the State
 183 University System. The performance-based metrics must include 4-
 184 year graduation rates; retention rates; postgraduation education
 185 rates; degree production; affordability; postgraduation
 186 employment and salaries, including wage thresholds that reflect
 187 the added value of a baccalaureate degree; access; and other
 188 metrics approved by the board in a formally noticed meeting. The
 189 board shall adopt benchmarks to evaluate each state university's
 190 performance on the metrics to measure the state university's
 191 achievement of institutional excellence or need for improvement
 192 and minimum requirements for eligibility to receive performance
 193 funding.

194 Section 6. Subsection (7) is added to section 1007.23,
 195 Florida Statutes, to read:

196 1007.23 Statewide articulation agreement.-

197 (7) To strengthen Florida's "2+2" system of articulation
 198 and improve student retention and on-time graduation, by the
 199 2018-2019 academic year, each Florida Community College System
 200 institution shall execute at least one "2+2" targeted pathway
 201 articulation agreement with one or more state universities to
 202 establish "2+2" targeted pathway programs. The agreement must
 203 provide students who graduate with an associate in arts degree
 204 and who meet specified requirements guaranteed access to the
 205 state university and a degree program at that university, in
 206 accordance with the terms of the "2+2" targeted pathway

Page 7 of 22

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

581-00893-17

20172c1

207 articulation agreement.

208 (a) To participate in a "2+2" targeted pathway program, a
 209 student must:

210 1. Enroll in the program before completing 30 credit hours,
 211 including, but not limited to, college credits earned through
 212 articulated acceleration mechanisms pursuant to s. 1007.27;

213 2. Complete an associate in arts degree; and

214 3. Meet the university's transfer requirements.

215 (b) A state university that executes a "2+2" targeted
 216 pathway articulation agreement must meet the following
 217 requirements in order to implement a "2+2" targeted pathway
 218 program in collaboration with its partner Florida Community
 219 College System institution:

220 1. Establish a 4-year on-time graduation plan for a
 221 baccalaureate degree program, including, but not limited to, a
 222 plan for students to complete associate in arts degree programs,
 223 general education courses, common prerequisite courses, and
 224 elective courses;

225 2. Advise students enrolled in the program about the
 226 university's transfer and degree program requirements; and

227 3. Provide students who meet the requirements under this
 228 paragraph with access to academic advisors and campus events and
 229 with guaranteed admittance to the state university and a degree
 230 program of the state university, in accordance with the terms of
 231 the agreement.

232 (c) To assist the state universities and Florida Community
 233 College institutions with implementing the "2+2" targeted
 234 pathway programs effectively, the State Board of Community
 235 Colleges and the Board of Governors shall collaborate to

Page 8 of 22

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

581-00893-17

20172c1

236 eliminate barriers in executing "2+2" targeted pathway
 237 articulation agreements.

238 Section 7. Subsection (2) of section 1007.27, Florida
 239 Statutes, is amended to read:

240 1007.27 Articulated acceleration mechanisms.—

241 (2) (a) The Department of Education shall annually identify
 242 and publish the minimum scores, maximum credit, and course or
 243 courses for which credit is to be awarded for each College Level
 244 Examination Program (CLEP) subject examination, College Board
 245 Advanced Placement Program examination, Advanced International
 246 Certificate of Education examination, International
 247 Baccalaureate examination, Excelsior College subject
 248 examination, Defense Activity for Non-Traditional Education
 249 Support (DANTES) subject standardized test, and Defense Language
 250 Proficiency Test (DLPT). The department shall use student
 251 performance data in subsequent postsecondary courses to
 252 determine the appropriate examination scores and courses for
 253 which credit is to be granted. Minimum scores may vary by
 254 subject area based on available performance data. In addition,
 255 the department shall identify such courses in the general
 256 education core curriculum of each state university and Florida
 257 College System institution.

258 (b) Each district school board shall notify students who
 259 enroll in articulated acceleration mechanism courses or take
 260 examinations pursuant to this section of the credit-by-
 261 examination equivalency list adopted by rule by the State Board
 262 of Education and the dual enrollment course and high school
 263 subject area equivalencies approved by the state board pursuant
 264 to s. 1007.271(9).

Page 9 of 22

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

581-00893-17

20172c1

265 Section 8. Paragraph (c) of subsection (5) of section
 266 1008.30, Florida Statutes, is amended to read:

267 1008.30 Common placement testing for public postsecondary
 268 education.—

269 (5)

270 (c) A university board of trustees may contract with a
 271 Florida College System institution board of trustees for the
 272 Florida College System institution to provide developmental
 273 education on the state university campus. Any state university
 274 in which the percentage of incoming students requiring
 275 developmental education equals or exceeds the average percentage
 276 of such students for the Florida College System may offer
 277 developmental education without contracting with a Florida
 278 College System institution; however, any state university
 279 offering college-preparatory instruction as of January 1, 1996,
 280 may continue to provide developmental education instruction
 281 pursuant to s. 1008.02(1) such services.

282 Section 9. Subsection (7) of section 1009.22, Florida
 283 Statutes, is amended to read:

284 1009.22 Workforce education postsecondary student fees.—

285 (7) Each district school board and Florida College System
 286 institution board of trustees is authorized to establish a
 287 separate fee for technology, not to exceed 5 percent of tuition
 288 per credit hour or credit-hour equivalent for resident students
 289 and not to exceed 5 percent of tuition and the out-of-state fee
 290 per credit hour or credit-hour equivalent for nonresident
 291 students. Revenues generated from the technology fee shall be
 292 used to enhance instructional technology resources for students
 293 and faculty and may shall not be included in an any award under

Page 10 of 22

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

581-00893-17

20172c1

294 the Florida Bright Futures Scholarship Program, except as
 295 authorized for the Florida Academic Scholars award under s.
 296 1009.534. Fifty percent of technology fee revenues may be
 297 pledged by a Florida College System institution board of
 298 trustees as a dedicated revenue source for the repayment of
 299 debt, including lease-purchase agreements, not to exceed the
 300 useful life of the asset being financed. Revenues generated from
 301 the technology fee may not be bonded.

302 Section 10. Subsection (10) of section 1009.23, Florida
 303 Statutes, is amended to read:

304 1009.23 Florida College System institution student fees.—

305 (10) Each Florida College System institution board of
 306 trustees is authorized to establish a separate fee for
 307 technology, which may not exceed 5 percent of tuition per credit
 308 hour or credit-hour equivalent for resident students and may not
 309 exceed 5 percent of tuition and the out-of-state fee per credit
 310 hour or credit-hour equivalent for nonresident students.
 311 Revenues generated from the technology fee shall be used to
 312 enhance instructional technology resources for students and
 313 faculty. The technology fee may apply to both college credit and
 314 developmental education and ~~may shall~~ not be included in an any
 315 award under the Florida Bright Futures Scholarship Program,
 316 except as authorized for the Florida Academic Scholars award
 317 under s. 1009.534. Fifty percent of technology fee revenues may
 318 be pledged by a Florida College System institution board of
 319 trustees as a dedicated revenue source for the repayment of
 320 debt, including lease-purchase agreements, not to exceed the
 321 useful life of the asset being financed. Revenues generated from
 322 the technology fee may not be bonded.

Page 11 of 22

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

581-00893-17

20172c1

323 Section 11. Subsection (13), paragraph (a) of subsection
 324 (15), and paragraph (b) of subsection (16) of section 1009.24,
 325 Florida Statutes, are amended to read:

326 1009.24 State university student fees.—

327 (13) Each university board of trustees may establish a
 328 technology fee of up to 5 percent of the tuition per credit
 329 hour. The revenue from this fee shall be used to enhance
 330 instructional technology resources for students and faculty. The
 331 technology fee may not be included in an any award under the
 332 Florida Bright Futures Scholarship Program established pursuant
 333 to ss. 1009.53-1009.538, except as authorized for the Florida
 334 Academic Scholars award under s. 1009.534.

335 (15) (a) The Board of Governors may approve:

336 1. A proposal from a university board of trustees to
 337 establish a new student fee that is not specifically authorized
 338 by this section.

339 2. A proposal from a university board of trustees to
 340 increase the current cap for an existing fee authorized pursuant
 341 to paragraphs (14) (a)-(g).

342 3. A proposal from a university board of trustees to
 343 implement flexible tuition policies, such as undergraduate or
 344 graduate block tuition, block tuition differential, or market
 345 tuition rates for graduate-level online courses or graduate-
 346 level courses offered through a university's continuing
 347 education program. A block tuition policy for resident
 348 undergraduate students or undergraduate-level courses must shall
 349 be adopted by each university board of trustees for
 350 implementation by the fall 2018 academic semester and must be
 351 based on the per-credit-hour undergraduate tuition established

Page 12 of 22

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

581-00893-17

20172c1

352 under subsection (4). A block tuition policy for nonresident
 353 undergraduate students ~~must shall~~ be adopted by each university
 354 board of trustees for implementation by the fall 2018 academic
 355 semester and must be based on the per-credit-hour undergraduate
 356 tuition and out-of-state fee established under subsection (4).
 357 Flexible tuition policies, including block tuition, may not
 358 increase the state's fiscal liability or obligation.

359 (16) Each university board of trustees may establish a
 360 tuition differential for undergraduate courses upon receipt of
 361 approval from the Board of Governors. However, beginning July 1,
 362 2014, the Board of Governors may only approve the establishment
 363 of or an increase in tuition differential for a state research
 364 university designated as a preeminent state research university
 365 pursuant to s. 1001.7065(3). The tuition differential shall
 366 promote improvements in the quality of undergraduate education
 367 and shall provide financial aid to undergraduate students who
 368 exhibit financial need.

369 (b) Each tuition differential is subject to the following
 370 conditions:

371 1. The tuition differential may be assessed on one or more
 372 undergraduate courses or on all undergraduate courses at a state
 373 university.

374 2. The tuition differential may vary by course or courses,
 375 by campus or center location, and by institution. Each
 376 university board of trustees shall strive to maintain and
 377 increase enrollment in degree programs related to math, science,
 378 high technology, and other state or regional high-need fields
 379 when establishing tuition differentials by course.

380 3. For each state university that is designated as a

581-00893-17

20172c1

381 preeminent state research university by the Board of Governors,
 382 pursuant to s. 1001.7065, the aggregate sum of tuition and the
 383 tuition differential may be increased by no more than 6 percent
 384 of the total charged for the aggregate sum of these fees in the
 385 preceding fiscal year. The tuition differential may be increased
 386 if the university meets or exceeds performance standard targets
 387 for that university established annually by the Board of
 388 Governors for the following performance standards, amounting to
 389 no more than a 2-percent increase in the tuition differential
 390 for each performance standard:

391 a. An increase in the 4-year ~~6-year~~ graduation rate for
 392 full-time, first-time-in-college students, as calculated by the
 393 Board of Governors reported annually to the Integrated
 394 Postsecondary Education Data System.

395 b. An increase in the total annual research expenditures.

396 c. An increase in the total patents awarded by the United
 397 States Patent and Trademark Office for the most recent years.

398 4. The aggregate sum of undergraduate tuition and fees per
 399 credit hour, including the tuition differential, may not exceed
 400 the national average of undergraduate tuition and fees at 4-year
 401 degree-granting public postsecondary educational institutions.

402 5. The tuition differential shall not be included in an any
 403 award under the Florida Bright Futures Scholarship Program
 404 established pursuant to ss. 1009.53-1009.538, except as
 405 authorized for the Florida Academic Scholars award under s.
 406 1009.534.

407 6. Beneficiaries having prepaid tuition contracts pursuant
 408 to s. 1009.98(2)(b) which were in effect on July 1, 2007, and
 409 which remain in effect, are exempt from the payment of the

581-00893-17

20172c1

410 tuition differential.

411 7. The tuition differential may not be charged to any
412 student who was in attendance at the university before July 1,
413 2007, and who maintains continuous enrollment.

414 8. The tuition differential may be waived by the university
415 for students who meet the eligibility requirements for the
416 Florida public student assistance grant established in s.
417 1009.50.

418 9. Subject to approval by the Board of Governors, the
419 tuition differential authorized pursuant to this subsection may
420 take effect with the 2009 fall term.

421 Section 12. Subsection (2) of section 1009.534, Florida
422 Statutes, is amended to read:

423 1009.534 Florida Academic Scholars award.—

424 (2) A Florida Academic Scholar who is enrolled in a
425 certificate, diploma, associate, or baccalaureate degree program
426 at a public or nonpublic postsecondary education institution is
427 eligible, beginning in the fall 2017 academic semester, for an
428 award equal to the amount required to pay 100 percent of tuition
429 and fees established under ss. 1009.22(3), (5), (6), and (7);
430 1009.23(3), (4), (7), (8), (10), and (11); and 1009.24(4), (7)-
431 (13), (14)(r), and (16), as applicable, and is eligible for an
432 additional \$300 each fall and spring academic semester or the
433 equivalent for textbooks and college-related ~~specified in the~~
434 General Appropriations Act to assist with the payment of
435 educational expenses.

436 Section 13. Subsection (2) of section 1009.701, Florida
437 Statutes, is amended to read:

438 1009.701 First Generation Matching Grant Program.—

Page 15 of 22

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

581-00893-17

20172c1

439 (2) Funds appropriated by the Legislature for the program
440 shall be allocated by the Office of Student Financial Assistance
441 to match private contributions ~~at a ratio of \$2 of state~~
442 funds to \$1 of private contributions ~~dollar-for-dollar basis.~~
443 Contributions made to a state university and pledged for the
444 purposes of this section are eligible for state matching funds
445 appropriated for this program and are not eligible for any other
446 state matching grant program. Pledged contributions are not
447 eligible for matching prior to the actual collection of the
448 total funds. The Office of Student Financial Assistance shall
449 reserve a proportionate allocation of the total appropriated
450 funds for each state university on the basis of full-time
451 equivalent enrollment. Funds that remain unmatched as of
452 December 1 shall be reallocated to state universities that have
453 remaining unmatched private contributions for the program on the
454 basis of full-time equivalent enrollment.

455 Section 14. Section 1009.89, Florida Statutes, is amended
456 to read:

457 1009.89 The William L. Boyd, IV, Effective Access to
458 Student Education ~~Florida resident access~~ grants.—

459 (1) The Legislature finds and declares that independent
460 nonprofit colleges and universities eligible to participate in
461 the William L. Boyd, IV, Effective Access to Student Education
462 ~~Florida Resident Access~~ Grant Program are an integral part of
463 the higher education system in this state and that a significant
464 number of state residents choose this form of higher education.
465 The Legislature further finds that a strong and viable system of
466 independent nonprofit colleges and universities reduces the tax
467 burden on the citizens of the state. Because the William L.

Page 16 of 22

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

581-00893-17

20172c1

468 Boyd, IV, Effective Access to Student Education Florida Resident
 469 ~~Access~~ Grant Program is not related to a student's financial
 470 need or other criteria upon which financial aid programs are
 471 based, it is the intent of the Legislature that the William L.
 472 Boyd, IV, Effective Access to Student Education Florida Resident
 473 ~~Access~~ Grant Program not be considered a financial aid program
 474 but rather a tuition assistance program for its citizens.

475 (2) The William L. Boyd, IV, Effective Access to Student
 476 Education Florida Resident Access Grant Program shall be
 477 administered by the Department of Education. The State Board of
 478 Education shall adopt rules for the administration of the
 479 program.

480 (3) The department shall issue through the program a
 481 William L. Boyd, IV, Effective Access to Student Education
 482 Florida resident access grant to any full-time degree-seeking
 483 undergraduate student registered at an independent nonprofit
 484 college or university which is located in and chartered by the
 485 state; which is accredited by the Commission on Colleges of the
 486 Southern Association of Colleges and Schools; which grants
 487 baccalaureate degrees; which is not a state university or
 488 Florida College System institution; and which has a secular
 489 purpose, so long as the receipt of state aid by students at the
 490 institution would not have the primary effect of advancing or
 491 impeding religion or result in an excessive entanglement between
 492 the state and any religious sect. Any independent college or
 493 university that was eligible to receive tuition vouchers on
 494 January 1, 1989, and which continues to meet the criteria under
 495 which its eligibility was established, shall remain eligible to
 496 receive William L. Boyd, IV, Effective Access to Student

Page 17 of 22

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

581-00893-17

20172c1

497 Education Florida resident access grant payments.

498 (4) A person is eligible to receive such William L. Boyd,
 499 IV, Effective Access to Student Education Florida resident
 500 ~~access~~ grant if:

501 (a) He or she meets the general requirements, including
 502 residency, for student eligibility as provided in s. 1009.40,
 503 except as otherwise provided in this section; and

504 (b)1. He or she is enrolled as a full-time undergraduate
 505 student at an eligible college or university;

506 2. He or she is not enrolled in a program of study leading
 507 to a degree in theology or divinity; and

508 3. He or she is making satisfactory academic progress as
 509 defined by the college or university in which he or she is
 510 enrolled.

511 (5) (a) Funding for the William L. Boyd, IV, Effective
 512 Access to Student Education Florida Resident Access Grant
 513 Program for eligible institutions shall be as provided in the
 514 General Appropriations Act. The William L. Boyd, IV, Effective
 515 Access to Student Education Florida resident access grant may be
 516 paid on a prorated basis in advance of the registration period.
 517 The department shall make such payments to the college or
 518 university in which the student is enrolled for credit to the
 519 student's account for payment of tuition and fees. Institutions
 520 shall certify to the department the amount of funds disbursed to
 521 each student and shall remit to the department any undisbursed
 522 advances or refunds within 60 days of the end of regular
 523 registration. A student is not eligible to receive the award for
 524 more than 9 semesters or 14 quarters, except as otherwise
 525 provided in s. 1009.40(3).

Page 18 of 22

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

581-00893-17

20172c1

526 (b) If the combined amount of the William L. Boyd, IV,
 527 Effective Access to Student Education ~~Florida resident access~~
 528 grant issued pursuant to this act and all other scholarships and
 529 grants for tuition or fees exceeds the amount charged to the
 530 student for tuition and fees, the department shall reduce the
 531 William L. Boyd, IV, Effective Access to Student Education
 532 ~~Florida resident access~~ grant issued pursuant to this act by an
 533 amount equal to such excess.

534 (6) If the number of eligible students exceeds the total
 535 authorized in the General Appropriations Act, an institution may
 536 use its own resources to assure that each eligible student
 537 receives the full benefit of the grant amount authorized.

538 Section 15. Subsections (2), (4), and (5) of section
 539 1009.893, Florida Statutes, are amended to read:

540 1009.893 Benacquisto Scholarship Program.—

541 (2) The Benacquisto Scholarship Program is created to
 542 reward a any Florida high school graduate who receives
 543 recognition as a National Merit Scholar or National Achievement
 544 Scholar and who initially enrolls in the 2014-2015 academic year
 545 or, later, in a baccalaureate degree program at an eligible
 546 Florida public or independent postsecondary educational
 547 institution.

548 (4) In order to be eligible for an award under the
 549 scholarship program, a student must meet the requirements of
 550 paragraph (a) or paragraph (b).→

551 (a) A student who is a resident of the state, ~~Be a state~~
 552 ~~resident~~ as determined in s. 1009.40 and rules of the State
 553 Board of Education, must:→

554 1. (b) Earn a standard Florida high school diploma or its

581-00893-17

20172c1

555 equivalent pursuant to s. 1002.3105, s. 1003.4281, s. 1003.4282,
 556 or s. 1003.435 unless:

557 ~~a.1.~~ The student completes a home education program
 558 according to s. 1002.41; or

559 ~~b.2.~~ The student earns a high school diploma from a non-
 560 Florida school while living with a parent who is on military or
 561 public service assignment out of this state;

562 ~~2.(e)~~ Be accepted by and enroll in a Florida public or
 563 independent postsecondary educational institution that is
 564 regionally accredited; and

565 ~~3.(d)~~ Be enrolled full-time in a baccalaureate degree
 566 program at an eligible regionally accredited Florida public or
 567 independent postsecondary educational institution during the
 568 fall academic term following high school graduation.

569 (b) A student who initially enrolls in a baccalaureate
 570 degree program in the 2017-2018 academic year or later and who
 571 is not a resident of this state, as determined pursuant to s.
 572 1009.40 and rules of the State Board of Education, must:

573 1. Physically reside in this state on or near the campus of
 574 the postsecondary educational institution in which the student
 575 is enrolled;

576 2. Earn a high school diploma from a school outside Florida
 577 which is comparable to a standard Florida high school diploma or
 578 its equivalent pursuant to s. 1002.3105, s. 1003.4281, s.
 579 1003.4282, or s. 1003.435 or must complete a home education
 580 program in another state; and

581 3. Be accepted by and enrolled full-time in a baccalaureate
 582 degree program at an eligible regionally accredited Florida
 583 public or independent postsecondary educational institution

581-00893-17 20172c1

584 during the fall academic term following high school graduation.

585 (5) (a) 1. An eligible student who meets the requirements of
 586 paragraph (4) (a), who is a National Merit Scholar or National
 587 Achievement Scholar, and who attends a Florida public
 588 postsecondary educational institution shall receive a
 589 scholarship award equal to the institutional cost of attendance
 590 minus the sum of the student's Florida Bright Futures
 591 Scholarship and National Merit Scholarship or National
 592 Achievement Scholarship.

593 2. An eligible student who meets the requirements under
 594 paragraph (4) (b), who is a National Merit Scholar, and who
 595 attends a Florida public postsecondary educational institution
 596 shall receive a scholarship award equal to the institutional
 597 cost of attendance for a resident of this state less the
 598 student's National Merit Scholarship. Such student is exempt
 599 from the payment of out-of-state fees.

600 (b) An eligible student who is a National Merit Scholar or
 601 National Achievement Scholar and who attends a Florida
 602 independent postsecondary educational institution shall receive
 603 a scholarship award equal to the highest cost of attendance for
 604 a resident of this state enrolled at a Florida public
 605 university, as reported by the Board of Governors of the State
 606 University System, minus the sum of the student's Florida Bright
 607 Futures Scholarship and National Merit Scholarship or National
 608 Achievement Scholarship.

609 Section 16. The Division of Law Revision and Information is
 610 directed to prepare a reviser's bill for the 2018 Regular
 611 Session to substitute the term "Effective Access to Student
 612 Education Grant Program" for "Florida Resident Access Grant

581-00893-17 20172c1

613 Program" and the term "Effective Access to Student Education
 614 grant" for "Florida resident access grant" wherever those terms
 615 appear in the Florida Statutes.

616 Section 17. This act shall take effect July 1, 2017.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: SB 4

INTRODUCER: Senator Galvano

SUBJECT: Faculty Recruitment

DATE: February 22, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bouck</u>	<u>Graf</u>	<u>ED</u>	Favorable
2.	<u>Smith</u>	<u>Elwell</u>	<u>AHE</u>	Recommend: Favorable
3.	<u>Smith</u>	<u>Hansen</u>	<u>AP</u>	Pre-Meeting

I. Summary:

SB 4 expands and enhances policy and funding options for state universities to recruit and retain exemplary faculty, enhance the quality of professional and graduate schools, and upgrade facilities and research infrastructure. Specifically, the bill:

- Establishes the World Class Faculty and Scholar Program to fund and support the efforts of state universities to recruit and retain exemplary faculty and research scholars and specifies that funding for the program will be as provided in the General Appropriations Act (GAA).
- Establishes the State University Professional and Graduate Degree Excellence Program to fund and support the efforts of state universities to enhance the quality and excellence of professional schools and graduate degree programs in medicine, law, and business, and specifies that funding for the program will be as provided in the GAA.
- Authorizes the legislature to prioritize funding for certain projects under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program for the 2017-2018 fiscal year, subject to the GAA.
- Links education to job opportunities by modifying requirements of the strategic plan, developed by the Board of Governors (BOG), to require state universities to use data-driven gap analyses to identify internship opportunities for students in high-demand fields.

The fiscal impact of the bill is indeterminate for the World Class Faculty and Scholar and the State University Professional and Graduate Degree Excellence programs. These programs are contingent upon an appropriation in the GAA. The BOG has identified \$4.3 million for projects that have not been completed and which would be eligible for prioritized funding by the legislature under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program.

The bill takes effect July 1, 2017.

II. Present Situation:

The ability of the state universities to recruit talented faculty and researchers, make strategic investments in research infrastructure, and connect university research to economic development, is key to advancing Florida's research and innovation competitiveness and effectiveness.¹

Faculty Recruitment and Infrastructure Investments

State University Research and Development

According to the Board of Governors of the State University System of Florida (BOG), for Florida to “secure its place as a national leader in the 21st century, it must prove competitive in discovery and innovation.”² The stronger the universities and the State of Florida are in research and development (R&D) performance and reputation, the more competitive Florida becomes in attracting and retaining the best and most promising faculty, students, staff, and companies.³

In a 2014-15 National Science Foundation survey of R&D spending across the United States, the State of Florida ranked 4th on total research and development expenditures among public universities, behind California, Texas, and Michigan.⁴ States with strong and competitive research enterprises support the research infrastructure within their state with a wide range of statewide grant programs to make their state universities more competitive for federal grant opportunities.⁵

In Florida, the state universities have identified the need for funding to support university efforts to:⁶

- Increase research capacity, output, and impact through targeted cluster hiring of talented faculty and strategic investments in research infrastructure.
- Increase and enhance undergraduate student participation in research through undergraduate research programs.
- Connect university research to Florida's industry and economic development through industry-sponsored research at state universities and research commercialization activities.

State University Facilities

In 2002, the legislature established the Alec P. Courtelis University Facility Enhancement Challenge Grant Program (Courtelis Program)⁷ to assist the universities in building high priority

¹ Board of Governors, *Draft of Advancing Research and Innovation Legislative Budget Request*, Presentation to the Board of Governors Task Force on University Research (Sept. 22, 2016), available at [http://www.flbog.edu/documents_meetings/0201_1017_7616_10.3.2%20TF-RSRCH%2003b%20LBR%20Request%20VPRs%20_2017_18%201aug2016%20Form%201%20\(002\)_JMI.pdf](http://www.flbog.edu/documents_meetings/0201_1017_7616_10.3.2%20TF-RSRCH%2003b%20LBR%20Request%20VPRs%20_2017_18%201aug2016%20Form%201%20(002)_JMI.pdf).

² *Id.*

³ *Id.*

⁴ Email. Board of Governors (Jan. 12, 2017)

⁵ Board of Governors, *Draft of Advancing Research and Innovation Legislative Budget Request*, Presentation to the Board of Governors Task Force on University Research (Sept. 22, 2016), available at [http://www.flbog.edu/documents_meetings/0201_1017_7616_10.3.2%20TF-RSRCH%2003b%20LBR%20Request%20VPRs%20_2017_18%201aug2016%20Form%201%20\(002\)_JMI.pdf](http://www.flbog.edu/documents_meetings/0201_1017_7616_10.3.2%20TF-RSRCH%2003b%20LBR%20Request%20VPRs%20_2017_18%201aug2016%20Form%201%20(002)_JMI.pdf).

⁶ *Id.*

⁷ Section 875, ch. 2002-387, L.O.F.

instructional and research-related capital facilities, including common areas connecting such facilities.⁸

To be eligible to participate in the Courtelis Program, a university must raise a contribution equal to one-half the total cost of a “facilities construction project” from private nongovernmental sources. The private contributions must be matched by an equal amount of state funds for the “facilities construction project,” subject to the General Appropriations Act.⁹

In 2011, the legislature suspended the Courtelis Program state match for donations received on or after June 30, 2011.¹⁰ Existing eligible donations received before July 1, 2011, remain eligible for future matching funds.¹¹ The program may be restarted after \$200 million of the backlog for the Courtelis Program, the Florida College System Institution Facility Enhancement Challenge Grant Program,¹² the Dr. Philip Benjamin Matching Grant Program for Florida College System Institutions,¹³ and the University Major Gifts Program¹⁴ have been matched.¹⁵

As part of the implementation of the Courtelis Program, the Alec P. Courtelis Capital Facilities Matching Trust Fund was created. In 2009, the trust fund was terminated, and all private funds and associated interest earnings were directed to be deposited into the originating university’s individual program account.¹⁶

Experiential Learning Opportunities

The BOG is required to develop a strategic plan specifying goals and objectives for the State University System and each constituent university, including each university’s contribution to overall system goals and objectives.¹⁷

The strategic plan must include criteria for designating baccalaureate degree and master’s degree programs at specified universities as high-demand programs of emphasis.¹⁸ Fifty percent of the criteria for designation as high-demand programs of emphasis must be based on achievement of performance outcome thresholds determined by the BOG, and 50 percent of the criteria must be based on achievement of performance outcome thresholds specifically linked to:¹⁹

- Job placement in employment of 36 hours or more per week and average full-time wages of graduates of the degree programs 1 year and 5 years after graduation.
- Data-driven gap analyses, conducted by the BOG, of the state’s job market demands and the outlook for jobs that require a baccalaureate or higher degree.

⁸ Section 1013.79 (2), F.S.

⁹ Section 1013.79(6), F.S.

¹⁰ Section 1013.79(12), F.S.

¹¹ *Id.*

¹² Section 1011.32, F.S.

¹³ Section 1011.85, F.S.

¹⁴ Section 1011.94, F.S.

¹⁵ Section 1013.79(12), F.S.

¹⁶ Section 1013.79(3), F.S.

¹⁷ Section 1001.706(5)(b), F.S.

¹⁸ Section 1001.706(5)(b)4., F.S.

¹⁹ *Id.*

In May 2012, the Chair of the BOG issued a call to action to education, business and workforce, and legislative leaders to address Florida's need for future baccalaureate degree attainment.²⁰ In response to the call, the Commission on Higher Education Access and Educational Attainment (Commission), composed of seven members, was established. Among the major products from the Commission's work was a sustainable method for conducting a gap analysis of baccalaureate level workforce demand.²¹

In 2013, the BOG received \$15 million in appropriated funds to provide competitive awards to address high demand program areas identified in the Commission's gap analysis.²² The gap analysis identified computer information and technology, and accounting and finance as high demand programs, requiring at least a bachelor's degree, with more than 1,000 unfilled annual openings in Florida.²³ In March 2014, the BOG approved four partnerships of universities and Florida College System institutions to receive \$15 million in funding for the Targeted Educational Attainment Grant Program, also known as the TEAm Grant Initiative.²⁴

III. Effect of Proposed Changes:

The bill expands and enhances policy and funding options for state universities to recruit and retain the very best faculty, enrich professional and graduate school strength and viability, and upgrade aging facilities and research infrastructure. Specifically, the bill:

- Establishes the World Class Faculty and Scholar Program to fund and support the efforts of state universities to recruit and retain exemplary faculty and research scholars, and specifies that funding for the program will be as provided in the General Appropriations Act (GAA).
- Establishes the State University Professional and Graduate Degree Excellence Program to fund and support the efforts of state universities to enhance the quality and excellence of professional schools and graduate degree programs in high-impact fields of medicine, law, and business, and specifies that funding for the program will be as provided in the GAA.
- Authorizes the legislature to prioritize funding for certain projects under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program (Courtelis Program) for the 2017-2018 fiscal year, subject to the GAA.
- Links education to job opportunities by modifying requirements of the strategic plan, developed by the Board of Governors of the State University System (BOG) to require state universities to use data-driven gap analyses to identify internship opportunities for students in high-demand fields.

²⁰ Board of Governors, *Aligning Workforce and Higher Education for Florida's Future* (Nov. 21, 2013), available at http://www.flbog.edu/about/doc/commission-materials/Access-and-Attainment-Comm-FINAL-REPORT-10_29_13_rev.docx.

²¹ *Id.*

²² Board of Governors, *TEAm Grant Initiative Update* (Sept. 21, 2016), available at http://www.flbog.edu/documents_meetings/0201_1005_7558_2.10.1%20ASA%2010a_TEA%20Grant%20Initiative%20Update%20ai_JMI.pdf.

²³ Board of Governors, *Aligning Workforce and Higher Education for Florida's Future* (Nov. 21, 2013), available at http://www.flbog.edu/about/doc/commission-materials/Access-and-Attainment-Comm-FINAL-REPORT-10_29_13_rev.docx.

²⁴ *Id.*

- Conforms a cross reference to s. 1013.79(10), F.S., regarding naming a facility after a living person.

Faculty Recruitment and Infrastructure Investments (Sections 2 through 4)

The bill establishes the World Class Faculty and Scholar Program and the State University Professional and Graduate Degree Excellence Program, and authorizes funding for certain projects under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program to advance state university national competitiveness.

World Class Faculty and Scholar Program

Section 2 of the bill establishes the World Class Faculty and Scholar Program to elevate the national prominence of state universities in Florida. Specifically, this section:

- Authorizes state university investments in recruiting and retaining talented faculty; and specifies that funding for the program will be as provided in the GAA.
- Expresses that such investments may include, but not be limited to, investments in research-centric cluster hires, faculty research and research commercialization efforts, instructional and research infrastructure, undergraduate student participation in research, professional development, awards for outstanding performance, and postdoctoral fellowships.

This section creates a funding mechanism to assist the state universities with faculty recruitment and retention efforts to attract exemplary faculty and research scholars to Florida, which may ultimately help Florida's state universities improve their national competitiveness. According to the BOG, the "single most significant asset that the state has that will determine Florida's future status in the industries of the future are its universities and their capacity to generate new ideas and innovations through research."²⁵

State University Professional and Graduate Degree Excellence Program

Section 3 of the bill establishes the State University Professional and Graduate Degree Excellence Program (Degree Excellence Program) to fund and support the efforts of state universities to enhance the quality and excellence of professional schools and graduate degree programs in medicine, law, and business, and expand the economic impact of state universities. Specifically, the bill:

- Authorizes quality improvement efforts of the state universities, and specifies that funding for the program will be as provided in the GAA.
- Expresses that such efforts may include, but not be limited to, targeted investments in faculty, students, research, infrastructure, and other strategic endeavors to elevate the national and global prominence of state university medicine, law, and graduate-level business programs.

²⁵ Board of Governors, *Draft of Advancing Research and Innovation Legislative Budget Request*, Presentation to the Board of Governors Task Force on University Research (Sept. 22, 2016), available at [http://www.flbog.edu/documents_meetings/0201_1017_7616_10.3.2%20TF-RSRCH%2003b%20LBR%20Request%20VPRs%20_2017_18%201aug2016%20Form%201%20\(002\)_JMI.pdf](http://www.flbog.edu/documents_meetings/0201_1017_7616_10.3.2%20TF-RSRCH%2003b%20LBR%20Request%20VPRs%20_2017_18%201aug2016%20Form%201%20(002)_JMI.pdf).

The Degree Excellence Program creates a funding mechanism to boost the excellence of state university professional schools and graduate degree programs in specified programs. Additionally, the Degree Excellence Program may bolster the state universities’ efforts to recruit and retain talented students and faculty, which may help to raise the national and international prominence of the state universities and the programs within such universities.

The Degree Excellence Program may also assist in improving the national rankings of the state universities in medicine, law, and business. The table below lists the 2017 U.S. News and World Report rankings²⁶ for these programs.

Institution	Medicine (Research)²⁷	Medicine (Primary Care)²⁸	Law²⁹	Business³⁰
Florida Atlantic University	Unranked ³¹	Unranked		Unranked
Florida A&M University			RNP ³²	Unranked
Florida Gulf Coast University				Unranked
Florida International University	Unranked	Unranked	103	RNP
Florida State University	RNP	87	50	Unranked
University of Central Florida	88	RNP		Unranked
University of Florida	40	62	48	37
University of North Florida				Unranked
University of South Florida	63	67		RNP
University of West Florida				Unranked

Alec P. Courtelis University Facility Enhancement Challenge Grant Program

Section 4 of the bill provides that, notwithstanding the suspension of state matching funds, the legislature may choose for the 2017-2018 fiscal year to prioritize funding for certain projects under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program (Courtelis Program) with matching funds available prior to June 30, 2011, which have not yet

²⁶The Florida Senate staff analysis of U.S. News & World Report, *Graduate School Rankings*, <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools> (last visited Jan. 20, 2017).

²⁷ The Florida Senate staff analysis of U.S. News & World Report, *Medical Schools (Research)*, <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools/top-medical-schools/research-rankings?int=af3309&int=b3b50a&int=b14409> (last visited Jan. 20, 2017).

²⁸ The Florida Senate staff analysis of U.S. News & World Report, *Medical Schools (Primary Care)*, <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools/top-medical-schools/primary-care-rankings?int=af3309&int=b3b50a&int=aac509> (last visited Jan. 20, 2017).

²⁹ The Florida Senate staff analysis of U.S. News & World Report, *Law Schools*, <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools/top-law-schools> (last visited Jan. 20, 2017).

³⁰ The Florida Senate staff analysis of U.S. News & World Report, *Business Schools*, <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools/top-business-schools/mba-rankings?int=9dc208> (last visited Jan 20, 2017).

³¹ “Unranked” indicates a school or program attribute does not align with U.S. News & World Report ranking metrics.

³² “RNP” indicates a ranking not published, which indicates the program is in the bottom 25 percent of the U.S. News & World Report rankings.

been constructed. Additionally, the bill deletes obsolete references to the Alec P. Courtelis Capital Facilities Matching Trust Fund, which has no cash balance.³³

Private funds eligible for a state match for new facilities under the Courtelis Program are approximately \$4.3 million.³⁴ The authorization to fund these new projects with existing matching funds is likely to affect new construction of university facilities.

Experiential Learning Opportunities (Section 1)

The bill modifies the requirements of the strategic plan, developed by the BOG, to require state universities to use data-driven gap analyses to identify internship opportunities in high-demand fields.

Modifications to BOG's strategic plan emphasizes the value of internships in experiential learning.³⁵ Through internships, students are likely to gain exposure to relevant on-the-job experience and develop skills critical to securing and maintaining gainful employment in high-demand fields of unmet need.

The bill takes effect July 1, 2017.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

³³ Board of Governors, *2017 Legislative Bill Analysis* of SB 4 (Jan. 18, 2017).

³⁴ Board of Governors, *2017 Legislative Bill Analysis* of SB 4 (Jan. 20, 2017).

³⁵ Governor Scott's "Finish in Four, Save More" challenge encourages universities and colleges to "make it easier for students to get class credit for internships in their fields, which puts students on the path to getting a good paying job." Office of the Governor, *Governor Rick Scott Issues "Finish in Four, Save More" Challenge to Universities and Colleges* (May 25, 2016) <http://www.flgov.com/2016/05/25/governor-rick-scott-issues-finish-in-four-save-more-challenge-to-universities-and-colleges/> (last visited Jan. 20, 2017).

B. Private Sector Impact:

None.

C. Government Sector Impact:

Under SB 4, the fiscal impact relating to the creation and implementation of the World Class Faculty and Scholar and the State University Professional and Graduate Degree Excellence programs is indeterminate. These programs are contingent upon an appropriation in the GAA.

The BOG has identified \$4.3 million for projects that would be eligible for prioritized funding by the legislature under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program.³⁶

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1001.706, 1013.79, and 267.062.

This bill creates the following sections of the Florida Statutes: 1004.6497 and 1004.6498.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

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

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

³⁶ Board of Governors, *2017 Legislative Bill Analysis*, SB 4 (Jan. 20, 2017).



270964

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Appropriations (Galvano) recommended the following:

Senate Amendment (with title amendment)

Delete lines 101 - 119

and insert:

(4) ACCOUNTABILITY.—By March 15 of each year, the Board of Governors shall provide to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report summarizing information from the universities in the State University System, including, but not limited to:

(a) Specific expenditure information as it relates to the



270964

11 investments identified in subsection (2).

12 (b) The impact of those investments in elevating the
13 national competitiveness of the universities, specifically
14 relating to:

15 1. The success in recruiting research faculty and the
16 resulting research funding;

17 2. The 4-year graduation rate;

18 3. The number of undergraduate courses offered with fewer
19 than 50 students; and

20 4. The increased national academic standing of targeted
21 programs, specifically advancement among top 50 universities in
22 the targeted programs in well-known and highly respected
23 national public university rankings, including, but not limited
24 to, the U.S. News and World Report rankings, which reflect
25 national preeminence, using the most recent rankings.

26 Section 3. Section 1004.6498, Florida Statutes, is created
27 to read:

28 1004.6498 State University Professional and Graduate Degree
29 Excellence Program.—

30 (1) PURPOSE.—The State University Professional and Graduate
31 Degree Excellence Program is established to fund and support the
32 efforts of state universities to enhance the quality and
33 excellence of professional and graduate schools and degree
34 programs in medicine, law, and business and expand the economic
35 impact of state universities.

36 (2) INVESTMENTS.—Quality improvement efforts may include,
37 but are not limited to, targeted investments in faculty,
38 students, research, infrastructure, and other strategic
39 endeavors to elevate the national and global prominence of state



270964

40 university medicine, law, and graduate-level business programs.

41 (3) FUNDING AND USE.—Funding for the program shall be as
42 provided in the General Appropriations Act. Each state
43 university shall use the funds only for the purpose and
44 investments authorized under this section.

45 (4) ACCOUNTABILITY.—By March 15 of each year, the Board of
46 Governors shall provide to the Governor, the President of the
47 Senate, and the Speaker of the House of Representatives a report
48 summarizing information from the universities in the State
49 University System, including, but not limited to:

50 (a) Specific expenditure information as it relates to the
51 investments identified in subsection (2).

52 (b) The impact of those investments in elevating the
53 national and global prominence of the state university medicine,
54 law, and graduate-level business programs, specifically relating
55 to:

56 1. The first-time pass rate on the United States Medical
57 Licensing Examination;

58 2. The first-time pass rate on The Florida Bar Examination;

59 3. The percentage of graduates enrolled or employed at a
60 wage threshold that reflects the added value of a graduate-level
61 business degree;

62 4. The advancement in the rankings of the state university
63 medicine, law, and graduate-level programs in well-known and
64 highly respected national graduate-level university rankings,
65 including, but not limited to, the U.S. News and World Report
66 rankings, which reflect national preeminence, using the most
67 recent rankings; and

68 5. The added economic benefit of the universities to the



270964

69 state.

70

71 ===== T I T L E A M E N D M E N T =====

72 And the title is amended as follows:

73 Delete lines 12 - 21

74 and insert:

75 authorized purposes and investments; requiring the
76 Board of Governors to submit an annual report to the
77 Governor and the Legislature by a specified date;
78 creating s. 1004.6498, F.S.; establishing the State
79 University Professional and Graduate Degree Excellence
80 Program; providing the purpose of the program;
81 specifying quality improvement efforts to elevate the
82 prominence of state university medicine, law, and
83 graduate-level business programs; specifying funding
84 as provided in the General Appropriations Act;
85 requiring the funds to be used for authorized purposes
86 and investments; requiring the Board of Governors to
87 submit an annual report to the Governor and the
88 Legislature by a specified date; amending s. 1013.79,
89 F.S.; revising

By Senator Galvano

21-00141D-17

20174__

1 A bill to be entitled
 2 An act relating to faculty recruitment; amending s.
 3 1001.706, F.S.; requiring state universities to use
 4 gap analyses to identify internship opportunities in
 5 high-demand fields; creating s. 1004.6497, F.S.;
 6 establishing the World Class Faculty and Scholar
 7 Program; providing the purpose and intent of the
 8 program; authorizing investments in certain faculty
 9 retention, recruitment, and recognition activities;
 10 specifying funding as provided in the General
 11 Appropriations Act; requiring the funds to be used for
 12 authorized purposes and investments; creating s.
 13 1004.6498, F.S.; establishing the State University
 14 Professional and Graduate Degree Excellence Program;
 15 providing the purpose of the program; specifying the
 16 requirements for quality improvement efforts to
 17 elevate the prominence of state university medicine,
 18 law, and graduate-level business programs; specifying
 19 funding as provided in the General Appropriations Act;
 20 requiring the funds to be used for authorized purposes
 21 and investments; amending s. 1013.79, F.S.; revising
 22 the intent of the Alec P. Courtelis University
 23 Facility Enhancement Challenge Grant Program; deleting
 24 the Alec P. Courtelis Capital Facilities Matching
 25 Trust Fund; authorizing the Legislature to prioritize
 26 certain funds for the 2017-2018 fiscal year; amending
 27 s. 267.062, F.S.; conforming a cross-reference;
 28 providing an effective date.

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

32 Section 1. Paragraph (b) of subsection (5) of section

21-00141D-17

20174__

33 1001.706, Florida Statutes, is amended to read:
 34 1001.706 Powers and duties of the Board of Governors.—
 35 (5) POWERS AND DUTIES RELATING TO ACCOUNTABILITY.—
 36 (b) The Board of Governors shall develop a strategic plan
 37 specifying goals and objectives for the State University System
 38 and each constituent university, including each university's
 39 contribution to overall system goals and objectives. The
 40 strategic plan must:
 41 1. Include performance metrics and standards common for all
 42 institutions and metrics and standards unique to institutions
 43 depending on institutional core missions, including, but not
 44 limited to, student admission requirements, retention,
 45 graduation, percentage of graduates who have attained
 46 employment, percentage of graduates enrolled in continued
 47 education, licensure passage, average wages of employed
 48 graduates, average cost per graduate, excess hours, student loan
 49 burden and default rates, faculty awards, total annual research
 50 expenditures, patents, licenses and royalties, intellectual
 51 property, startup companies, annual giving, endowments, and
 52 well-known, highly respected national rankings for institutional
 53 and program achievements.
 54 2. Consider reports and recommendations of the Higher
 55 Education Coordinating Council pursuant to s. 1004.015 and the
 56 Articulation Coordinating Committee pursuant to s. 1007.01.
 57 3. Include student enrollment and performance data
 58 delineated by method of instruction, including, but not limited
 59 to, traditional, online, and distance learning instruction.
 60 4. Include criteria for designating baccalaureate degree
 61 and master's degree programs at specified universities as high-

21-00141D-17

20174__

62 demand programs of emphasis. Fifty percent of the criteria for
 63 designation as high-demand programs of emphasis must be based on
 64 achievement of performance outcome thresholds determined by the
 65 Board of Governors, and 50 percent of the criteria must be based
 66 on achievement of performance outcome thresholds specifically
 67 linked to:

68 a. Job placement in employment of 36 hours or more per week
 69 and average full-time wages of graduates of the degree programs
 70 1 year and 5 years after graduation, based in part on data
 71 provided in the economic security report of employment and
 72 earning outcomes produced annually pursuant to s. 445.07.

73 b. Data-driven gap analyses, conducted by the Board of
 74 Governors, of the state's job market demands and the outlook for
 75 jobs that require a baccalaureate or higher degree. Each state
 76 university must use the gap analyses to identify internship
 77 opportunities for students to benefit from mentorship by
 78 industry experts, earn industry certifications, and become
 79 employed in high-demand fields.

80 Section 2. Section 1004.6497, Florida Statutes, is created
 81 to read:

82 1004.6497 World Class Faculty and Scholar Program.-

83 (1) PURPOSE AND LEGISLATIVE INTENT.-The World Class Faculty
 84 and Scholar Program is established to fund and support the
 85 efforts of state universities to recruit and retain exemplary
 86 faculty and research scholars. It is the intent of the
 87 Legislature to elevate the national competitiveness of Florida's
 88 state universities through faculty and scholar recruitment and
 89 retention.

90 (2) INVESTMENTS.-Retention, recruitment, and recognition

Page 3 of 9

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

21-00141D-17

20174__

91 efforts, activities, and investments may include, but are not
 92 limited to, investments in research-centric cluster hires,
 93 faculty research and research commercialization efforts,
 94 instructional and research infrastructure, undergraduate student
 95 participation in research, professional development, awards for
 96 outstanding performance, and postdoctoral fellowships.

97 (3) FUNDING AND USE.-Funding for the program shall be as
 98 provided in the General Appropriations Act. Each state
 99 university shall use the funds only for the purpose and
 100 investments authorized under this section.

101 Section 3. Section 1004.6498, Florida Statutes, is created
 102 to read:

103 1004.6498 State University Professional and Graduate Degree
 104 Excellence Program.-

105 (1) PURPOSE.-The State University Professional and Graduate
 106 Degree Excellence Program is established to fund and support the
 107 efforts of state universities to enhance the quality and
 108 excellence of professional and graduate schools and degree
 109 programs in medicine, law, and business and expand the economic
 110 impact of state universities.

111 (2) INVESTMENTS.-Quality improvement efforts may include,
 112 but are not limited to, targeted investments in faculty,
 113 students, research, infrastructure, and other strategic
 114 endeavors to elevate the national and global prominence of state
 115 university medicine, law, and graduate-level business programs.

116 (3) FUNDING AND USE.-Funding for the program shall be as
 117 provided in the General Appropriations Act. Each state
 118 university shall use the funds only for the purpose and
 119 investments authorized under this section.

Page 4 of 9

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

21-00141D-17

20174__

120 Section 4. Section 1013.79, Florida Statutes, is amended to
121 read:

122 1013.79 University Facility Enhancement Challenge Grant
123 Program.—

124 (1) The Legislature recognizes that the universities do not
125 have sufficient physical facilities to meet the current demands
126 of their instructional and research programs. It further
127 recognizes that, to strengthen and enhance universities, it is
128 necessary to provide facilities in addition to those currently
129 available from existing revenue sources. It further recognizes
130 that there are sources of private support that, if matched with
131 state support, can assist in constructing much-needed facilities
132 and strengthen the commitment of citizens and organizations in
133 promoting excellence throughout the state universities.
134 ~~Therefore, it is the intent of the Legislature to establish a~~
135 ~~trust fund to provide the opportunity for each university to~~
136 ~~receive support for challenge grants for instructional and~~
137 ~~research-related capital facilities within the university.~~

138 (2) There is established the Alec P. Courtelis University
139 Facility Enhancement Challenge Grant Program for the purpose of
140 assisting universities build high priority instructional and
141 research-related capital facilities, including common areas
142 connecting such facilities. The associated foundations that
143 serve the universities shall solicit gifts from private sources
144 to provide matching funds for capital facilities. For the
145 purposes of this act, private sources of funds may ~~shall~~ not
146 include any federal, state, or local government funds that a
147 university may receive.

148 ~~(3)(a) There is established the Alec P. Courtelis Capital~~

Page 5 of 9

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

21-00141D-17

20174__

149 ~~Facilities Matching Trust Fund to facilitate the development of~~
150 ~~high priority instructional and research-related capital~~
151 ~~facilities, including common areas connecting such facilities,~~
152 ~~within a university. All appropriated funds deposited into the~~
153 ~~trust fund shall be invested pursuant to s. 17.61. Interest~~
154 ~~income accruing to that portion of the trust fund shall increase~~
155 ~~the total funds available for the challenge grant program.~~

156 ~~(b) Effective July 1, 2009, the Alec P. Courtelis Capital~~
157 ~~Facilities Matching Trust Fund is terminated.~~

158 ~~(c) The State Board of Education shall pay any outstanding~~
159 ~~debts and obligations of the terminated fund as soon as~~
160 ~~practicable, and the Chief Financial Officer shall close out and~~
161 ~~remove the terminated funds from various state accounting~~
162 ~~systems using generally accepted accounting principles~~
163 ~~concerning warrants outstanding, assets, and liabilities.~~

164 ~~(d) By June 30, 2008, all private funds and associated~~
165 ~~interest earnings held in the Alec P. Courtelis Capital~~
166 ~~Facilities Matching Trust Fund shall be transferred to the~~
167 ~~originating university's individual program account.~~

168 (3)(4) Each university shall establish, pursuant to s.
169 1011.42, a facilities matching grant program account as a
170 depository for private contributions provided under this
171 section. Once a project is under contract, funds appropriated as
172 state matching funds may be transferred to the university's
173 account once the Board of Governors certifies receipt of the
174 private matching funds pursuant to subsection (4) ~~(5)~~. State
175 funds that are not needed as matching funds for the project for
176 which appropriated shall be transferred, together with any
177 accrued interest, back to the state fund from which such funds

Page 6 of 9

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

21-00141D-17

20174__

178 were appropriated. The transfer of unneeded state funds must
 179 ~~shall~~ occur within 30 days after final completion of the project
 180 or within 30 days after a determination that the project will
 181 not be completed. The Public Education Capital Outlay and Debt
 182 Service Trust Fund or the Capital Improvement Trust Fund may
 183 ~~shall~~ not be used as the source of the state match for private
 184 contributions. Interest income accruing from the private
 185 donations shall be returned to the participating foundation upon
 186 completion of the project.

187 (4)(5) A project may not be initiated unless all private
 188 funds for planning, construction, and equipping the facility
 189 have been received and deposited in the separate university
 190 program account designated for this purpose. However, these
 191 requirements do not preclude the university from expending funds
 192 derived from private sources to develop a prospectus, including
 193 preliminary architectural schematics or models, for use in its
 194 efforts to raise private funds for a facility, and for site
 195 preparation, planning, and construction. The Board of Governors
 196 shall establish a method for validating the receipt and deposit
 197 of private matching funds. The Legislature may appropriate the
 198 state's matching funds in one or more fiscal years for the
 199 planning, construction, and equipping of an eligible facility.
 200 Each university shall notify all donors of private funds of a
 201 substantial delay in the availability of state matching funds
 202 for this program.

203 (5)(6) To be eligible to participate in the Alec P.
 204 Courtelis University Facility Enhancement Challenge Grant
 205 Program, a university must shall raise a contribution equal to
 206 one-half of the total cost of a facilities construction project

Page 7 of 9

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

21-00141D-17

20174__

207 from private nongovernmental sources which must shall be matched
 208 by a state appropriation equal to the amount raised for a
 209 facilities construction project subject to the General
 210 Appropriations Act.

211 (6)(7) If the state's share of the required match is
 212 insufficient to meet the requirements of subsection (5) (6), the
 213 university must shall renegotiate the terms of the contribution
 214 with the donors. If the project is terminated, each private
 215 donation, plus accrued interest, reverts to the foundation for
 216 remittance to the donor.

217 (7)(8) By October 15 of each year, the Board of Governors
 218 shall transmit to the Legislature a list of projects that meet
 219 all eligibility requirements to participate in the Alec P.
 220 Courtelis University Facility Enhancement Challenge Grant
 221 Program and a budget request that includes the recommended
 222 schedule necessary to complete each project.

223 (8)(9) In order for a project to be eligible under this
 224 program, it must be included in the university 5-year capital
 225 improvement plan and must receive approval from the Board of
 226 Governors or the Legislature.

227 (9)(10) A university's project may not be removed from the
 228 approved 3-year PECO priority list because of its successful
 229 participation in this program until approved by the Legislature
 230 and provided for in the General Appropriations Act. When such a
 231 project is completed and removed from the list, all other
 232 projects shall move up on the 3-year PECO priority list. A
 233 university may shall not use PECO funds, including the Capital
 234 Improvement Trust Fund fee and the building fee, to complete a
 235 project under this section.

Page 8 of 9

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

21-00141D-17

20174__

236 ~~(10)(11)~~ The surveys, architectural plans, facility, and
237 equipment ~~are shall be~~ the property of the State of Florida. A
238 facility constructed pursuant to this section may be named in
239 honor of a donor at the option of the university and the Board
240 of Governors. ~~A no~~ facility ~~may not shall~~ be named after a
241 living person without prior approval by the Legislature.

242 ~~(11)(12)~~ Effective July 1, 2011, state matching funds are
243 temporarily suspended for donations received for this program on
244 or after June 30, 2011. Existing eligible donations remain
245 eligible for future matching funds. The program may be restarted
246 after \$200 million of the backlog for programs under ss.
247 1011.32, 1011.85, 1011.94, and this section have been matched.

248 (12) Notwithstanding the suspension provision under
249 subsection (11), for the 2017-2018 fiscal year and subject to
250 the General Appropriations Act, the Legislature may choose to
251 prioritize funding for those projects that have matching funds
252 available before June 30, 2011, and that have not yet been
253 constructed.

254 Section 5. Subsection (3) of section 267.062, Florida
255 Statutes, is amended to read:

256 267.062 Naming of state buildings and other facilities.—

257 (3) ~~Notwithstanding the provisions of~~ subsection (1) or s.
258 ~~1013.79(10) s. 1013.79(11)~~, any state building, road, bridge,
259 park, recreational complex, or other similar facility of a state
260 university may be named for a living person by the university
261 board of trustees in accordance with regulations adopted by the
262 Board of Governors of the State University System.

263 Section 6. This act shall take effect July 1, 2017.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Appropriations Committee

BILL: SB 8

INTRODUCER: Senator Galvano

SUBJECT: Gaming

DATE: February 22, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kraemer</u>	<u>McSwain</u>	<u>RI</u>	Favorable
2.	<u>Fournier</u>	<u>Hansen</u>	<u>AP</u>	Pre-meeting

I. Summary:

SB 8 makes the following significant changes to Florida law concerning gaming. The bill:

- Ratifies the 2015 Indian Gaming Compact, subject to approval of amendments to conform the Compact to provisions in the bill and other actions to be taken by the State of Florida and the Seminole Tribe.
- Authorizes “point-of-sale terminals” for the sale of Florida Lottery tickets or games.
- Creates the Fantasy Contest Amusement Act, which regulates fantasy contests and provides that these contests involve the skill of contest participants.
- Allows a greyhound racing permitholder, harness racing permitholder, jai alai permitholder, quarter horse permitholder, and certain thoroughbred horse racing permitholders to stop conducting live performances but continue to operate its slot machine facilities or card rooms (decoupling).
- Revises conditions relating to the issuance, revocation, and relocation of pari-mutuel permits. The transfer of a limited thoroughbred racing permit is prohibited, but such a permit may be relocated under specified conditions.
- Reduces the tax on handle for greyhound racing, deletes tax exemptions specified in section 550.09514(1), Florida Statutes, and tax credits for greyhound racing permitholders, and deletes provisions allowing the transfer of tax exemptions or credits among greyhound permitholders.
- Creates a permit reduction program for the state to purchase and cancel pari-mutuel permits, funded by up to \$20 million from revenue share payments made by the Seminole Tribe after July 1, 2015.
- Creates a thoroughbred purse supplement program of \$20 million annually, effective July 1, 2019, funded by revenue share payments made by the Seminole Tribe after that date.
- Requires reporting of injuries to racing greyhounds.
- Expands the number of facilities where slot machines may be operated. In addition to the eight pari-mutuel facilities in Miami-Dade and Broward Counties that currently have slot machines, slot machines will be authorized at:

- A licensed pari-mutuel facility, if voters in the county approve them in a referendum and if the permit holder conducted a full schedule of live racing for two consecutive years immediately preceding its application for a slot machine license. Eight counties—Brevard, Duval, Gadsden, Hamilton, Lee, Palm Beach, St. Lucie, and Washington--have already approved slot machines by referenda.
- Two additional slot machine facilities (one each in Miami-Dade and Broward Counties) which will not require a pari-mutuel license.
- Requires a slot machine licensee not running a full schedule of live racing under its pari-mutuel permit to contribute the lesser of \$2 million or 3 percent of its prior year slots revenue to a thoroughbred purse pool.
- Reduces the tax rate on slot machines from 35 percent to 25 percent, to be deposited in the Educational Enhancement Trust Fund (EETF), except that revenues from a licensee associated with a public-private partnership are distributed 90 percent to the EETF and 10 percent to the responsible public entity for the public-private partnership.
- Authorizes blackjack tables at existing Miami-Dade and Broward County slot machine facilities and at the two additional slot machine facilities authorized in those counties, and imposes a tax of 25 percent of the gross receipts from blackjack operations.
- Allows slot machine facilities and cardrooms to operate 24 hours a day.
- Provides that a designated player game is not a banking game and sets certain requirements and limitations for a designated player game.

Sections 4, 15, and 53 of the bill, relating to the authorization of the 2015 Gaming Compact, duties of the Division of Law Revision and Information, and the general effective date of the bill, respectively, take effect upon the bill becoming a law. The rest of the bill takes effect only if the proposed 2015 Gaming Compact is amended as required by the bill and is approved by the U.S. Department of the Interior.

The Revenue Estimating Conference has not analyzed this bill, but staff estimates that the bill has an indeterminate fiscal impact on state funds.

The Department of Business and Professional Regulation indicates that implementation of the bill will require additional staff at a cost of \$1,890,541 in Fiscal Year 2017-2018. See section V.C., Government Sector Impact, for details.

II. Present Situation:

Background

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

¹ See s. 849.08, F.S.

² See s. 849.01, F.S.

³ See s. 849.09, F.S.

⁴ Section 849.16, F.S., defines slot machines for purposes of ch. 849, F.S. Section 849.15(2), F.S., provides an exemption to the transportation of slot machines for the facilities that are authorized to conduct slot machine gaming under ch. 551, F.S.

The 1968 State Constitution states that “[l]otteries, other than the types of pari-mutuel pools authorized by law as of the effective date of this constitution . . .” are prohibited.⁵ A constitutional amendment approved by the voters in 1986 authorized state-operated lotteries. Net proceeds are paid by the lottery to the Educational Enhancement Trust Fund (EETF) for uses pursuant to annual appropriations by the Legislature. Lottery operations are self-supporting and function as an entrepreneurial business enterprise.⁶

In 2004, voters approved an amendment to the State Constitution⁷ allowing slot machines in certain pari-mutuel facilities in Miami-Dade and Broward Counties, and in 2009 the Legislature authorized slot machines at an additional pari-mutuel facility in Miami-Dade County.⁸ Funds generated by the 35 percent tax on slot machines’ net revenue are distributed to the EETF.

In 2010, a Gaming Compact (compact) between the Seminole Tribe of Florida (Seminole Tribe) and the State of Florida was ratified by the legislature. Pursuant to Chapter 285, F.S., 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.⁹

The 2010 Gaming Compact provides for revenue sharing in consideration for the exclusive authority granted to the Seminole Tribe to offer banked card games on tribal lands and to offer slot machine gaming outside Miami-Dade and Broward Counties. The Division of Pari-mutuel Wagering (division) of the Department of Business and Professional Regulation (DBPR) carries out the state’s oversight responsibilities under the compact.¹⁰

The following gaming activities are authorized by law and regulated by the state:

- Pari-mutuel¹¹ wagering at licensed greyhound and horse tracks and jai alai frontons;¹²

⁵ 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.

⁶ The Department of the Lottery is authorized by s. 15, Art. X, Florida Constitution. Chapter 24, F.S., was enacted by ch. 87-65, Laws of Fla., to establish the state lottery. Section 24.102, F.S., states the legislative purpose and intent for the operations of the state lottery.

⁷ Sec. 23, Art. X Florida Constitution.

⁸ Chapter 2009-170, Laws of Fla., amended s. 551.102, F.S., expanding the definition of an “eligible facility” to include any licensed pari-mutuel facility located within a county as defined in s. 125.011, provided such facility has conducted live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required license fee, and meets the other requirements of this chapter; or any licensed pari-mutuel facility in any other county in which a majority of voters have approved slot machines at such facilities in a countywide referendum held pursuant to a statutory or constitutional authorization after the effective date of this section in the respective county, provided such facility has conducted a full schedule of live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required licensed fee, and meets the other requirements of this chapter.

⁹ See s. 285.710, F.S., especially subsections (3), (13), and (14). The seven tribal locations where gaming is authorized by the compact are: (1) Seminole Hard Rock Hotel & Casino—Hollywood (Broward); (2) Seminole Indian Casino—Coconut Creek (Broward); (3) Seminole Indian Casino—Hollywood (Broward); (4) Seminole Hard Rock Hotel & Casino—Tampa (Hillsborough); (5) Seminole Indian Casino—Immokalee (Collier); (6) Seminole Indian Casino—Brighton (Glades); and (7) Seminole Indian Casino—Big Cypress (Hendry). Banked card games are not authorized at the Brighton and Big Cypress casinos.

¹⁰ See s. 285.710(1)(f), F.S.

¹¹ Pari-mutuel” is defined in Florida law 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. See s. 550.002(22), F.S.

¹² See ch. 550, F.S., relating to the regulation of pari-mutuel activities.

- Slot machine gaming at certain licensed pari-mutuel locations in Miami-Dade County and Broward County;¹³ and
- Cardrooms at certain pari-mutuel facilities.¹⁴

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.¹⁵

Chapter 849, F.S., also authorizes, under specific and limited conditions, the conduct of penny-ante games,¹⁶ bingo,¹⁷ charitable drawings, game promotions (sweepstakes),¹⁸ and bowling tournaments.¹⁹

The Family Amusement Games Act, enacted in 2015, similarly authorizes skill-based amusement games and machines at specified locations.²⁰

Except for gaming facilities operating in accordance with the 2010 Gaming Compact with the Seminole Tribe, free-standing, commercial casinos are not authorized, and gaming activity, other than what is expressly authorized, is illegal.

The Indian Gaming Regulatory Act (IGRA)

In 1988, Congress enacted the Indian Gaming Regulatory Act or “IGRA.”²¹ The Act divides gaming into three classes:

- “Class I gaming” means social games for minimal value or traditional forms of Indian gaming engaged in by individuals for tribal ceremonies or celebrations.²²
- “Class II gaming” includes bingo and pull-tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo.²³ Class II gaming may also include certain non-banked card games if permitted by state law or not explicitly prohibited by the laws of the state but the card games must be played in conformity with the laws of the state.²⁴ A tribe may conduct Class II gaming if:

¹³ See ch. 551, F.S., relating to the regulation of slot machine gaming at pari-mutuel locations.

¹⁴ Section 849.086, F.S. 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.

¹⁵ 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.” See also *Solimena v. State*, 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), review denied, 412 So.2d 470, which states “Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right,” citing *State ex rel. Mason v. Rose*, 122 Fla. 413, 165 So. 347 (1936).

¹⁶ See s. 849.085, F.S.

¹⁷ See s. 849.0931, F.S.

¹⁸ See s. 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.

¹⁹ See s. 849.141, F.S.

²⁰ See s. 546.10, F.S.

²¹ Indian Gaming Regulatory Act of 1988, Pub. L. 100-497, 102 Stat. 2467, codified at 18 U.S.C. ss. 1166-1168 and 25 U.S.C. s. 2701 *et seq.*

²² 25 U.S.C. s. 2703(6).

²³ 25 U.S.C. s. 2703(7).

²⁴ 25 U.S.C. s. 2703(7)(A)(ii).

- The state in which the tribe is located permits such gaming for any purpose by any person, organization, or entity; and
- The governing body of the tribe adopts a gaming ordinance, which is approved by the Chairman of the National Indian Gaming Commission.²⁵
- “Class III gaming” includes all forms of gaming that are not Class I or Class II, such as house banked card games, casino games such as craps and roulette, electronic or electromechanical facsimiles of games of chance, and pari-mutuel wagering.²⁶

Regulation under IGRA is dependent upon the type of gaming involved. Class I gaming is left to the tribes.²⁷ Class II gaming is regulated by the tribe with oversight by the National Indian Gaming Commission.²⁸ Class III gaming permits a regulatory role for the state by providing for a tribal-state compact.²⁹

IGRA provides that certain conditions must be met before an Indian tribe may lawfully conduct Class III gaming. First, the particular form of Class III gaming that the tribe wishes to conduct must be permitted in the state in which the tribe is located. Second, the tribe must have adopted a tribal gaming ordinance that has been approved by the Indian Gaming Commission or its chairman. Third, the tribe and the state must have negotiated a compact that has been approved by the Secretary of the United States Department of the Interior and is in effect.³⁰

Gaming Compact Authorization

Section 285.712, F.S., authorizes the Governor to enter into an Indian Gaming compact with the federally recognized Indian tribes within the State of Florida for the purpose of authorizing Class III gaming on the Indian lands.

Section 285.710(3), F.S., ratifies and approves the Gaming Compact between the Seminole Indian Tribe of Florida (Seminole Tribe) and the State of Florida that was executed by the Governor and the Seminole Tribe on April 7, 2010.

Section 285.710(7), F.S., designates the division as the agency with the authority to monitor the Seminole Tribe’s compliance with the compact.

Section 285.710, F.S., provides that money received by the state from the compact is to be deposited into the General Revenue Fund and provides for the distribution of 3 percent of the amount paid by the Seminole Tribe to the specified local governments. The percentage of the local share distributed to the specified counties and municipalities is based on the net win per facility in each county and municipality.

²⁵ 25 U.S.C. s. 2710(b)(1).

²⁶ 25 U.S.C. s. 2703(8).

²⁷ 25 U.S.C. s. 2710(a)(1).

²⁸ 25 U.S.C. s. 2710(a)(2).

²⁹ 25 U.S.C. s. 2710(d).

³⁰ 25 U.S.C. s. 2710(d).

III. Effect of Proposed Changes:

For ease of reference to each of the topics addressed in the bill, the Present Situation for each topic will be described, followed immediately by an associated section detailing the Effect of Proposed Changes.

The Seminole Gaming Compact

Present Situation:

On April 7, 2010, the Governor and the Seminole Tribe of Florida (Seminole Tribe) executed a compact governing gambling (2010 Gaming Compact) at the Seminole Tribe's seven tribal facilities in Florida.³¹ The 2010 Gaming Compact authorizes the Seminole Tribe to conduct Class III gaming.³² It was ratified by the Legislature, with an effective date of July 6, 2010.³³ The Gaming Compact has a 20-year term.

The 2010 Gaming Compact provides that, in exchange for the its exclusive right to offer slot machine gaming outside of Miami-Dade and Broward Counties and banked card games at five of its seven³⁴ casinos, the Seminole Tribe will make revenue sharing payments to the state. The state's share increases incrementally from 12 percent of the first \$2 billion in annual net win, to 25 percent of annual net win greater than \$4.5 billion. In Fiscal Year 2015-2016, the Seminole Tribe paid the State \$215.4 million.³⁵

³¹ The Seminole Tribe has three gaming facilities in Broward County (The Seminole Indian Casinos at Coconut Creek and Hollywood, and the Seminole Hard Rock Hotel & Casino-Hollywood), and gaming facilities in Collier County (Seminole Indian Casino-Immokalee), Glades County (Seminole Indian Casino-Brighton), Hendry County (Seminole Indian Casino-Big Cypress), and Hillsborough County (Seminole Hard Rock Hotel & Casino-Tampa). The *Gaming Compact Between the Seminole Tribe of Florida and the State of Florida* (2010 Gaming Compact) was approved by the U.S. Department of the Interior effective July 6, 2010, 75 Fed. Reg. 38833. The executed 2010 Gaming Compact is available at http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf (last visited Jan. 23, 2017). Gambling on Indian lands is regulated by the Indian Gaming Regulatory Act of 1988 (IGRA), Pub. L. 100-497, 102 Stat. 2467, codified at 18 U.S.C. ss. 1166-1168 and 25 U.S.C. s. 2701, *et seq.*

³² The Indian Gaming Regulatory Act of 1988 divides gaming into three classes: **Class I** means social games for minimal value or traditional forms of Indian gaming engaged in by individuals for tribal ceremonies or celebrations. **Class II** includes bingo and pull-tabs, lotto, punch boards, tip jars, instant bingo, other games similar to bingo, and certain non-banked card games if not explicitly prohibited by the laws of the state and if played in conformity with state law. **Class III** includes all forms of gaming that are not Class I or Class II, such as house banked card games, casino games such as craps and roulette, electronic or electromechanical facsimiles of games of chance, slot machines, and pari-mutuel wagering.

³³ See Ch. 2010-29, Laws of Fla.

³⁴ See the executed 2010 Gaming Compact available at http://www.myfloridalicense.com/dbpr/pmw/documents/2010_Compact-Signed1.pdf (last visited Jan. 23, 2017). The 2010 Gaming Compact provides that banking or banked card games may not be offered at the Brighton or Big Cypress facilities unless and until the state allows any other person or entity to offer those games, as set forth in paragraph F.2. of Part III of the Gaming Compact, at page 4. In addition, in paragraph B of Part XVI, at page 49, the period of authorization to conduct table games is five years. The State of Florida (State) and the Seminole Tribe are parties to litigation ongoing in federal court concerning the offering of table games by the Seminole Tribe after July 31, 2015; the State has appealed the decision of the district (trial) court to the federal appellate court.

³⁵ See the Executive Summary and Conference Results from the Revenue Estimating Conference (December 7, 2016) available at <http://www.edr.state.fl.us/Content/conferences/Indian-gaming/IndianGamingSummary.pdf> and <http://www.edr.state.fl.us/Content/conferences/Indian-gaming/IndianGamingResults.pdf> (last visited Jan. 23, 2017).

The 2010 Gaming Compact provides that any expanded gaming (beyond what is specifically acknowledged) relieves the Seminole Tribe of its obligations to make substantial revenue sharing payments.³⁶

While the exclusive authorization to conduct banked card games expired July 31, 2015, and has not been renewed, according to the Legislature's Office of Economic and Demographic Research, the Seminole Tribe has continued to transmit monthly payments to the state that include estimated table games revenue.³⁷

Federal Litigation Concerning the 2010 Gaming Compact

The State of Florida (State) and the Seminole Tribe are parties to litigation in federal court relating to the offering of table games by the Seminole Tribe after July 31, 2015. Separate lawsuits were filed by each party against the other, and the cases were consolidated. The Seminole Tribe alleged in its complaint that:

- It had authority to conduct banked card games for the 2010 Gaming Compact's full 20-year term; and
- The State breached its duty to negotiate with the Seminole Tribe in good faith.

The State alleged that the Seminole Tribe's:

- Conduct of banked card games violates the 2010 Gaming Compact; and
- Conducting the games violated the Indian Gaming Regulatory Act (IGRA) though this claim was later dropped by the State.

On November 9, 2016, U.S. District Court Judge Robert L. Hinkle issued an Opinion on the Merits,³⁸ which held:

- The Seminole Tribe may operate banked card games at all seven of its facilities (rather than the 5 facilities at which banked card games had been allowed since 2010) through the entire 20-year term of the 2010 Gaming Compact (i.e., until 2030) because the State permitted others to offer banked card games (i.e., pari-mutuel cardrooms);
- Sovereign immunity barred the court from considering whether the State had failed to negotiate in good faith as to: 1) authorizing roulette and craps; and 2) extending the Compact beyond its 20-year term; and
- A ruling on the issue of whether electronic forms of blackjack are also a banked card game is unnecessary, as the issue was too close to resolve when a ruling is not essential to the outcome of the case.

On January 19, 2017, the DBPR filed a notice of its appeal of Judge Hinkle's decision to the U.S. Court of Appeals for the Eleventh Circuit.³⁹

³⁶ See last sentence in paragraph B of Part XII of 2010 Gaming Compact at page 43.

³⁷ See *Seminole Compact: Revenue Overview (January 2017)*, page 6, available at <http://www.edr.state.fl.us/Content/presentations/gaming/GamingCompactRevenueOverview2017.pdf> (last visited Jan. 23, 2017).

³⁸ See *Seminole Tribe of Florida v. State of Florida*, 2016 U.S. Dist. LEXIS _____ (N.D. Fla. Nov. 9, 2016), Case No.: 4:15-cv-516-RH/CAS, Document 103.

³⁹ See *Seminole Tribe of Florida v. State of Florida*, 2017 U.S. Dist. LEXIS _____ (N.D. Fla. Jan. 19, 2017), Case No.: 4:15-cv-516-RH/CAS, Document 120.

Banked Card Games Issue

Under the 2010 Gaming Compact, the Seminole Tribe was authorized to conduct banked card games for five years. The period expired July 31, 2015. An exception in the 2010 Gaming Compact allows the Seminole Tribe to continue to conduct banked card games if “the State permits any other person [except another Indian tribe] to conduct such games.”⁴⁰

The court found:

- The 2010 Gaming Compact defines ‘Covered Games’ to include ‘banking or banked card games, including baccarat, chemin de fer, and blackjack (21);’⁴¹
- Under s. 849.086, F.S., licensed pari-mutuel facilities may operate cardrooms, but the statute explicitly forbids “banking” card games;⁴²
- Baccarat, chemin de fer, and blackjack are all games in which there is no common pot, and the players do not compete against one another;
- A bank pays the winners and collects from the losers;
- In baccarat and blackjack, the bank is most often a dealer employed by the facility – in effect, the facility itself, commonly denominated the ‘house;’
- In chemin de fer, the bank is always one of the players; and
- Under the 2010 Gaming Compact and IGRA, banked games include both house banked games and player-banked games.⁴³

Section 849.086(2)(b), F.S., defines a ‘banking game’ as a game in which:

- [1] the house is a participant in the game, taking on players, paying winners, and collecting from losers; or
- [2] the cardroom establishes a bank against which participants play.

The court found that:

- The first part of the definition in [1] describes a house banked game, one played in the manner that is typical for blackjack and baccarat;
- The second part of the definition in [2] describes a game banked by anyone else, including a player; that is, a game played in the manner of chemin de fer;⁴⁴
- When the cardroom devises and runs the game and sets the rules, including the requirement that a player act as the bank, the cardroom ‘establishes’ a bank;

⁴⁰ See *Seminole Tribe of Florida v. State of Florida*, 2016 U.S. Dist. LEXIS _____ (N.D. Fla. Nov. 9, 2016) Case No.: 4:15-cv-516-RH/CAS, Document 103, at p. 1.

⁴¹ *Id.* at pp. 4-5.

⁴² *Id.* at p. 5, and see s. 849.086(12)(a), F.S. The court further held “[b]ecause of this statute, the Tribe’s authority under the Compact to conduct banked card games afforded the Tribe the right to conduct bank card games without competition from cardrooms. This was perhaps the most important benefit the Tribe obtained under the Compact. **The most important benefit to the State was more than a billion dollars.** Because IGRA prohibits a state from receiving a share of a tribe’s gaming revenue except to defray expenses or in exchange for a benefit conferred on the tribe, **the Tribe’s billion-dollars-plus payments to the State under the Compact were justified in large part as compensation for the exclusive right to conduct banked card games** – exclusive, that is, except for any competition from other tribes or other types of games.” *Id.* at pp. 5-6. (Emphasis added.)

⁴³ See *Seminole Tribe of Florida v. State of Florida*, Case No.: 4:15-cv-516-RH/CAS (U.S.D.C. N.D. Fla.), Document 103, filed Nov. 9, 2016, at p. 9.

⁴⁴ *Id.* at p. 10.

- Florida law does not state that a game that is not ‘banked’ when the bank is a player rather than the house;
- There were no player-banked card games at pari-mutuel cardrooms when the parties entered into the 2010 Gaming Compact;
- The parties did not expect the Seminole Tribe to have to compete against such games; and
- The DBPR permitted cardrooms to conduct banked games as early as 2011, formally approved the practice by adopting a rule in 2014, continues to permit the games, and asserts the rule is currently valid.

Because of the finding that others had been allowed to conduct banked card games, the court found that the 2010 Gaming Compact allows the Seminole Tribe to conduct banked card games by the Seminole Tribe at all seven of its gaming facilities, for the Compact’s full 20-year term (through July 31, 2030).⁴⁵

The Proposed 2015 Gaming Compact

In 2015, Governor Scott and the Seminole Tribe negotiated and executed a proposed gaming compact dated December 7, 2015 (the proposed 2015 Gaming Compact),⁴⁶ The proposed 2015 Gaming Compact is subject to ratification by the legislature.⁴⁷

The proposed 2015 Gaming Compact:

- Authorizes the Seminole Tribe to conduct slot machine gaming at its seven gaming facilities;
- Permits the Seminole Tribe to offer live table games, such as craps and roulette, at its seven gaming facilities;
- Authorizes banked card games, including blackjack, chemin de fer, and baccarat, at its seven facilities;
- Authorizes exceptions to the Seminole Tribe’s exclusivity to allow pari-mutuel cardrooms in Broward and Miami-Dade County to offer house banked blackjack under certain circumstances, to allow point-of-sale lottery machines, to allow one additional slot machine gaming facility (one each) in Palm Beach and Miami-Dade Counties at a pari-mutuel facility, and to allow designated player games of poker at cardrooms at facilities that are not authorized to offer slot machine gaming;
- Is for a term of 20 years, through June 30, 2036; and
- Includes a \$3 billion guarantee of revenue sharing payments to the State for the first seven-years (Guarantee Period), with specific payment amounts (Guaranteed Payments) during each year of the Guarantee Period. After the Guarantee Period, payments will be based on varying percentage rates that depend on the amount of the Seminole Tribe’s net win (Revenue Share Payments).⁴⁸

⁴⁵ *Id.* at p. 19, and see Judgment issued in *Seminole Tribe of Florida v. State of Florida*, Case No.: 4:15-cv-516-RH/CAS (U.S.D.C. N.D. Fla.), Document 104, filed Nov. 16, 2016, at p. 1.

⁴⁶ See the proposed 2015 Gaming Compact, Comparison Chart and transmittal letter from Governor Scott, available at http://www.flsenate.gov/PublishedContent/Committees/2014-2016/RI/Links/2015_Gaming_Compact_Chart_and_Letter_from_Governor_Scott.pdf (last visited Jan. 23, 2017).

⁴⁷ *Id.*

⁴⁸ *Id.*

After ratification by the Legislature, the proposed 2015 Gaming Compact is subject to approval by the United States Department of the Interior, as required under the Indian Gaming Regulatory Act of 1988. Notice of the approval by the Department of the Interior is published in the Federal Register.⁴⁹

Compact Comparison

The following table sent by the Governor to the President of the Senate and the Speaker of the House of Representatives⁵⁰ compares the terms of the current 2010 Gaming Compact and the proposed 2015 Gaming Compact⁵¹:

	PROPOSED 2015 COMPACT	2010 COMPACT
Guarantee Money to State	7-year guarantee worth \$3 billion (Starts 7/1/2017) 1- \$325 million 2- \$350 million 3- \$375 million 4- \$425 million 5- \$475 million 6- \$500 million 7- <u>\$550 million</u> Total: \$3 Billion guaranteed (true-up at end of year 7) → 7-year 3 billion dollar minimum guarantee is largest guarantee ever by an Indian Tribe. 2010 Compact revenue share percentages for year 1	5-year guarantee worth \$1 billion 1- \$150 million 2- \$150 million 3- \$233 million 4- \$233 million 5- <u>\$234 million</u> Total: \$1 Billion guaranteed
Term	20 years; 7-year minimum guarantee. → Creates long-term revenue certainty and stability	20 years; 5-year minimum guarantee; Banked Card Games exclusivity expires after 5 years.
Jobs/Capital Investment	4,800 new direct and indirect jobs, 14,500 direct and indirect construction jobs, and \$1.8 billion in capital investment	N/A
Revenue Share to State	<u>Revenue Share to State from Tribe's Gaming Revenue</u> \$0-2B: 13% (1% increase) \$2-3B: 17.5% (2.5% increase) \$3-3.5B: 17.5% \$3.5-4B: 20% \$4-4.5B: 22.5% \$4.5B+: 25% → Revenue Share increased	<u>Revenue Share to State from Tribe's Gaming Revenue</u> \$0-2B: 12% \$2-3B: 15% \$3-3.5B: 17.5% \$3.5-4B: 20% \$4-4.5B: 22.5% \$4.5B+: 25%
Recession	Because of the significant Guarantee if there is a recession during the Guarantee Period the Tribe may	N/A

⁴⁹ 25 U.S.C. s. 2710(d)(8)

⁵⁰ See note 46.

⁵¹ The proposed 2015 Gaming Compact includes an Initial Payment Period which begins on the effective date of the Compact and continues through June 30, 2017. This period is referred to in the table as “year 1.”

	PROPOSED 2015 COMPACT	2010 COMPACT
	pay based on percentages vs Guarantee plus 50% of difference between the percentage payment and Guarantee. The other 50% would be due the next year in addition to the payment owed during that year. (May only use once during guarantee period)	
Games	<ol style="list-style-type: none"> 1. Slot Machines 2. Banked Card Games 3. Raffles and Drawings 4. Any new game authorized for any person except Banked Card Games authorized for another Indian Tribe 5. Live Table Games 	<ol style="list-style-type: none"> 1. Slot Machines (all Facilities) 2. Banked Card Games (all Facilities except Big Cypress & Brighton) 3. Raffles and Drawings 4. Any new game authorized for any person except Banked Card Games authorized for another Indian Tribe
Exclusivity Received for Payments	<p><u>Statewide:</u> Banked & Banking Card Games; Live Table Games</p> <p><u>Outside Miami-Dade/Broward:</u> Slot Machines</p>	<p><u>Statewide:</u> Banked Card Games</p> <p><u>Outside Miami-Dade/Broward:</u> Slot Machines</p>
Facilities	<ol style="list-style-type: none"> 1. Seminole Indian Casino-Brighton 2. Seminole Indian Casino-Coconut Creek 3. Seminole Indian Casino-Hollywood 4. Seminole Indian Casino-Immokalee 5. Seminole Indian Casino-Big Cypress 6. Seminole Hard Rock Hotel & Casino-Hollywood 7. Seminole Hard Rock Hotel & Casino-Tampa 	<ol style="list-style-type: none"> 1. Seminole Indian Casino-Brighton 2. Seminole Indian Casino-Coconut Creek 3. Seminole Indian Casino-Hollywood 4. Seminole Indian Casino-Immokalee 5. Seminole Indian Casino-Big Cypress 6. Seminole Hard Rock Hotel & Casino-Hollywood 7. Seminole Hard Rock Hotel & Casino-Tampa
Change in Facilities	<ul style="list-style-type: none"> • Tribe may expand or replace existing Facilities; • Express limits on additional gaming positions at Tribe's Facilities on its Reservations → Hard caps on gaming in Florida 	<ul style="list-style-type: none"> • Tribe may expand or replace existing Facilities; • No limit on additional gaming positions at Tribe's Facilities on its Reservations
State Oversight	<p>State Compliance Agency allowed 16 hours of inspection over course of two days per facility, per month, capped at 1,600 hours annually. Tribe pays annual oversight payment of \$400,000, increased for inflation.</p> <p>→ Increased funding and hours for oversight</p>	<p>State Compliance Agency allowed 10 hours of inspection over course of two days per facility, per month, capped at 1,200 hours annually. Tribe pays annual oversight payment of \$250,000, increased for inflation.</p>
Exclusivity (Banked & Banking Card Games authorized at existing Miami-Dade/Broward pari-mutuels)	<p>If Banked & Banking Card Games authorized:</p> <ul style="list-style-type: none"> • Revenue Share Payments Cease until gaming activities are no longer authorized; except • Legislature can exercise its power to add blackjack at the Pari-mutuels in Miami-Dade and Broward subject to some limitations without an impact on the compact. <p>If the market shifts to slot machines with banked card game themes instead of traditional tables the Tribe has the option to waive its exclusivity in Broward and Miami-Dade Counties after fiscal year 2024 if the Tribe's Net Win from all table games in Broward</p>	<p>If Banked Card Games offered; AND Tribe's annual Net Win from Broward Facilities for next 12 mos. is less than Net Win from preceding 12 mos.; THEN</p> <ul style="list-style-type: none"> • Guaranteed Minimum Payments cease; and • Revenue Share Payments calculated by reducing Net Win from Broward Facilities by 50% of the Net Win reduction. • If Net Win increases later above point of offering Banked Card

	PROPOSED 2015 COMPACT	2010 COMPACT
	County is less than its Net Win from Banked Card Games in Broward County during this fiscal year. If the Tribe waives its exclusivity the Legislature could exercise its power and limitlessly expand gaming in Broward and Miami-Dade Counties with no effect on the Compact. Revenue Share Payments calculated by excluding Net Win from Broward Facilities.	Games, then Revenue Share Payments calculated without any reduction.
Exclusivity Violation (Class III Gaming authorization at locations in Miami-Dade/Broward other than existing pari-mutuels)	<p>If Class III Gaming at non-PMW locations in Miami-Dade/Broward authorized THEN:</p> <ul style="list-style-type: none"> Guaranteed Minimum Payments cease; and All Revenue Share Payments cease; except Legislature may add 1 location in Miami-Dade with 750 Slot machines and 750 Instant Racing Terminals at a \$5 bet limit over three year period with no effect on the Compact. 	<p>If Class III Gaming at non-PMW locations in Miami-Dade/Broward offered THEN:</p> <ul style="list-style-type: none"> Guaranteed Minimum Payments cease; and Revenue Share Payments calculated by excluding Net Win from Broward Facilities.
Violation Exclusivity (Class III Gaming authorized outside of Miami-Dade/Broward)	<p>If Class III Gaming authorized outside of Miami-Dade/Broward THEN:</p> <ul style="list-style-type: none"> All exclusivity payments under the Compact cease; except Legislature may add 1 location in Palm Beach with 750 Slot machines and 750 Instant Racing Terminals at a \$5 bet limit over a three year period with no effect on the Compact. 	<p>If Class III Gaming offered outside of Miami-Dade/Broward THEN:</p> <ul style="list-style-type: none"> All exclusivity payments under the Compact cease.
Pari-Mutuel Policy Choices for Legislature	<p>Explicitly states that the following do not violate exclusivity:</p> <ul style="list-style-type: none"> Lower taxes for pari-mutuels as low as 25% on Slot Machine Revenue Decoupling for pari-mutuels Additional Slot Licenses in Miami Dade and Palm Beach Counties. Blackjack for Pari-mutuels in Broward and Miami Dade with some limitations Expansion of hours Placement of ATMs on slot floor Non-slot operating Pari-mutuels offering Designated Player Games with some restrictions <p>→ Maintains Legislature's prerogatives on gaming in the State of Florida</p>	
Internet Gaming	<p>Tribe recognizes that internet gaming is illegal in Florida. If State authorizes internet gaming, THEN→</p> <ul style="list-style-type: none"> Guaranteed Minimum Payments cease; but Revenue Share Payments continue. <p>If Tribe offers internet gaming to players in Florida then Guaranteed Minimum Payments continue. Affirmative recognition by Tribe that internet gaming is illegal in Florida.</p>	<p>If State authorizes internet gaming and Tribe's Net Win from all Facilities drops more than 5% below Net Win from previous year THEN →</p> <ul style="list-style-type: none"> Guaranteed Minimum Payments cease; but Revenue Share Payments continue <p>If Tribe offers internet gaming then</p>

	PROPOSED 2015 COMPACT	2010 COMPACT
		Guaranteed Minimum Payments continue.
Florida Lottery	Maintains consumer and employee protections. → New point-of sale system for Florida Lottery for sales at gas pumps	
Smoking	Tribe will make efforts to promote smoke free environment at Facilities	Tribe will make efforts to promote smoke free environment at Facilities
Compulsive Gambling	Tribe will make annual \$1,750,000 donation to the Florida Council on Compulsive Gambling and maintain a voluntary exclusion list. → Maintains support for compulsive gaming resources regardless of Tribe's decisions to open or close facilities.	Tribe will make annual \$250,000 donation per Facility to the Florida Council on Compulsive Gambling and maintain a voluntary exclusion list.
Alcohol Abuse	Tribe will maintain proactive approaches to prevent improper alcohol sales, drunk driving, and underage drinking.	Tribe will maintain proactive approaches to prevent improper alcohol sales, drunk driving, and underage drinking.
Compact with another federally-recognized Indian Tribe in Florida	Florida may enter into a Compact with another federally-recognized Tribe that has land in trust in the State as of March 31, 2014.	Florida may enter into a Compact with another federally-recognized Tribe that has land in trust in the State as of February 1, 2010.

Effect of Proposed Changes:

Effective upon becoming a law, **Section 4** amends s. 285.710, F.S., and:

- Ratifies the Gaming Compact between the Seminole Tribe of Florida (Seminole Tribe) and the State of Florida executed by the Seminole Tribe and the Governor on December 7, 2015, contingent upon the Compact being amended to:
 - Become effective as a tribal compact after approval by the U.S. Department of the Interior;
 - Require that the current litigation between the State and the Seminole Tribe be dismissed with prejudice; and
 - Incorporate amendments to the exceptions from exclusivity related to:
 - Fantasy contests, slot machines, blackjack, designated player games and point-of sale terminals,⁵² and all activities authorized and conducted pursuant to Florida law, as amended by the bill; and
 - Activities claimed to be violations of the 2010 Gaming Compact in the litigation with the Seminole Tribe.

Incorporation of these amendments must not impact or change the payments required to the State under the compact executed December 7, 2015.
- Provides that the ratified and approved Gaming Compact, if amended as required by the bill, supersedes the 2010 Gaming Compact.
- Requires the Secretary of the Department of Business and Professional Regulation to notify the Governor, President of the Senate, Speaker of the House of Representatives, and the Division of Law Revision and Information of the date of publication in the Federal Register of the approval (or deemed approval) of the Gaming Compact, as amended.

⁵² Discussion of the amendments to the exceptions from exclusivity required by the bill are described in the Effect of Proposed Changes section for the following topics: Point-of-sale terminals, fantasy contests, slot machines, blackjack, and designated player games.

Section 5 amends s. 285.710(13), F.S., to remove the provision that limits the Seminole Tribe to conducting banked or banking card games only at its Broward, Collier, and Hillsborough County facilities and to permit the Seminole Tribe to conduct the following games at all of its facilities:

- Dice games, such as craps and sic-bo; and
- Wheel games, such as roulette and big six.

Section 6 corrects an incorrect, federal statutory reference.

The Florida Lottery

Present Situation:

Section 15 of Article X of the State Constitution (1968) allows lotteries to be operated by the state. Section 24.102(2), F.S., provides:

- The net proceeds of lottery games shall be used to support improvements in public education;
- Lottery operations shall be undertaken as an entrepreneurial business enterprise; and
- The Department of the Lottery (department) shall be accountable through audits, financial disclosure, open meetings, and public records laws.

The department operates the Florida Lottery to maximize revenues “consonant with the dignity of the state and the welfare of its citizens,”⁵³ for the benefit of public education.⁵⁴ The department contracts with retailers (e.g., supermarkets, convenience stores, gas stations, and newsstands) to provide adequate and convenient availability of lottery tickets.⁵⁵ Retailers receive commissions of five percent of the ticket price, one percent of the prize value for redeeming winning tickets, and bonus and performance incentive payments.⁵⁶ Retailers are eligible to receive bonuses for selling select winning tickets and performance incentive payments.⁵⁷

The department selects retailers based on financial responsibility, integrity, reputation, accessibility, convenience, security of the location, and estimated sales volume, with special consideration for small businesses.⁵⁸ Retailers must be at least 18 years old, and the sale of lottery tickets must occur as part of an ongoing retail business. Contracting with a retailer with a felony criminal history is prohibited,⁵⁹ and the authority to act as a retailer may not be transferred.⁶⁰

⁵³ See s. 24.104, F.S.

⁵⁴ See s. 24.121(2), F.S.

⁵⁵ See s. 24.105(17), F.S.

⁵⁶ See *Lottery Transfers Have Recovered; Options Remain to Enhance Transfers*, Report No. 14-06, Office of Program Policy Analysis and Gov’t Accountability, Florida Legislature, (January 2014), (hereinafter referred to as *OPPAGA Report 14-06*) available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1406rpt.pdf> page 2 (last visited Jan. 23, 2017).

⁵⁷ See *Lottery Transfers Continue to Increase; Options Remain to Enhance Transfers and Increase Efficiency*, Report No. 15-03, Office of Program Policy Analysis and Gov’t Accountability, Florida Legislature (Jan. 2015), (hereinafter referred to as *OPPAGA Report 15-03*) available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1503rpt.pdf>, page 1, (footnote 3) (last visited Jan. 23, 2017).

⁵⁸ See s. 24.112(2), F.S., which also includes a statement of legislative intent that retailer selections be based on business considerations and public convenience, without regard to political affiliation.

⁵⁹ See s. 24.112(3)(c), F.S.

⁶⁰ See s. 24.112(4), F.S.

Retailers may not extend credit or lend money to a person to purchase a lottery ticket. The use of a credit or charge card or other instrument issued by a bank, savings association, credit union, charge card company, or by a retailer (for installment sales of goods) is allowed, if the lottery ticket purchase is part of a purchase transaction for other goods and services that cost \$20 or more.⁶¹

The department may establish by rule a system to verify and pay winning lottery tickets:⁶²

- Any lottery retailer, as well as any department office, may redeem a winning ticket valued at less than \$600.⁶³ Payments less than \$50 are generally paid by a retailer in cash, depending on store policy or local ordinance. Higher amounts may be paid by cash, check, or money order at no cost to the winner.
- Only a department office may redeem a winning ticket valued at \$600 or more.⁶⁴ Winning tickets are paid at the claimant's option in a combination of cash, check, or lottery tickets (with a limitation of \$200 payable in cash).

Prizes must be claimed within certain time limits, depending on the type of game played. Instant lottery tickets (e.g., scratch-off tickets), must be redeemed within 60 days after the end of that lottery game.⁶⁵ Other lottery tickets (e.g., tickets for drawings) must be redeemed within 180 days after the drawing or the end of the lottery game in which the prize was won.

The department may adopt rules governing the types of lottery games to be conducted,⁶⁶ including lottery terminals or devices that “may be operated solely by the player without the assistance of the retailer.”⁶⁷

In 2013, the department introduced full service vending machines (FSVMs) that allow both terminal and scratch-off tickets to be sold in retail stores across the state. The department's Financial Audit for Fiscal Years Ended June 30, 2015 and 2014 indicates that total FSVMs sales in Fiscal Year 2015 were \$257 million.⁶⁸

⁶¹ See s. 24.118(1), F.S.

⁶² See s. 24.115, F.S., and Fla. Admin. Code R. 53ER15-31, (2015).

⁶³ The winner has the option of presenting a winning ticket in person to any lottery retailer, any of the nine lottery district offices, or to lottery headquarters in Tallahassee.

⁶⁴ Mega Millions® and Powerball® prizes up to \$1 million may be claimed at any lottery district office. All other prizes greater than \$250,000 must be claimed at lottery headquarters.

⁶⁵ See s. 24.115(1)(f), F.S.

⁶⁶ See s. 24.105(9)(a), F.S.

⁶⁷ Prior to 1996, there was no provision for player-activated lottery terminals or devices. Section 4 of ch. 96-341, Laws of Fla., authorized such machines, subject to restrictions that they be: (1) designed solely for dispensing of instant lottery tickets; (2) activated by coin or currency; (3) in the direct line of sight of on-duty retail employees; (4) capable of being electronically deactivated for 5 minutes or more; and (5) incapable of redeeming winning tickets, though they may dispense change. Chapter 2012-130, Laws of Fla., moved the restrictions on player-activated machines from s. 24.105(9)(a)4., F.S., to s. 24.112(15), F.S. As amended, the law (1) authorizes lottery vending machines to dispense “online lottery tickets, instant lottery tickets, or both,” and (2) prohibits use of mechanical reels or video depictions of slot machine or casino game themes or titles (but does not prohibit use of casino game themes or titles on lottery tickets, signage, or advertising displays on the vending machines).

⁶⁸ See *Financial Audit of the Department of the Lottery, for the Fiscal Year Ended June 30, 2015, and 2014*, Report No. 2016-080, State of Florida Auditor General (January 2016), at page 8 (2015 Financial Audit) available at http://www.myflorida.com/audgen/pages/pdf_files/2016-080.pdf (last visited Jan. 19, 2017).

The 2010 Gaming Compact and the Lottery

The 2010 Gaming Compact states that the exclusivity authorization granted to the Seminole Tribe is not impacted by the operation by the Florida Lottery of the types of lottery games authorized by Florida law on February 1, 2010; however, such authorized games do not include “(i) any player-activated or operated machine or device other than a lottery vending machine, or (ii) any banked or banking card or table game.”⁶⁹

The 2010 Gaming Compact further states that:

- No more than 10 lottery vending machines may be installed at any facility or location; and
- No lottery vending machine that dispenses electronic instant tickets may be installed at any licensed pari-mutuel location.⁷⁰

Under the 2010 Gaming Compact, three types of “lottery vending machines” may not allow a player to redeem a ticket, including machines that dispense:

- Pre-printed paper instant lottery tickets (e.g., scratch-off tickets);
- Pre-determined electronic instant lottery tickets and reveal the outcome; or
- Paper lottery tickets with numbers selected by the player or randomly by the machine, with the winning number selected in a drawing by the department.⁷¹

The 2010 Gaming Compact also includes language about not using a lottery vending machine to redeem winning tickets, which is consistent with similar language in s. 24.112(15)(c), F.S.⁷²

Proposed 2015 Gaming Compact and the Lottery

The proposed 2015 Gaming Compact provides that the exclusivity granted to the Seminole Tribe is not impacted by the operation by the Florida Lottery of the types of lottery games authorized by Florida law on July 1, 2015; however such authorized games do not include (i) any player-activated or operated machine or device other than a “lottery vending machine,” or (ii) any banked or banking card or table game.⁷³ No more than ten lottery vending machines may be installed at any facility or location; and no lottery vending machine that dispenses electronic instant tickets may be installed at any licensed pari-mutuel location.⁷⁴

Pursuant to the terms of the proposed 2015 Gaming Compact, three types of lottery vending machines may not allow a player to redeem a ticket. These are machines that dispense:

- Pre-printed paper instant lottery tickets (e.g., scratch-off tickets);
- Pre-determined electronic instant lottery tickets and reveal the outcome; or
- Paper lottery tickets with numbers selected by the player or randomly by the machine, with the winning number selected in a drawing by the department.⁷⁵

⁶⁹ See subparagraph 8 of paragraph B of Part XII of the 2010 Gaming Compact at page 42.

⁷⁰ *Id.*

⁷¹ See paragraph R of Part III of the 2010 Gaming Compact at page 10.

⁷² Section 24.112(15)(c), F.S., provides that a vending machine that dispenses a lottery ticket “may dispense change to a purchaser but may not be used to redeem any type of winning lottery ticket.”

⁷³ See subparagraph 8 of paragraph C of Part XII of page 49.

⁷⁴ *Id.* at pp. 49-50.

⁷⁵ See paragraph W of Part III of the proposed 2015 Gaming Compact at page 10.

The proposed 2015 Gaming Compact also includes language about not using a lottery vending machine to redeem winning tickets, which is consistent with similar language in s. 24.112(15)(c), F.S.⁷⁶

In addition, the definition of “Lottery Vending Machine” is amended in the proposed 2015 Gaming Compact to include a point-of-sale system to sell tickets for draw lottery games at gasoline pumps at retail fuel stations (point-of-sale terminals), provided that the system must:

- Dispense a paper lottery receipt after the purchaser uses a credit card or debit card to purchase the ticket;
- Process transactions through a platform that is certified or otherwise approved by the Florida Lottery;
- Not directly dispense money or permit payment of winnings at the point-of-sale terminal; and
- Not include or make use of video reels or mechanical reels or other slot machine or casino game themes or titles.⁷⁷

Effect of Proposed Changes:

Section 1 amends s. 24.103, F.S., to define “point-of sale terminal” as another type of vending machine for the sale of lottery tickets at retail locations. Payments for lottery tickets at point-of-sale terminals may be made by credit card, debit card, or other similar charge cards.

Section 2 amends s. 24.105, F.S., to authorize the department to allow the purchase of lottery tickets at point-of-sale terminals by persons at least 18 years old.

A point-of-sale terminal could have multiple uses (e.g., purchase of lottery tickets incidental to the purchase of other retail goods or services), while current lottery vending machines dispense lottery tickets only. Rules on point-of-sale devices must: a) limit the dollar amount of lottery tickets purchased; b) create a process to enable a customer to restrict or prevent his or her own access to lottery tickets or games; and c) ensure that the program does not breach the exclusivity provisions of any Indian gaming compact.

Section 3 amends s. 24.112, F.S., to provide that point-of-sale terminals selling lottery tickets or games, consistent with the proposed 2015 Gaming Compact, must:

- Dispense a paper lottery ticket with numbers selected by the player or randomly by the machine;
- Not reveal the winning numbers;
- Not use of mechanical reels or video depictions of slot machine or casino game themes or titles; and
- Not redeem winning tickets.

Point of sale devices must use a valid driver license or other process to verify that the purchaser is at least 18 years of age.

⁷⁶ Section 24.112(15)(c), F.S., provides that a vending machine that dispenses a lottery ticket “may dispense change to a purchaser but may not be used to redeem any type of winning lottery ticket.”

⁷⁷ See subparagraph 4 of paragraph W of Part III of the proposed 2015 Gaming Compact at pp. 10 - 11.

Amusement Games and Fantasy Contests

Present Situation:

Family Amusement Games Act

In 2015, the Legislature enacted the Family Amusement Games Act, to authorize skill-based amusement games and machines at specified locations;⁷⁸ prevent expansion of casino-style gambling; and clarify the law to ensure that the regulatory provisions for such devices are not subject to abuse or interpreted to create an exception to the state's general prohibitions against gambling.⁷⁹

Section 546.10, F.S., specifies types of amusement games, methods for activating amusement games and for the award of coupons, points, or prizes; limits upon prize values; and locations authorized for the operation of amusement games. In addition to the use of a coin, an amusement game may be activated by currency, card (not a credit or debit card), coupon, point, slug, token, or similar device, and is played by application of skill.

Amusement games are classified as Types A, B, or C:

- Type A amusement games enable a player to receive free replays of the game without further activation or payment for a game (up to a maximum of 15 accumulated replays); no tickets or merchandise may be awarded to the player;
- Type B amusement games enable a player to receive a coupon or point that may be accumulated and used to redeem merchandise onsite; and
- Type C amusement games allow a player to manipulate a claw or similar device within an enclosure and receive merchandise directly from the game.

The maximum redemption value of coupons or points a player may receive for a single play of a Type B amusement game is \$5.25, with a maximum value of 100 times that amount (\$525) for an item of merchandise that may be obtained onsite using accumulated coupons or points won by a player. The maximum wholesale cost of merchandise dispensed directly to a player by a Type C amusement game is \$52.50. Maximum values are adjusted annually, based on changes in the consumer price index, beginning January 1, 2018.

The authorized locations for amusement games to be operated are restricted. Type A amusement games may be operated at any location.

Type B amusement games may be operated at:

- Certain timeshare facilities⁸⁰ under the control of a timeshare plan;
- A public lodging establishment or public food service establishment licensed by the Division of Hotels and Restaurants of the DBPR pursuant to ch. 509, F.S.;

⁷⁸ See s. 546.10, F.S.

⁷⁹ See s. 546.10(2), F.S.

⁸⁰ "Facility" is defined in s. 72105(17), F.S., as "any permanent amenity, including any structure, furnishing, fixture, equipment, service, improvement, or real or personal property, improved or unimproved, other than an accommodation of the timeshare plan, which is made available to the purchasers of a timeshare plan."

The following premises, if the owner or operator of the premises has a current license issued by the DBPR:⁸¹

- An arcade amusement center;
- A bowling center, as defined in s. 849.141, F.S.; or
- A truck stop.

Type C amusement games may be operated at:

- Certain timeshare facilities⁸² under the control of a timeshare plan;
- An arcade amusement center;
- A bowling center, as defined in s. 849.141, F.S.;
- The premises of a retailer, as defined in s. 212.02, F.S.;
- A public lodging establishment or public food service establishment licensed by the Division of Hotels and Restaurants of the DBPR pursuant to ch. 509, F.S.;
- A truck stop; or
- The premises of a veterans' service organization granted a federal charter under Title 36, U.S.C., or a division, department, post, or chapter of such organization, for which an alcoholic beverage license has been issued.

The Family Amusement Games Act limits who may bring actions to enjoin the operation of an amusement game for an alleged violation of s. 546.10, F.S., or chapter 849, F.S., to the Florida Attorney General, state attorneys, certain sovereign tribes, the Florida Department of Agriculture and Consumer Services, the DBPR, and certain substantially affected persons. Sanctions for violation of s. 546.10, F.S., are provided that are in addition to other existing civil, administrative, and criminal sanctions.

In addition to other civil, administrative, and criminal sanctions, s. 546.10, F.S., provides penalties for violations that mirror the penalties for violations of ch. 849, F.S., on gambling, as follows:

- A conviction on a first offense is a second degree misdemeanor (punishable pursuant to ss. 775.082 or 775.083, F.S., by not more than 60 days in jail and up to a \$500 fine);
- A second conviction is a first degree misdemeanor (punishable pursuant to ss. 775.082 or 775.083, F.S., by not more than one year in jail and up to a \$1,000 fine);
- After two convictions, the third conviction is a third degree felony (punishable pursuant to ss. 775.082 or 775.083, F.S., by not more than five years in jail and up to a \$5,000 fine); an enhancement in sentencing is possible (up to 10 years in jail), but only if the court finds the violator is an habitual felony offender after a second felony conviction, and the court finds it is necessary to do so for the protection of the public.

⁸¹ Qualifying licenses are those issued pursuant to ch. 509, F.S., (Lodging and Food Service Establishments), ch. 61, F.S., (Beverage Law: Administration), ch. 562, F.S., (Beverage Law: Enforcement), ch. 563, F.S., (Beer), ch. 564, F.S., (Wine), ch. 565, F.S., (Liquor), ch. 567, F.S., (Local Option Elections), or ch. 568, F.S., (Intoxicating Liquors in Counties Where Prohibited).

⁸² "Facility" is defined in s. 72105(17), F.S., as "any permanent amenity, including any structure, furnishing, fixture, equipment, service, improvement, or real or personal property, improved or unimproved, other than an accommodation of the timeshare plan, which is made available to the purchasers of a timeshare plan."

Fantasy Sports Gaming

The operation of fantasy sports activities in Florida has recently received significant publicity, much like the operation of internet cafes in recent years. Many states are now evaluating the status of fantasy gaming activities in their jurisdictions,⁸³ as there are millions of participants.⁸⁴

A fantasy game typically has multiple players who select and manage imaginary teams whose players are actual professional sports players. Fantasy game players compete against one another in various formats, including weekly leagues among friends and colleagues, season-long leagues, and on-line contests (daily and weekly) entered by using the Internet through personal computers or mobile telephones and other communications devices. There are various financial arrangements among players and game operators.

Florida law does not specifically address fantasy contests. Section 849.14, F.S.,⁸⁵ provides that a person who wagers any “thing of value” upon the result of a contest of skill or endurance of human or beast, or who receives any money wagered, or who knowingly becomes the custodian of money or other thing of value that is wagered, is guilty of a second degree misdemeanor.⁸⁶

In 2013, Spectrum Gaming Group, as part of a Gambling Impact Study prepared for the Florida Legislature, analyzed data related to participation by adults in selected activities.⁸⁷ Based on 2012 U.S. Census data, participation in fantasy sports leagues in the prior 12 months (nearly nine million adults), and those who participate two or more times weekly (nearly three million adults), was greater than attendance at horse races in the prior 12 months (6,654,000 adults) with 159,000 attending two or more times weekly.⁸⁸

The Professional and Amateur Sports Protection Act of 1992 (PASPA)

In 1992, the U.S. Congress enacted the Professional and Amateur Sports Protection Act, which provides that it is unlawful for a governmental entity⁸⁹ or any person to sponsor, operate, advertise, or promote:

⁸³ See Marc Edelman, *A Short Treatise on Fantasy Sports and the Law: How America Regulates its New National Pastime*, Journal of Sports & Entertainment Law, Harvard Law School Vol. 3 (Jan. 2012) available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1907272 (last visited Jan. 23, 2017), and Jonathan Griffin, *The Legality of Fantasy Sports*, National Conference of State Legislatures Legisbrief (Sep. 2015) (on file with the Committee on Regulated Industries).

⁸⁴ According to the Fantasy Sports Trade Association, which states it represents the interests of 57 million fantasy sports players, fantasy sports leagues were originally referred to as “roisserie leagues” with the development of Rotisserie League Baseball in 1980, by magazine writer/editor Daniel Okrent, who met and played it with friends at a New York City restaurant La Rotisserie Francaise. See <http://fsta.org/about/history-of-fsta/> (last visited Jan. 23, 2017).

⁸⁵ See Fla. AGO 91-03 (Jan. 8, 1991) available at <http://myfloridalegal.com/. . . 91-03> (last visited Jan. 23, 2017))

⁸⁶ A conviction for a second degree misdemeanor may subject the violator to a definite term of imprisonment not exceeding 60 days, and a fine not exceeding \$500. See ss. 775.082 and 775.083, F.S.

⁸⁷ See Spectrum Gaming Group Gambling Impact Study (Gambling Impact Study) available at http://www.leg.state.fl.us/gamingstudy/docs/FGIS_Spectrum_28Oct2013.pdf (Oct. 28, 2013) (last visited Jan. 23, 2017).

⁸⁸ *Id.*, Figure 22 at p. 67.

⁸⁹ Governmental entities are also prohibited from licensing such activities or authorizing them by law or compact. See <https://www.gpo.gov/fdsys/pkg/USCODE-2008-title28/html/USCODE-2008-title28-partVI-chap178-sec3702.htm> (last visited Jan. 23, 2017).

a lottery, sweepstakes, or other betting, gambling, or wagering scheme based . . . on one or more competitive games in which amateur or professional athletes participate, or are intended to participate, or on one or more performances of such athletes in such games.

The prohibited activity is generally known as “sports betting.” However, PASPA does not apply to pari-mutuel animal racing or jai alai games. It does not apply to a lottery, sweepstakes, or other betting, gambling, or wagering conducted by a governmental entity between January 1, 1976, and August 31, 1990.

The prohibition against sporting betting also does not apply to a lottery, sweepstakes, or other betting, gambling, or wagering lawfully conducted, where such activity was authorized by law on October 2, 1991, and was conducted in a state or other governmental entity at any time between September 1, 1989, and October 2, 1991.

Opinion of Florida Attorney General relating to Fantasy Sports League

In 1991, Florida Attorney General Robert A. Butterworth issued a formal opinion⁹⁰ evaluating the legality of groups of football fans (contestants) paying for the right to manage a team under certain specified conditions. The Attorney General stated:

You ask whether the formation of a fantasy football league by a group of football fans in which contestants pay \$100 for the right to "manage" one of eight teams violates the state's gambling laws. You state that these teams are created by contestants by "drafting" players from all current eligible National Football League (NFL) members. Thus, these fantasy teams consist of members of various NFL teams.

According to your letter, each week the performance statistics of the players in actual NFL games are evaluated and combined with the statistics of the other players on the fantasy team to determine the winner of the fantasy game and their ranking or standing in the fantasy league. No games are actually played by the fantasy teams; however, all results depend upon performance in actual NFL games. Following completion of the season, the proceeds are distributed according to the performance of the fantasy team.

Florida case law addresses the distinction between a "purse, prize or premium" and a "stake, bet or wager."⁹¹ As each contestant paid \$100 to participate by managing one of eight teams, and the

⁹⁰ See Fla. AGO 91-03 (Jan. 8, 1991), available at <http://myfloridalegal.com/. . . 91-03> (last visited Jan. 23, 2017).

⁹¹ The distinction was reaffirmed in *Creash v. State*, 179 So. 149, 152 (Fla. 1938) as follows: "In gamblers' lingo, 'stake, bet or wager' are synonymous and refer to the money or other thing of value put up by the parties thereto with the understanding that one or the other gets the whole for nothing but on the turn of a card, the result of a race, or some trick of magic. A 'purse, prize, or premium' has a broader significance. If offered by one (who in no way competes for it) to the successful contestant in a [feat] of mental or physical skill, it is not generally condemned as gambling, while if contested for in a game of. . . chance, it is so considered. . . It is also banned as gambling if created . . . by . . . contributing to a fund from which the 'purse, prize, or premium' contested for is paid, and wherein the winner gains, and the other contestants lose all."

resulting \$800 in proceeds were used for prizes, Attorney General Butterworth determined the proceeds qualified as a "stake, bet or wager" on the result of a contest of skill. Specifically, the prizes were paid based upon the performance of the individual professional football players in actual games. Based on the language in s. 849.14, F.S., above, the operation of fantasy sports leagues as described would violate Florida law, in the opinion of Attorney General Butterworth.

Effect of Proposed Changes:

Section 7 creates s. 546.16, F.S., the "Fantasy Contest Amusement Act" (Act) consisting of ss. 546.11 - 546.19, F.S.

Section 8 creates s. 546.12, F.S., and provides legislative intent that fantasy contests operated pursuant to the requirements in the act (qualified fantasy contests) involve the skill of the contest participants.

Section 9 creates s. 546.13, F.S., and provides definitions.

"Contest operator" means a person or entity that offers fantasy contests for a cash prize to members of the public.

A "contest participant" is a person who pays an entry fee for the ability to participate in a fantasy contest offered by a contest operator.

A "fantasy contest" is a fantasy or simulation sports game or contest offered by a contest operator or a noncommercial contest operator in which a contest participant manages a fantasy or simulation sports team composed of athletes from an amateur or professional sports organization in which:

- The value of all prizes and awards must be established and disclosed in advance of the fantasy game;
- The value of all prizes and awards is not determined by the number of participants or the amount of entry fees;
- All winning outcomes reflect the relative knowledge and skill of game participants and are determined predominantly by accumulated statistical results of the performance of the athletes who perform in multiple sporting or other events; and
- A winning outcome is not based on the score, point spread, or performance of a single team or any combination of teams, on any single performance of an athlete or player in a single sporting or other event, or on a live pari-mutuel event.

A "noncommercial contest operator" means a person who organizes and conducts a fantasy contest in which contest participants are charged entry fees for the right to participate; entry fees are collected, maintained, and distributed by the same person; and all entry fees are returned to the contest participants in the form of prizes.

Section 10 creates s. 546.14, F.S., and creates the Office of Amusements in the DBPR.

Section 11 creates s. 546.15, F.S., and requires licensure of all operators of qualified fantasy or simulation sports games or contests which offer fantasy contests for play by participants in the state, through the Office of Amusements (Office).

The initial license application fee is \$500,000, and the annual license renewal fee is \$100,000. However, those fees may not exceed 10 percent of the total entry fees collected (related to the operation of fantasy contests in Florida), less those amounts paid to participants. The bill provides methods to establish appropriate fees payable by a contest operator for both initial licensure and renewal of a license. (Under this fee schedule, a noncommercial contest operator will not pay a fee.)

The Office's duties include administering and enforcing the act and any rules adopted to enforce the Act. A completed licensee application must be granted or denied within 120 days after receipt or is otherwise deemed approved. Requirements for license applications are specified.

A person or entity is not eligible for licensure as a contest operator or licensure renewal if he or she or an officer or director of the entity is determined by the Office, after investigation, not to be of good moral character, or if found to have been convicted of a felony.

A contest operator must provide evidence of a surety bond in the amount of \$1 million, payable to the state.

Sections 12 and 13 create s. 546.16 and 546.17, F.S., and require game operators to implement procedures intended to protect consumers; prohibit game operators from specified activities; require contest operators offering fantasy contests annually to contract with a third party to perform an independent audit and submit the audit results to the Office; maintain specified books and records; and file quarterly reports with the Office containing specified materials and information. These requirements apply to contest operators and noncommercial contest operators.

Section 14 creates s. 546.1018, F.S., and authorizes penalties for violation of the act. A contest operator, or an employee or agent thereof, who violates the act is subject to a civil penalty not to exceed \$5,000 for each violation, not to exceed \$100,000 in the aggregate, which shall accrue to the state. The penalty provisions do not apply to contest operators who apply for a license within 90 days after the effective date and receive a license within 240 days after the effective date. Fantasy contests conducted by a contest operator or noncommercial contest operator in accordance with the act are not subject to ss. 849.01, 849.08, 849.09, 849.11, 849.14, or 849.25, F.S., relating to gambling, lotteries, games of chance, contests of skill, or bookmaking.

Section 15 directs the Division of Law Revision and Information to replace references to the effective date of **Section 14** in that section with the actual date the section becomes effective.

Regulation of Pari-Mutuel Wagering

Present Situation:

Background

Pari-mutuel wagering is regulated by the Division of Pari-mutuel Wagering in the DBPR. The division has regulatory oversight of permitted and licensed pari-mutuel wagering facilities, cardrooms located at pari-mutuel facilities, and slot machines at pari-mutuel facilities located in Miami-Dade and Broward Counties. According to the division, there were 10 license suspensions, and \$107,655 in fines assessed for violations of all pari-mutuel statutes and administrative rules in Fiscal Year 2015-2016.⁹²

In January 2017, there were 39 pari-mutuel permitholders with operating licenses⁹³ in Florida, operating at 12 greyhound tracks, six jai alai frontons, five quarter horse tracks, three thoroughbred tracks, and one harness track.⁹⁴ One jai alai permitholder voluntarily relinquished its permit in 2016⁹⁵

Of the 19 greyhound racing permitholders with operating licenses during Fiscal Year 2016-2017, six permitholders conducted races at leased facilities.⁹⁶ Five pari-mutuel facilities have two permits operating at those locations.⁹⁷ One greyhound racing permitholder's operating license was suspended late in 2014.⁹⁸

⁹² See the 85th Annual Report for Fiscal Year 2015-2016 issued by the division *available at* <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2015-2016--85th--20170125.pdf> (last visited Feb. 7, 2017).at page 5 (equivalent to page 3 of the printed Annual Report).

⁹³ See Pari-Mutuel Wagering Permitholders With 2016-2017 Operating Licenses map dated January 25, 2017, *available at* <http://www.myfloridalicense.com/dbpr/pmw/documents/MAP-Permitholders--WITH--2016-2017-OperatingLicenses--2017-01-25.pdf> (last visited Feb. 7, 2017).

⁹⁴ *Id.*

⁹⁵ *Id.* at page 8 (equivalent to page 6 of the printed Annual Report), and *see* the Stipulation and Consent Order, *available at* <http://www.floridagamingwatch.com/wp-content/uploads/Hamilton-Jai-Alai-Consent-Order.pdf> (last visited Jan. 23, 2017).

⁹⁶ According to information in the 2015-2016 Annual Report from the Division of Pari-Mutuel Wagering, *available at* <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2015-2016--85th--20170125.pdf>, at pp. 29 - 33 of the online Annual Report (equivalent to pp. 25- - 29 the printed Annual Report),(last visited Feb. 7, 2017), both Jacksonville Kennel Club and Bayard Raceways (St. Johns Greyhound Park) conduct races at Orange Park Kennel Club; H&T Gaming conducts racing at Mardi Gras; Palm Beach Greyhound Racing conducts racing at Palm Beach Kennel Club; Tampa Greyhound conducts races at St. Petersburg Kennel Club (Derby Lane); West Volusia Racing conducts races at Daytona Beach Kennel Club; Dania Summer Ja Alai conducts games at Dania Jai Alai; Tropical Park conducts races at Gulfstream Park.

⁹⁷ The division indicated that H & T Gaming @ Mardi Gras and Mardi Gras operate at a facility in Hallandale Beach, Daytona Beach Kennel Club and West Volusia Racing-Daytona operate at a facility in Daytona Beach, Palm Beach Kennel Club and License Acquisitions-Palm Beach operate at a facility in West Palm Beach, Miami Jai Alai and Summer Jai Alai operate at a facility in Miami, and Sanford-Orlando Kennel Club and Penn Sanford at SOKC operate at a facility in Longwood.

⁹⁸ See <http://www.myfloridalicense.com/dbpr/pmw/documents/CurrentPermitholdersList.pdf> (last visited Jan. 23, 2017) for a list of current permitholders and their licensing status. For information about permitholders for Fiscal Years 2013-2014, 2014-2015, and 2015-2016, See <http://www.myfloridalicense.com/dbpr/pmw/track.html> (last visited Jan. 23, 2017).

There are 12 permitholders that do not have operating licenses for Fiscal Year 2016-2017: two greyhound,⁹⁹ three jai alai,¹⁰⁰ one limited thoroughbred,¹⁰¹ and six quarter horse.¹⁰²

Issuance of Pari-Mutuel Permits and Annual Licenses

Section 550.054, F.S., provides that any person meeting the qualification requirements of ch. 550, F.S., may apply to the division for a permit to conduct pari-mutuel wagering. Upon approval, a permit must be issued to the applicant that indicates:

- The name of the permitholder;
- The location of the pari-mutuel facility;
- The type of pari-mutuel activity to be conducted; and
- A statement showing qualifications of the applicant to conduct pari-mutuel performances under ch. 550, F.S.

A permit does not authorize any pari-mutuel performances until approved by a majority of voters in a ratification election in the county in which the applicant proposes to conduct pari-mutuel wagering activities. An application may not be considered, nor may a permit be issued by the division or be voted upon in any county, for the conduct of:

- Harness horse racing, quarter horse racing, thoroughbred horse racing, or greyhound racing at a location within 100 miles of an existing pari-mutuel facility; or
- Jai alai games within 50 miles of an existing pari-mutuel facility.

Distances are measured on a straight line from the nearest property line of one pari-mutuel facility to the nearest property line of the other facility.¹⁰³

After issuance of the permit and a ratification election, the division may issue an annual operating license for wagering at the specified location in a county, indicating the time, place, and number of days during which pari-mutuel operations may be conducted at the specified location.¹⁰⁴

The Definition of a “Full Schedule of Live Racing or Games”

Current law provides complex requirements for what constitutes of a “full schedule of live racing or games:”

- For a greyhound or jai alai permitholder, at least 100 live evening or matinee performances during the preceding year;

⁹⁹ Jefferson County Kennel Club (Monticello) and North American Racing Association (Key West).

¹⁰⁰ Gadsden Jai-alai (Chattahoochee), Tampa Jai Alai, and West Flagler Associates (Miami).

¹⁰¹ Under s. 550.3345, F.S., during Fiscal Year 2010-2011 only, holders of quarter horse racing permits were allowed to convert their permits to a thoroughbred racing permit, conditioned upon specific use of racing revenues for enhancement of thoroughbred purses and awards, promotion of the thoroughbred horse industry, and the care of retired thoroughbred horses. Two conversions occurred, Gulfstream Park Thoroughbred After Racing Program (GPTARP) (Hallandale, Broward County), and Ocala Thoroughbred Racing (Marion County).

¹⁰² ELH Jefferson (Jefferson County), DeBary Real Estate Holdings (Volusia County), North Florida Racing (Jacksonville), Pompano Park Racing (Pompano Beach), St. Johns Racing (St. Johns County), and Tampa Bay Downs (Oldsmar).

¹⁰³ See s. 550.054(2), F.S.

¹⁰⁴ See s. 550.054(9)(a), F.S.

- For a permitholder who has a converted permit . . . at least 100 live evening and matinee wagering performances during either of the two preceding years;
- For a jai alai permitholder who does not operate slot machines . . ., who has conducted at least 100 live performances per year for at least 10 years after December 31, 1992, and whose handle on live jai alai games . . . has been less than \$4 million per state fiscal year for at least two consecutive years after June 30, 1992, . . . at least 40 live evening or matinee performances during the preceding year;
- For a jai alai permitholder who operates slot machines . . ., at least 150 performances during the preceding year;
- For a harness permitholder, the conduct of at least 100 live regular wagering performances during the preceding year;
- For a quarter horse permitholder at its facility unless an alternative schedule of at least 20 live regular wagering performances is agreed upon by the permitholder and either the Florida Quarter Horse Racing Association or the horsemen’s association representing the majority of the quarter horse owners and trainers at the facility and filed with the division along with its annual date application, in the Fiscal Year 2010-2011, . . . at least 20 regular wagering performances, in Fiscal Year 2011-2012 and Fiscal Year 2012-2013, . . . at least 30 live regular wagering performances, and for every fiscal year after Fiscal Year 2012-2013, . . . at least 40 live regular wagering performances;
- For a quarter horse permitholder leasing another licensed racetrack, the conduct of 160 events at the leased facility;
- For a thoroughbred permitholder, the conduct of at least 40 live regular wagering performances during the preceding year; and
- For a permitholder restricted by statute to certain operating periods within the year when other similar permitholders are authorized to operate throughout the year, the specified number of live performances which constitute a full schedule of live racing or games is calculated pro rata based on the authorized operating period and the full calendar year, and the resulting number of live performances is the full schedule of live games for such permitholder and all other permitholders of the same class within 100 air miles of such permitholder.¹⁰⁵

A “performance” is a minimum of eight consecutive live races.¹⁰⁶ At least three live performances must be held at a track each week.¹⁰⁷ When a permitholder conducts at least three live performances in a week,¹⁰⁸ it must pay purses (cash prizes to participants) on wagers accepted at the track on certain greyhound races run at other tracks (in Florida or elsewhere).¹⁰⁹ In order to receive an operating license, permitholders must have conducted a full schedule of live racing during the preceding year.¹¹⁰

¹⁰⁵ See s. 550.002(11), F.S.

¹⁰⁶ Section 550.002(25), F.S.

¹⁰⁷ Section 550.002(11), F.S.

¹⁰⁸ The performances may be during the day or in the evenings, as set forth in the schedule that is part of the operating license issued by the division.

¹⁰⁹ Section 550.09514(2)(c), F.S.

¹¹⁰ Section 550.002(11), F.S. In accordance with s. 550.002(38), F.S., a full schedule of live racing is calculated from July 1 to June 30, the state fiscal year.

If a permitholder does not conduct all of the performances specified in its operating license, the division may determine whether to fine the permitholder or suspend¹¹¹ the license, unless the failure is due to certain events beyond the permitholder's control. Financial hardship itself is not an acceptable basis to avoid a fine or suspension.¹¹²

The conduct of a full schedule of live racing or games is a condition of licensure for a slot machine licensee,¹¹³ and the conduct of a minimum number of live races is a condition of renewal for a cardroom license.¹¹⁴

Effect of Proposed Changes:

The Definition of a "Full Schedule of Live Racing or Games"

Section 16 amends s. 550.002, F.S., and revises the definition of the term "full schedule of live racing or games." to:

- Delete outdated references to converted greyhound permits and partial-year racing dates.
- Reduce the minimum number of required live performances from 100 to 58 for summer jai alai permitholders who do not operate slot machines or meet other financial requirements but retains the current law requirement that a jai alai permitholder that operates slot machines in its pari-mutuel facility must conduct at least 150 performances.

License Applications by Permitholders and Decoupling

Section 17 amends s. 550.01215, F.S., and deals with operating license applications filed annually with the division by pari-mutuel permitholders for licenses for the next fiscal year (July 1 through June 30).

All permitholders, including those that do not conduct live performances, are required to file an application for a license to conduct pari-mutuel wagering, including intertrack wagering and simulcast wagering for greyhound racing permitholders, jai alai permitholders, harness racing permitholders, quarter horse racing permitholders, and thoroughbred horse racing permitholders. Permitholders accepting wagers on broadcast events are required to disclose the dates of all those events in their license application.

Certain greyhound racing permitholders,¹¹⁵ harness horse racing and quarter horse permitholders,¹¹⁶ and jai alai permitholders¹¹⁷ are authorized to specify in their operating license applications that they will not conduct live racing or will conduct less than a full schedule of live

¹¹¹ After Jefferson County Kennel Club failed to conduct scheduled performances, its operating license was suspended September 22, 2014 under a consent order available at

http://www.myfloridalicense.com/dbpr/pmw/documents/Licenses/PMW--ConsentOrder--JEFFERSON_COUNTY_KENNEL_CLUB_INC--146--2014-09-23--20141023.pdf (last visited Jan. 23, 2017).

¹¹² Section 550.01215(4), F.S.

¹¹³ Section 551.104(4)(c), F.S.

¹¹⁴ Section. 849.086(5)(b), F.S.

¹¹⁵ Those that conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the state Fiscal Year 1996-1997, or that converted a permit to a permit to conduct greyhound racing after that state fiscal year.

¹¹⁶ Those that have had an operating license for at least 5 years and a cardroom license for at least 2 years.

¹¹⁷ Those that have had an operating license for at least 5 years.

racing or games (i.e., decouple), while they continue to operate their licensed slot machine facilities and/or cardrooms pursuant to ch. 551, F.S., and s. 849.086, F.S., as amended by the bill.

Thoroughbred horse racing permitholders that have conducted live racing for at least five years and had an average annual handle of less than \$5 million in the last two state fiscal years may discontinue live racing, if the permitholder elects to discontinue live racing during the 30-day period after the effective date of the bill (i.e., partial decoupling). A permitholder that makes the election must specify in its future operating license applications that it does not intend to conduct live racing. The bill specifies the circumstances under which a decoupled thoroughbred permitholder with a slot machine license may continue to operate its slot machine facility, if any, and cardroom, if any, pursuant to ch. 551, F.S., and s. 849.086, F.S., as amended by the bill.

Permitholders that discontinue live racing or games, (i.e., decouple), are required by the bill to make certain payments for the benefit of live thoroughbred horse racing purses. (*See Sections 41 and 50.*)

A greyhound racing permitholder is authorized to receive an operating license to conduct pari-mutuel wagering activities at another permitholder's greyhound racing facility pursuant to s. 550.475, F.S.; however, the permitholders must be located within 35 miles of each other.

The division may approve changes in racing dates for Fiscal Year 2017-2018, if the requests are received before August 31, 2017.

A summer jai alai permitholder is authorized to operate a jai alai fronton only for the summer season each year, on dates selected by the permitholder between May 1 and November 30. Summer jai alai permitholders are subject to all taxes, rules, and provisions of ch. 550, F.S., that apply to winter jai alai permitholders, but are not eligible to operate a cardroom or operate a slot machine facility. Winter and summer jai alai permitholders are prohibited from operating on the same days or in competition with each other, but leasing of a winter jai alai facility for the operation of a summer meet is authorized.

Existing law authorizing the conversion of certain permits is repealed; this provision allowed a permit originally converted from a jai alai permit to a greyhound racing permit, to convert back to a jai alai permit if greyhound racing was never conducted or the permitholder had not conducted greyhound racing for 12 consecutive months.

Annual Report by Division

Present Situation:

An annual report to the Governor must be made by the division of its own actions, receipts from activities under ch. 550, F.S., and any suggestions to accomplish the purposes of the pari-mutuel wagering act.¹¹⁸

¹¹⁸ See s. 550.0251(1), F.S.

Effect of Proposed Changes:

Section 18 amends s. 550.0251, F.S., to expand the required content of the annual report from the division, and require that the report be provided to the President of the Senate and the Speaker of the House of Representatives, as well as to the Governor. The report must include, at a minimum:

- Recent events in the gaming industry, including pending litigation involving permitholders; pending permitholder, facility, cardroom, slot, or operating license applications; and new and pending rules;
- Actions of the DBPR relating to the implementation and administration of ch. 550, F.S., (Pari-Mutuel Wagering), ch. 551, F.S., (Slot Machines), and ch. 849, F.S., (Gambling);
- The state revenues and expenses associated with each form of authorized gaming; revenues and expenses associated with pari-mutuel wagering must be further delineated by the class of license;
- The performance of each pari-mutuel wagering licensee, cardroom licensee, and slot machine licensee;
- A summary of disciplinary actions taken by the department; and
- Any suggestions to achieve more effectively the purposes of the Pari-Mutuel Wagering Act (ch. 550, F.S.).

Pari-Mutuel Permit Relocation and Conversion, and Violations by Permitholders***Present Situation:***

The permit of a harness horse permitholder or thoroughbred horse permitholder who does not pay tax on handle for live performances for a full schedule of live races during any two consecutive state fiscal years is void and escheats to and becomes property of the state, unless the failure to operate and pay tax on handle is the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control.¹¹⁹ Financial hardship of the permitholder does not constitute just cause for either failure.¹²⁰

Pursuant to s. 550.054(9)(b), F.S., the division may revoke or suspend any permit or license upon the willful violation by the permitholder or licensee of any provision of ch. 550, F.S., or any administrative rule adopted by the division.

In lieu of suspending or revoking a permit or license, the division may impose a civil penalty against the permitholder or licensee for a violation of ch. 550, F.S., or any rule adopted by the division. An administrative fine may not exceed \$1,000 for each count or separate offense. All fines imposed and collected are deposited into the General Revenue Fund.

Section 550.0555, F.S., addresses relocation of a greyhound racing permit in a county in which there is only one greyhound permit and relocation of a jai alai permit in a county where there is only one jai alai permit under specified circumstances, in order to protect the revenue-producing ability of the permitholder and the associated state revenues without negatively impacting the financial strength of any other pari-mutuel permitholder within 50 miles.

¹¹⁹ See s. 550.09512(3), F.S. and s. 550.09515(3), F.S.

¹²⁰ *Id.*

Section 550.0475, F.S., concerns conversions of pari-mutuel wagering permits from one class to another, in limited circumstances. The prohibitions in other sections of ch. 550, F.S., preventing the location and operation of jai alai frontons within a specified distance from the location of another jai alai fronton or other permittee, or the issuance of any permit by the division at a location within a certain designated area, do not apply and do not prevent the issuance an operating license under s. 550.475, F.S.

Effect of Proposed Changes:

Section 19 amends s. 550.054, F.S., relating to applications for pari-mutuel wagering permits, to::

- Require the division to revoke a permit if the permitholder: (a) has not obtained an operating license for a period of more than 24 consecutive months after June 30, 2012, or (b) fails to make payments for taxes due on handle for more than 24 months, unless the failure to obtain an operating license was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. Financial hardship of the permitholder does not constitute just cause for either failure. A revoked permit may not be reissued.
- Provide that a new pari-mutuel permit may not be approved or issued *30 days after the effective date of the act* (i.e., the publication of the proposed 2015 Gaming Compact, as amended as required by the bill, in the Federal Register), and a revoked permit is void and may not be reissued.
- Allow a permit to be placed in inactive status for 12 months for good cause and allows renewal of inactive status for up to 12 months; however, a permit may not be inactive for more than 24 consecutive months, and entities with inactive permits are not eligible for licensure for pari-mutuel wagering, slot machines, or cardrooms.
- Provide that a pari-mutuel license may not be transferred or reissued so as to change the location of a pari-mutuel facility, cardroom, or slot machine facility and deletes authority for the transfer of a thoroughbred permit to another racetrack and for conversion of a jai alai permit to a greyhound racing permit.
- Repeal provisions authorizing conversion and relocation of pari-mutuel permits under specified conditions (*see Section 20*).

Section 20 amends s. 550.0555, F.S., relating to the procedures for relocation by certain permitholders to another location within 30 miles under certain revised conditions. A permitholder eligible to seek approval to move its pari-mutuel operations include any holder of a valid and outstanding:

- Greyhound racing permit previously converted from a jai alai permit;
- Greyhound racing permit in a county with only one greyhound permit; or
- Jai alai permit in a county with only one jai alai permit.

The conditions for a new location include:

- The move does not cross county boundaries;
- The new location must be at least 10 miles from any existing pari-mutuel facility, as determined by the division;
- The new location, if within a county with three or more pari-mutuel permits, must be at least 10 miles from the Atlantic Ocean; and

- The relocation is approved under the zoning regulations of the county or municipality in which the permit is to be relocated.

Section 21 repeals s. 550.0745, F.S., relating to the procedure to convert a pari-mutuel permit to a summer jai alai permit.

Taxation of Pari-mutuel Wagering and Permit Revocation for Failure to Pay Taxes

Present Situation:

Section 550.002(13), F.S., defines “handle” as the aggregate contributions (bets or wagers) to pari-mutuel pools. There are four types of handle detailed in annual reports¹²¹ of the division:

- Live ontrack, from live races or games at a track/fronton;
- Simulcast, from live races or games originating out-of-state and broadcast to a Florida track or fronton;
- Intertrack, from a Florida track or fronton (acting as host) broadcasting live races or games to other Florida tracks or frontons; and
- Intertrack simulcast, from rebroadcasting of simulcast signals received by a Florida track or fronton to other Florida tracks or frontons.

The stated tax rates on greyhound racing handle (i.e., on live ontrack, simulcast, intertrack, and intertrack simulcast handle as described above) vary considerably. Section 550.0951(3), F.S., specifies rates of 5.5 percent, 7.6 percent, 3.9 percent, and 0.5 percent of handle that depend on the type of wager (and the location of the tracks involved in any intertrack wagering).

Intertrack wagering is taxed at the rate of 7.1 percent if the host track is a jai alai fronton. The rate drops significantly to a rate of 0.5 percent (one-half of one percent) if: (1) both the host and guest tracks are thoroughbred permitholders, or (2) a guest track is located more than 25 miles away from the host track and within 25 miles of a thoroughbred permitholder currently conducting live racing.

Each permitholder receives a tax credit based on the number of live races conducted in the previous year multiplied by the daily license fee.¹²² This works out to be a 100 percent refund of daily license fees for every live race conducted. The daily license credit may also be transferred for payment in full by a host track to a transferring permitholder.

As provided in s. 550.09514(1), F.S., all greyhound racing permitholders that conduct a full schedule of live racing in a year are eligible for tax exemptions in the form of a credit that directly reduces their state taxes, in the following amounts:

- \$500,000 annually to each permitholder that conducted a full schedule of live racing in 1995, and “are closest to another state that authorizes greyhound pari-mutuel wagering.” These requirements qualify three greyhound racing permitholders (Washington County Kennel Club (Ebro), Pensacola Greyhound, and Jefferson County Kennel Club (Monticello); and

¹²¹ See <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2015-2016--85th--20170125.pdf>, at page 4 (equivalent to page 2 of the printed Annual Report) (last visited Feb 7, 2017).

¹²² Section 550.0951(1)(a), F.S.

- \$360,000 annually to each of the other greyhound racing permitholders.

If a permitholder cannot use its full tax exemption amount, then it may transfer the unused portion of the exemption to another permitholder that has acted as a host track by accepting intertrack wagering.¹²³ The transfer may occur only once per state fiscal year, and there must be a dollar-for-dollar payment (no discount) by the host track.

Section 550.09512, F.S., imposes a 0.5 percent tax on the handle from harness horse racing. If a harness horse permitholder fails to pay taxes on a full schedule of live races during any two consecutive state fiscal years, the permit is void and escheats to (is forfeited) and becomes the property of the state, unless the failure to operate and pay tax on handle was the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control. Financial hardship to the permitholder does not, in and of itself, constitute just cause for failure to operate and pay tax on handle.

The permit of a thoroughbred horse racing permitholder who does not pay tax on handle for live thoroughbred horse performances for a full schedule of live races during any two consecutive state fiscal years is void and escheats to and becomes property of the state, unless the failure to operate and pay tax on handle is the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control.¹²⁴ Financial hardship of the permitholder does not constitute just cause for either failure.¹²⁵

An escheated harness horse permit or thoroughbred horse permit must be reissued by the division to a qualified applicant, using the procedures mandated for issuance of an initial permit. The requirements for a referendum before issuance of a pari-mutuel permit do not apply to reissuance of an escheated harness horse or thoroughbred horse permit.¹²⁶

Section 550.1645, F.S., provides that after one year, the winnings from all unclaimed pari-mutuel tickets become property of the state, and permitholders must pay the unclaimed (escheated) winnings to the state. The funds are deposited into the State School Fund and are used for the maintenance of public free schools. Section 550.1647, F.S., provides that permitholders who pay escheated winnings to the state are entitled to a 100 percent credit equal to the escheated winnings payment, to be credited in the next fiscal year against greyhound racing taxes; however, the permitholder must pay an amount equal to 10 percent of the escheat credit to qualified greyhound adoption programs.

Effect of Proposed Changes:

Section 22 amends s. 550.0951, F.S., relating to the payment of daily license fee and taxes, to:

- Delete the tax exemption specified in s. 550.09514(1), F.S., of \$360,000 or \$500,000 for each greyhound racing permitholder, and deletes other tax credits.
- Delete current law allowing transfer of the tax exemption or other credits among greyhound racing permitholders.

¹²³ Section 550.0951(1)(b), F.S.

¹²⁴ See s. 550.09515(3), F.S.

¹²⁵ *Id.*

¹²⁶ See ss. 550.09512(3)(b) and 550.09515(3)(b), F.S.

- Reduce the tax on handle for greyhound racing to 1.28 percent from 5.5 percent.
- Impose a tax of 0.5 percent if the host and guest tracks are thoroughbred racing permitholders, or if the guest track is located outside the market area of a host track that is not a greyhound racing track and within the market of a thoroughbred racing permitholder currently conducting a live meet.

Section 23 amends s. 550.09512, F.S., relating to harness horse racing, to:

- Require the division to revoke a harness horse racing permit that has not paid the tax due on the handle for a full live schedule of harness racing for more than 24 consecutive months, unless the failure to operate and pay tax was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. A revoked permit is void and may not be reissued.
- Repeal a provision allowing reissuance of a revoked harness horse permit that has been revoked for nonpayment of taxes.

Section 24 amends s. 550.09514, F.S., relating to greyhound racing taxes and purse requirements, to:

- Remove available tax credits of \$360,000 and \$500,000.
- Require greyhound racing permitholders that conduct live racing during a fiscal year to pay an additional purse amount annually of \$60 for each live race conducted in the preceding fiscal year.
- Delete requirements for purses to equal 75 percent of the daily license fees.
- Require purses to be disbursed weekly during the permitholder's race meet.
- Clarify that the tax rate on handle for intertrack wagering is provided in ch. 2000-354, s. 6, Laws of Fla.

Section 25 amends s. 550.09515, F.S., relating to thoroughbred racing taxes, to:

- Require the division to revoke a thoroughbred racing permit that has not paid the tax due on handle for a full live schedule of thoroughbred horse performances for more than 24 consecutive months, unless the failure to operate and pay tax was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. A revoked permit is void and may not be reissued.
- Repeal a provision that allows reissuance of a thoroughbred horse permit that has been revoked for nonpayment of taxes.

Section 26 amends s. 550.1625, F.S., relating to greyhound racing taxes, to repeal a reference to a greyhound racing permitholder paying the breaks tax.

Section 27 repeals s. 550.1647, F.S., relating to unclaimed, uncashed, or abandoned pari-mutuel tickets which have remained in the custody of a greyhound racing permitholder.

Greyhound Adoption and Reporting of Injuries to Racing Greyhounds

Present Situation:

Section 550.1648, F.S., requires each operating greyhound racing permitholder to provide for a greyhound adoption booth to be located at the track facility. The greyhound adoption booth must

be operated on weekends by personnel or volunteers from a bona fide organization that promotes or encourages the adoption of greyhounds as defined in s. 550.1647, F.S.

Information pamphlets and application forms shall be provided to the public upon request. In addition, the kennel operator or owner shall notify the permitholder that a greyhound is available for adoption, and the permitholder shall provide information concerning the adoption of a greyhound in each race program. Adoption information must be posted at conspicuous locations throughout the track facility. Any greyhound that is participating in a race and that will be available for future adoption must be noted in the race program. The permitholder shall allow greyhounds to be walked through the track facility to publicize the greyhound adoption program.

A greyhound racing permitholder may fund the greyhound adoption program by holding a charity racing day designated as "Greyhound Adopt-A-Pet Day." All profits derived from the operation of the charity day must be placed into a fund used to support activities at the track facility which promote the adoption of greyhounds. Proceeds from this authorized charity day may not be used to pay the amounts required to be paid to a bona fide organization pursuant to s. 550.1647, F.S.

The division may impose a penalty for violations, including suspension or revocation of a permit, and may require the permitholder to take corrective action. Administrative fines may not exceed \$1,000 for each count or separate offense. All fines imposed and collected are deposited into the General Revenue Fund. Imposition of the above penalties does not exclude a prosecution for cruelty to animals or for any other criminal act.

Effect of Proposed Changes:

Section 28 amends s. 550.1648, F.S., to require, as a condition of greyhound adoption, that a bona fide organization must provide sterilization of greyhounds by a licensed veterinarian before relinquishing custody of the greyhound to the adopter; the sterilization fee may be included in adoption cost adoption.

Section 31 creates s. 550.2416, F.S., to require specified, detailed reporting of racing greyhound injuries. The bill requires greyhound track veterinarians to prepare and sign detailed reports under oath, on a form adopted by the division, of all injuries to racing greyhounds that occur while the greyhounds are on a racetrack. Penalties for false reporting are provided.

Pari-Mutuel Permit Reduction Program

Present Situation:

Current law does not provide for the reduction of pari-mutuel permits.

Effect of Proposed Changes:

Section 29 creates s. 550.1752, F.S., to establish a \$20 million pari-mutuel permit reduction program and authorize the division to purchase and cancel active pari-mutuel permits. Funding for the program is provided from revenue share payments made by the Seminole Tribe under the Gaming Compact received by the State after October 31, 2015, (i.e., funds held in reserve related

to banked card games). Funding the program is calculated monthly, until the division determines sufficient funds are available.

A pari-mutuel permitholder may not submit an offer to sell its permit unless it is actively conducting racing or jai-alai required by law and satisfies all applicable permit requirements. The value of the permit must be based upon the permit's fair market value by one or more independent appraisers selected by the division and may not include the value of real estate or personal property. The division may establish a lower value for a permit than the amount determined by the independent appraiser, but not a higher value.

The division must accept the offer or offers that best use the available funding but may also accept offers that it determines are the most likely to reduce gaming in Florida. A permit purchased through the program must be cancelled. This section expires July 1, 2019, unless reenacted.

Thoroughbred Purse Pool Contributions

Present Situation:

Section 550.2625, F.S., describes the requirements for contributions to purses and breeders' and owners' awards by horse racing permitholders (harness, quarter horse, and thoroughbred permitholders).

Thoroughbred racing permitholders must contribute:

- 7.5 percent of all pari-mutuel wagering handle;
- An additional 0.625 percent on thoroughbred racing conducted between January 3 and March 16;
- An additional 0.225 percent on thoroughbred racing conducted between March 17 and May 22; and
- An additional 0.85 percent on thoroughbred racing conducted between May 23 and January 2.¹²⁷

Any thoroughbred permitholder whose total handle on live performances during the 1991-1992 state fiscal year was not greater than \$34 million is not subject to the additional purse payments above 7.5 percent.¹²⁸

A thoroughbred permitholder may withhold from the handle an additional amount equal to one percent on exotic wagering for use as owners' awards, and may withhold from the handle an amount equal to two percent on exotic wagering for use as overnight purses. No permitholder may withhold in excess of 20 percent from the handle without withholding all of the amounts listed above.¹²⁹

A portion of purses generated through intertrack wagering and interstate simulcasting equal to 8.5 percent is used for owners awards; certain thoroughbred permitholders may be exempt from

¹²⁷ Section 550.2625(2)(a), F.S.

¹²⁸ *Id.*

¹²⁹ *Id.*

this requirement.¹³⁰ Each horseracing permitholder conducting any thoroughbred race, including any intertrack or interstate simulcast races taken by the permitholder, must pay a sum equal to 0.955 percent on all pari-mutuel pools conducted during any such races for the payment of authorized breeders', stallion, or special racing awards, including Breeders' Cup races conducted outside Florida.

On any race originating live in this state which is broadcast out-of-state to any location at which wagers are accepted, the host track is required to pay 3.475 percent of the gross revenue derived from such out-of-state broadcasts as breeders', stallion, or special racing awards. The Florida Thoroughbred Breeders' Association is authorized to receive these payments from the permitholders and make payments of awards earned. The Florida Thoroughbred Breeders' Association has the right to withhold up to 10 percent of the permitholder's payments as a fee for administering the payments of awards and for general promotion of the industry.¹³¹

Effect of Proposed Changes:

Section 30 creates s. 550.1753, F.S., to establish a long-term thoroughbred purse supplement program, effective July 1, 2019, to maintain an active and viable live thoroughbred racing, owning, and breeding industry in Florida.

Funding for the program is provided from revenue share payments made by the Seminole Tribe under the Gaming Compact and received by the State after July 1, 2019. Funding for the program is calculated monthly, until the division determines sufficient funds are available; the annual funding is \$20 million. The purse supplement program expires June 30, 2036, the day the proposed 2015 Gaming Compact, as amended, will expire.

Funds are distributed by the division on a pro rata basis based upon the number of live race days to be conducted by each thoroughbred permitholder per its annual racing license. If a permitholder fails to conduct a race day, then the allocated funds associated with that day must be returned to the division, so that it may reapportion the allocation of funds.

See also, **Section 41**, (Slot Machine gaming licensees; live thoroughbred horse racing purse payments), and **Section 50** (lines 3128 - 3148), (Cardrooms; live thoroughbred horse racing purse payments).

Limited Thoroughbred Racing Permits Transfer and Relocation

Present Situation:

The issuance of limited thoroughbred racing permits (through conversion from a quarter horse permit as allowed by ch. 2010-29, Laws of Fla.), is addressed in s. 550.3345, F.S. The State provided a limited opportunity for the conduct of live thoroughbred horseracing, with net revenues dedicated to the enhancement of thoroughbred purses and breeders', stallion, and

¹³⁰ Section 550.2625(2)(e), F.S.

¹³¹ *Id.*

special racing awards under ch. 550, F.S., promotion of the thoroughbred horse breeding industry, and the care of retired thoroughbred horses in Florida.¹³²

Effect of Proposed Changes:

Section 33 amends s. 550.3345, F.S., relating to the issuance of limited thoroughbred racing permits (through conversion from a quarter horse permit as allowed by ch. 2010-29, Laws of Fla.), to:

- Prohibit the transfer of a limited thoroughbred racing permit to another person or entity.
- Remove obsolete language.
- Retain existing law allowing for relocation of the permit but allow relocation to another county without a referendum, if the permit “is situated in such a manner that it is located in more than one county.” A relocation remains subject to the requirement in s. 550.3345(2)(d), F.S., that the relocation be approved under zoning and land use regulations in the new county or municipality.

Leasing of Pari-mutuel Facilities

Present Situation:

Section 550.475, F.S., allows a pari-mutuel permitholder with a valid permit for the conduct of any jai alai games, greyhound racing, or thoroughbred and harness (Standardbred) horse racing in this state to lease any and all of its facilities to any other permitholder of a same class with a valid permit for jai alai games, greyhound racing, or thoroughbred or harness (Standardbred) horse racing, when located within a 35-mile radius of each other, and the lessee is entitled to a permit and license to operate its race meet or jai alai games at the leased premises.

Effect of Proposed Changes:

Section 35 amends s. 550.475, F.S., to prohibit a permitholder from leasing facilities from another permitholder that is not conducting a full schedule of live racing.¹³³

Thoroughbred Permitholder Applications for Operating Licenses

Present Situation:

Section 550.5251, F.S., regulates the applications for thoroughbred permitholders, which are required annually.

¹³² See s. 550.2625(3), F.S.

¹³³ According to information in the 2015-2016 latest available Fiscal Year Annual Report from the Division of Pari-Mutuel Wagering, available at <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2015-2016--85th--20170125.pdf>, at pp 29 - 33 of the online Annual Report (equivalent to pp. 25- - 29 of the printed Annual Report) (last visited Feb. 7, 2017), both Jacksonville Kennel Club and Bayard Raceways (St. Johns Greyhound Park) conduct races at Orange Park Kennel Club; H&T Gaming conducts racing at Mardi Gras; Palm Beach Greyhound Racing conducts racing at Palm Beach Kennel Club; Tampa Greyhound conducts races at St. Petersburg Kennel Club (Derby Lane); West Volusia Racing conducts races at Daytona Beach Kennel Club; Dania Summer Jai Alai conducts games at Dania Jai Alai; Tropical Park conducts races at Calder Race Course.

Effect of Proposed Changes:

Section 36 repeals s. 550.5251(1), F.S., which requires thoroughbred permitholders to annually file applications to conduct race meetings that specify the number and dates of all performances that the permitholder intends to conduct. **Section 17** amends s. 550.01215(1), F.S., to require all pari-mutuel permitholders to apply for an annual operating license. In addition, certain thoroughbred permitholders may elect not to conduct live racing, as provided under **Section 17**.

Intertrack Wagering and Simulcast Wagering*Present Situation:*

Section 550.615(2), F.S., allows any permitholder that has conducted a full schedule of live racing in the preceding year to receive broadcasts and accept wagers on any type of pari-mutuel race or game conducted by other licensed pari-mutuel permitholders in the state. This type of wagering is defined as “intertrack wagering.”¹³⁴

Wagering on a simulcast event occurs when a wager is placed on: (1) a live race or game that is broadcast outside the state from an in-state location, or (2) a live race or game that occurs outside the state but is broadcast to a permitholder in the state.¹³⁵

Effect of Proposed Changes:

Section 34 amends s. 550.3551, F.S., relating to transmission of racing and jai alai information, to remove an outdated reference and to remove a reference to live racing requirements for intertrack wagering by harness horse permitholders.

Section 37 amends s. 550.615, F.S., relating to intertrack wagering, to specify which tracks or frontons may receive broadcasts of any type of race or game and accept wagering on them. Only tracks that have conducted a full schedule of live racing for at least five consecutive years since 2010 may receive such broadcasts. Section 550.615(4), F.S., is amended to provide that a greyhound racing permitholder which accepts intertrack wagers is not required to obtain the written consent of another greyhound racing permitholder within its market area.

Section 550.615(9), F.S., is created to address the acceptance of pari-mutuel wagers by a greyhound racing permitholder that has conducted a full schedule of live racing for at least five consecutive years since 2010, but has requested and been issued an operating license that specifies no live racing will be conducted. Wagering on live races conducted at out-of-state greyhound tracks may be accepted but only on the days when the permitholder receives broadcasts of all live races that any Florida greyhound host track makes available.

Current subsections (6) and (7) of 550.615, F.S., are amended to delete provisions that:

- Limit intertrack wagering where there are three or more horserace permitholders within 25 miles of each other, and require the consent of a permitholder where there are only two permits (greyhound racing and jai alai) in the county; and

¹³⁴ Section 550.002(17), F.S.

¹³⁵ Section 550.002(32), F.S.

- Require a greyhound racing permitholder that accepts intertrack wagers on live greyhound signals to obtain written consent from any operating greyhound racing permitholder within its market area.

Limited Intertrack Wagering License

Present Situation:

Under s. 550.6308, F.S., a limited amount of intertrack wagering is authorized by statute for one permanent thoroughbred sales facility.¹³⁶ 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 one day of nonwagering thoroughbred racing in this state, with a purse structure of at least \$250,000 per year for two 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; or
 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.¹³⁷ The licensee must pay 2.5 percent of total wagers on jai alai or greyhound racing to thoroughbred permitholders operating live races for purses.¹³⁸

Effect of Proposed Changes:

Section 38 amends s. 550.6308, F.S., to:

- Reduce the required number of days of sales to eight days from fifteen days; and
- Remove the requirement to conduct at least one day of nonwagering thoroughbred racing with a \$250,000 purse per year for two consecutive years.

Certain restrictions and requirements for intertrack wagering are deleted, including the requirements that intertrack wagering must be conducted:

- For up to 21 days in connection with sales;
- Between November 1 and May 8;
- Only with the consent of other permitholders that run live racing in the county, between May 9 and October 31; and
- During the weekend of the Kentucky Derby, the Preakness, the Belmont, and a Breeders' Cup Meet conducted after May 8 and before November 1.

¹³⁶ Section 550.6308, F.S.

¹³⁷ See s. 550.6308(4), F.S.

¹³⁸ See s. 550.6308(5), F.S.

The following requirements imposed on the limited intertrack wagering permitholder are deleted:

- That intertrack wagering must be conducted only on thoroughbred racing unless the consent of all thoroughbred, jai alai, and greyhound racing permitholders in the same county is obtained; and
- That a contribution to a purse pool of 2.5 percent be made for intertrack wagering on greyhound or jai alai.

Slot Machines, Thoroughbred Purse Pools, and Horsemen’s Agreements

Present Situation:

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.¹³⁹ Currently eight facilities in Miami-Dade and Broward Counties are authorized to operate slot machines. Voters in each county approved slot machine facilities after an amendment to the State Constitution was approved in 2004.¹⁴⁰

The Florida Supreme Court has under review, in *Gretna Racing, LLC v. Department of Business and Professional Regulation, Division of Pari-mutuel Wagering*, whether additional licenses to conduct slot machine gaming may be issued for pari-mutuel locations in counties other than Broward and Miami-Dade Counties.¹⁴¹ The case before the Florida Supreme Court is an appeal of a decision by the First District Court of Appeal (First DCA) which affirmed the denial by the division of Gretna Racing’s application for a license to conduct slot machine gaming that was filed by Gretna Racing in 2013.¹⁴² Gretna Racing’s facilities are located in Gadsden County, which held a countywide non-binding vote, in which a majority of the voters favored slot machines at pari-mutuel facilities in the county.¹⁴³ The First DCA held that “nothing in the language, structure, or history of slot machine legislation, . . . provides authorization for the holding of slot machine referenda in counties other than Miami-Dade and Broward counties,” including the Gadsden County referendum.¹⁴⁴

Effect of Proposed Changes:

Section 39 amends s. 551.101, F.S., to allow eligible slot machine facilities to conduct slot machine gaming pursuant to a pari-mutuel permit or license issued pursuant to s. 551.1043 (*see Section 43*) and to delete provisions referring to the eligibility requirements for a slot machine license under the state constitution.

Section 40 amends the definition of “eligible facility” in s. 551.102, F.S., for the conduct of slot machine gaming to include (1) any licensed pari-mutuel facility or (2) any facility authorized to

¹³⁹ See ch. 551, F.S., relating to the regulation of slot machine gaming at pari-mutuel locations.

¹⁴⁰ See FLA. CONST., art. IX, s. 23 (1968).

¹⁴¹ For information about the documents filed by the parties, *see*

http://jweb.flcourts.org/pls/docket/ds_docket?p_caseyear=2015&p_casenum=1929&psCourt=FSC&psSearchType= (last visited Jan. 23, 2017).

¹⁴² See *Gretna Racing, LLC v. Dep’t of Bus. & Prof’l Regulation, Div. of Pari-Mutuel Wagering*, 178 So. 3d 15 (Fla. 1st DCA 2015).

¹⁴³ *Id.* at p. 16.

¹⁴⁴ *Id.*

conduct slot machine gaming pursuant to s. 551.1043, F.S., (*see* **Section 43**), either of which meets the requirements of s. 551.104(2) (*see* **Section 41**). The bill also amends the definitions of “slot machine license” and “slot machine licensee” to include a licensee authorized under s. 550.1043, F.S.

Section 41 amends s. 551.104, F.S., to:

- Authorize approval by the division of applications for a license to conduct slot machine gaming for:
 - The seven pari-mutuel facilities in Miami-Dade and Broward Counties that existed when the State Constitution was amended and slot machines in these counties were approved by county referenda;
 - A licensed pari-mutuel facility, if slot machines in the county are approved by voters in a countywide referendum, and if the permitholder conducted a full schedule of live racing for two consecutive years immediately preceding its application;¹⁴⁵
 - The additional authorized slot machine gaming facilities (one in Miami-Dade County and one in Broward County (*see* **Section 43**)); or
 - Pari-mutuel facilities (except the seven pari-mutuel facilities in Miami-Dade and Broward Counties) by referendum if associated with a public-private partnership.
- Disqualify permitholders from receiving a slot machine license, if a permitholder includes, or previously included, an ultimate equitable owner whose permit was voluntarily or involuntarily surrendered, suspended, or revoked by the division within 10 years before the date of the permitholder’s application for a slot machine license.
- Revise conditions for licensure and for maintaining continued authority for conducting slot machine gaming to reflect that certain pari-mutuel permitholders are authorized to discontinue conducting live racing or games (i.e., decouple).

If a slot machine licensee is not running a full schedule of live racing under its pari-mutuel permit, then the licensee must contribute the lesser of \$2 million or three percent of the permitholder’s prior fiscal year slots revenue to the thoroughbred purse pool created in s. 551.104(c)(2), F.S. This requirement is repealed July 1, 2036 (the day after the proposed 2015 Gaming Compact ends). The purse pool is for the benefit of slot machine licensees that conduct at least 160 days of live thoroughbred racing. There is a dollar-for-dollar credit for payments made to a horsemen’s association under a binding written agreement entered into by the permitholder pursuant to s. 551.104(10), F.S. The requirement in existing law for a thoroughbred racing permitholder to have a horsemen’s agreement governing the payment of purses on live thoroughbred racing does not apply to a summer thoroughbred racing permitholder. *See* also, **Section 30**, (Thoroughbred Purse Supplement Program), and **Section 50** (lines 3128 - 3148), (Cardrooms; live thoroughbred horse racing purse payments).

- Allow live racing or games to be conducted at a leased facility of a permitholder pursuant to s. 550.475, F.S, if the leasing permitholder has operated its live races or games by lease for at least 10 consecutive years prior to its slot machine license application.
- Delete the requirement that a quarter horse racing permitholder have a horsemen’s agreement governing the payment of purses on live quarter horse races.

¹⁴⁵ As of November 2016, eight counties have adopted referenda approving slot machines: Brevard, Duval, Gadsden, Hamilton, Lee, Palm Beach, St. Lucie, and Washington.

Section 42 creates s. 551.1042, F.S., to prohibit the relocation of a slot machine facility.

Section 43 creates s. 551.1043, F.S., to provide two additional slot machine licenses in Broward County or a county as defined in s. 125.011, F.S.,¹⁴⁶ for the purpose of enhancing live pari-mutuel activity. Only one of these licenses may be issued in each county.

Any person that is not a slot machine licensee may apply for one of the two additional licenses, upon payment of a \$2 million nonrefundable application fee. The fee must be used by the division and the Department of Law Enforcement for investigations, the regulation of slot machine gaming, and the enforcement of slot machine gaming under ch. 551, F.S. In the event of a successful award of the license to a licensee, the license application fee will be credited against the license application fee required by s. 551.106, F.S.

If there is more than one applicant for the additional slot machine gaming license in a county, the license will be awarded by the division to the applicant that receives the highest score based on legislatively specified criteria; however, the relative value or points the division must assign to the selection criteria are not specified.

The division must complete its evaluations at least 120 days after the submission of applications and notice its intent to award the license within that time. Any protest of the intent to award the license will be heard by the Division of Administrative Hearings under an expedited schedule. Any appeal of a license denial must be made to the First District Court of Appeal and must be accompanied by the posting of a supersedeas bond in an amount determined by the division to be equal to the projected annual slot machine revenue to be generated by the successful licensee.

The division is authorized to adopt emergency rules to implement this section.

The additional slot machine gaming licensees are authorized to operate a cardroom and to operate up to 25 house banked blackjack tables notwithstanding that the licensee does not have a pari-mutuel permit, under the same wagering requirements and tax rate as set forth in **Section 45**, and are exempt from ch. 550 (Pari-Mutuel Wagering). The licensees are also exempt from certain requirements relating to pari-mutuel permitholders operating a slot machine facility which are contained in s. 551.104(3), (4)(b) and (c)(1), (5), and (10), and s. 551.114(4), F.S.

An applicant shall submit an application to the division, with the same disclosures as required of persons seeking to conduct pari-mutuel wagering in the state. Any person prohibited from holding any horseracing or greyhound permit or jai alai fronton permit pursuant to s. 550.1815, F.S., is ineligible to apply for the additional slot machine license.

¹⁴⁶ Currently, the only county that meets the definition in s. 125.011, F.S., is Miami-Dade County.

House Banked Blackjack

Present Situation:

The conduct of house banked blackjack is authorized pursuant to the 2010 Gaming Compact only at five of the seven¹⁴⁷ tribal casinos the Seminole Tribe for a five-year period that ended on August 31, 2015.

The playing of house banked blackjack under limited circumstances is an exception to the exclusivity provided to the Seminole Tribe under the proposed 2015 Gaming Compact.¹⁴⁸ Not more than fifteen blackjack card game tables are authorized, limited to the locations of the eight pari-mutuel facilities in Broward and Miami-Dade Counties (the Broward and Miami-Dade slot machine facilities), provided the facility has a current operating license for Fiscal Year 2015-2016.¹⁴⁹

Other limitations on the conduct of house banked blackjack in pari-mutuel facilities under the proposed 2015 Gaming Compact include:

- The maximum bet allowed for such games may not exceed \$15.00 for each initial two-card wager;
- All wagers on splits and/or double downs may not exceed the initial two-card wager;
- With the exception of a single side bet of not more than \$1.00, no bonus or progressive components are permitted;
- Each blackjack card game table must have a maximum of seven betting spots;
- Such licenses may not be transferred or otherwise used to move or operate blackjack card game tables at any other location; and
- The operation of blackjack card tables must be approved by a county-wide referendum held after the effective date of the proposed 2015 Gaming Compact.

In addition under the proposed 2015 Gaming Compact, the Broward and Miami-Dade slot machine facilities may be authorized by state law to add not more than ten additional blackjack card game tables at each such facility, subject to all of the above limitations above, except that the maximum bet allowed for the additional blackjack card game tables shall not exceed \$25.00 for each initial two-card wager. These ten additional blackjack card game tables may not be authorized until the fiscal year after the combined total of all annual revenue generated by the Seminole Tribe from its banking or banked card games at its facilities in Broward County and all blackjack card game tables operated by the pari-mutuel facilities in Broward and Miami-Dade Counties has increased by at least 40 percent above the revenue generated by such banking or banked card games and blackjack card tables during the "base fiscal year."¹⁵⁰

¹⁴⁷ See the executed 2010 Gaming Compact available at http://www.myfloridalicense.com/dbpr/pm/w/documents/2010_Compact-Signed1.pdf (last visited Jan. 23, 2017). The 2010 Gaming Compact provides that banking or banked card games may not be offered at the Brighton or Big Cypress facilities unless and until the state allows any other person or entity to offer those games, as set forth in paragraph F.2. of Part III of the 2010 Gaming Compact, at page 4. In addition, in paragraph B of Part XVI, at page 49, the period of authorization to conduct table games is five years. F

¹⁴⁸ See subparagraph 3 of paragraph C of Part XII of the proposed 2015 Gaming Compact at pp. 46-47.

¹⁴⁹ *Id.*

¹⁵⁰ The "base fiscal year" means the first fiscal year after both of the following conditions have been satisfied: (a) the Broward and Miami-Dade slot machine facilities have each offered 15 blackjack card tables for a full fiscal year, and (b) the

Changes to the tax rate paid to the state by pari-mutuel permitholders for the operation of slot machines and/or blackjack will not violate the exclusivity granted to the Seminole Tribe, provided that the effective tax rate is not less than 25 percent.¹⁵¹

Effect of Proposed Changes:

Section 44 creates s. 551.1044, F.S., to authorize house banked blackjack table games, with a maximum of 25 such tables at each facility, at:

- The seven facilities in Miami-Dade and Broward counties that are eligible under the slot machines constitutional amendment where live racing or games were conducted during calendar years 2002 and 2003; and
- The facility located in a county defined under s. 125.011, F.S., where a full schedule of live horse racing has been conducted for two consecutive years.

Each of the two new slot machine gaming facilities authorized under **Section 43** also could operate the same number of house banked blackjack tables.

Wagers may not exceed \$100 for each initial two-card wager. Subsequent wagers on splits or double downs are allowed, but may not exceed the initial two-card wager. Single side bets of not more than \$5 are also allowed.

Each pari-mutuel permitholder offering banked blackjack (as well as the two new slot machine gaming facilities authorized under **Section 43**) must pay a tax to the state of 25 percent of the blackjack operator's monthly gross receipts.

Slot Machines Tax Rate Reduction

Present Situation:

The tax rate on slot machine revenues is 35 percent pursuant to s. 550.106(2), F.S. 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. All revenue from slot machine gaming is deposited into the Educational Enhancement Trust Fund of the Department of Education.

Tribe's expansion projects at the Seminole Hard Rock Hotel & Casino - Tampa and Seminole Hard Rock Hotel & Casino - Hollywood have been fully completed and are open to the public. *See* subparagraph 3 of paragraph C of Part XII of the proposed 2015 Gaming Compact at p. 66-47.

¹⁵¹ If the effective tax rate on the operation of slot machines and/or blackjack is less than 25%, then the Seminole Tribe shall be relieved of its obligations to make guaranteed minimum payments and any further guaranteed revenue sharing cycle payment, but instead shall make payments to the state for all future revenue sharing cycles based on the percentage payments in the proposed 2015 Gaming Compact, exclusive of all revenue generated by slot machines at the Seminole Tribe's facilities in Broward County. *See* subparagraph 1 of paragraph F of Part XII of the proposed 2015 Gaming Compact at pp. 51-52.

Effect of Proposed Changes:

Section 45 amends s. 551.106, F.S., to:

- Reduce the tax on slot machine revenues from 35 percent to 25 percent.
- Remove obsolete language relative to the slot machine license fee for Fiscal Year 2010-2011.
- Provide that slot machine revenues associated with a slot machine licensee licensed because it is associated with a public-private partnership be deposited into the Pari-mutuel Wagering Trust Fund and that 90 percent of those revenues be transferred to the Educational Enhancement Trust Fund and 10 percent be transferred to the responsible public entity for the public-private partnership of the licensee.

Slot Machine Regulations*Present Situation:*

Section 551.108, F.S., prohibits contracts that provide for revenue sharing calculated on a percentage of slot machine revenues.

Provisions in ss. 551.114, 551.116 and 551.121, F.S., (1) require that slot machine licensees display pari-mutuel races or games to slot machine patrons in slot machine gaming areas; (2) require that slot machine gaming areas be within current live gaming areas or within a building contiguous or connected to the live gaming area; (3) limit slot machine gaming to 18 hours per day, Monday through Friday, and 24 hours on Saturdays and Sundays; and (4) prohibit serving complimentary or reduced cost alcoholic beverages to persons playing slot machines.

Effect of Proposed Changes:

Section 46 amends s. 551.108, F.S., relating to prohibited relationships, to address contracts between slot machine licensees and a manufacturer or distributor and to exempt contracts related to a progressive system used in conjunction with slot machines to allow a revenue sharing provision.

Section 47 amends s. 551.114, F.S., to require slot machine licensees to display pari-mutuel races or games and offer slot machine patrons the ability to engage in wagering on live, intertrack, and simulcast races conducted or offered to patrons “if such races or games are available to the slot machine licensee.” The revised requirement is conditioned upon whether the races or games “are available” to the licensee; however, the term “are available” is not defined.

A limitation on the location of slot machine gaming areas is revised to allow a gaming area to be located anywhere within the property described in the licensee’s pari-mutuel permit. Existing law requires that a gaming area be located within the live gaming facility or in an existing building that is contiguous and connected to the facility.

Section 48 amends s. 551.116, F.S., to extend the number of hours that a slot machine gaming area may be open on weekdays, from 18 hours to 24 hours, the same allowed for weekend operating hours.

Section 49 amends s. 551.121, F.S., to allow complimentary or reduced-costs alcoholic beverages to be served to a person playing a slot machine and allow slot machine licensees to authorize automatic teller machines (ATMs) or similar devices designed to provide credit or dispense cash, to be located in the gaming area.

Cardrooms and Designated Player Games

Present Situation:

Chapter 849, F.S., authorizes cardrooms at certain pari-mutuel facilities.¹⁵² In Fiscal Year 2016-2017, 24 cardrooms are authorized to operate.¹⁵³ Cardrooms are operated by 14 greyhound permitholders, four jai alai permitholders, one harness horse permitholder, three quarter horse permitholders, and two thoroughbred permitholders.¹⁵⁴ A license to offer pari-mutuel wagering, slot machine gaming, or a cardroom at a pari-mutuel facility is a privilege granted by the state.¹⁵⁵

Section 849.086, F.S., provides that a licensed pari-mutuel permitholder that holds a valid pari-mutuel permit and license to conduct a full schedule of live racing or games may hold a cardroom license authorizing the operation of a cardroom and the conduct of authorized games at the cardroom. An authorized game is a game or series of games of poker or dominoes.¹⁵⁶ Such games must be played in a non-banking manner, where the participants play against each other, instead of against the house (cardroom). At least four percent of the gross cardroom receipts of greyhound racing permitholders and jai alai permitholders must be used to supplement greyhound purses, and quarter horse permitholders must also have a contract with a horsemen's association governing the payment of purses on live quarter horseraces conducted by the permitholder.¹⁵⁷

Renewal of a cardroom license requires that a permitholder must, in its annual pari-mutuel license application, request to conduct at least 90 percent of the performances conducted either (1) in the year in which its first cardroom license was issued, or (2) in the state fiscal year immediately prior to the application if a full schedule of live racing was conducted.¹⁵⁸ If more

¹⁵² Section 849.086, F.S. 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.

¹⁵³ See <http://www.myfloridalicense.com/dbpr/pmw/documents/MAP-Permitholders--WITH--2016-2017-OperatingLicenses-2016-07-15.pdf> (last visited Jan. 23, 2017).

¹⁵⁴ Cardroom locations, by class of permit held are: (1) greyhound racing: Bonita Springs (Lee Co.), Daytona Beach (Volusia Co.), Ebro (Washington Co.), Hallandale Beach (Broward Co.), Melbourne (Brevard Co.), Miami (Miami-Dade Co.) Orange Park (Clay Co.), Pensacola (Escambia Co.), St. Petersburg (Pinellas Co.), and West Palm Beach (Palm Beach. Co.); (2) jai alai: Dania Beach (Broward Co.), Ft. Pierce (St. Lucie Co.), Miami (Miami-Dade Co.), and Reddick (Marion Co.); (3) quarter horse: Gretna (Gadsden), Hialeah (Miami-Dade Co.) and Summerfield (Marion Co.); and (4) thoroughbred racing: Hallandale Beach (Broward Co.), and Tampa (Hillsborough Co.).

¹⁵⁵ 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." See also *Solimena v. State*, 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), review denied, 412 So.2d 470, which states "Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right," citing *State ex rel. Mason v. Rose*, 122 Fla. 413, 165 So. 347 (1936).

¹⁵⁶ See s. 849.086(2)(a), F.S.

¹⁵⁷ See s. 849.086(13)(d), F.S.

¹⁵⁸ See s. 849.086(5)(b), F.S.

than one permitholder is operating at a facility, each permitholder must have applied for a license to conduct a full schedule of live racing.¹⁵⁹

Eleven of the 12 greyhound racing locations have cardrooms. As a result of the “90 percent rule,” the required minimum of live performances varies among greyhound racing permitholders, from 93 to 394 performances.¹⁶⁰

There is only one harness horse permitholder, and it has a cardroom. The permitholder must request authorization to conduct a minimum of 140 live performances during the state fiscal year immediately prior to its application for an operating license.¹⁶¹ As a result of the “90 percent rule,” the required minimum of live performances for the harness horse permitholder is 126 performances.¹⁶²

Four of the six jai alai permitholders have cardrooms. As a result of the “90 percent rule,” the required minimum of live performances varies among jai alai permitholders, from 36 to 150 performances.¹⁶³

Three of the five quarter horse permitholders have cardrooms. As a result of the “90 percent rule,” the required minimum of live performances varies among quarter horse permitholders, from 18 to 40 performances.¹⁶⁴

Two of the three thoroughbred permitholders have cardrooms. As a result of the “90 percent rule,” the required minimum of live performances varies among thoroughbred racing permitholders, from 40 to 81 performances.¹⁶⁵

If more than one permitholder is operating at a facility, each permitholder must have applied for a license to conduct a full schedule of live racing.¹⁶⁶

Banking games are defined as those in which the house is a participant.¹⁶⁷ Designated player¹⁶⁸ games, if conducted as defined in Rule 61D-11.002(5), F.A.C., are not considered by the DBPR to be banking games. A designated player game is not authorized if it is not played in compliance with house rules required to be available for review by players or the division, which must:

- Establish uniform requirements to be a designated player;
- Ensure that the dealer button rotates clockwise around the card table for each hand, so that all players desiring to be a designated player have the opportunity to do so; and

¹⁵⁹ *Id.*

¹⁶⁰ Telephone interview with division staff (Jan. 23, 2017).

¹⁶¹ *See* s. 849.086(5)(b), F.S.

¹⁶² *Id.*

¹⁶³ *Id.*

¹⁶⁴ *Id.*

¹⁶⁵ *Id.*

¹⁶⁶ *See* s. 849.086(5)(b), F.S.

¹⁶⁷ Section 849.086(2)(b), F.S.

¹⁶⁸ Rule 61D-11.001(17), F.A.C., defines “designated player” as the “player identified by the button as the dealer in the player position.”

- Not require the designated player to cover all potential wagers.¹⁶⁹

The conducting of designated player games by cardroom operators is one of the issues in the federal court litigation between the State of Florida and the Seminole Tribe of Florida (Seminole Tribe); the federal district court (trial) decision was appealed by the State to the United States Court of Appeals for the Eleventh Circuit on January 19, 2017. The U.S. district court found that the exclusivity granted to the Seminole Tribe was reduced by the State's actions to allow designated player games because such games violated the exclusivity granted to the Seminole Tribe as to banked card games in the 2010 Gaming Compact. As a result, the court held the 2010 Gaming Compact allows the Seminole Tribe to conduct banked card games at all seven of its gaming facilities, for the Compact's full 20-year term (through July 31, 2030). The 2010 Gaming Compact permitted the Seminole Tribe to conduct banked card games at only five of its seven gaming locations for five years, unless the State authorized others to conduct banked games.¹⁷⁰ (See section on *Federal Litigation Regarding 2010 Gaming Compact*, above.)

The playing of poker in a nonbanking manner pursuant to state law¹⁷¹ is an exception to the exclusivity provided to the Seminole Tribe under the proposed 2015 Gaming Compact; however, any game “that involves banking by the house or any player, other than Designated Player Games . . .”¹⁷² is not authorized. A designated player is defined in the proposed 2015 Gaming Compact as “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.”¹⁷³

Designated player game(s) are defined in the proposed 2015 Gaming Compact as “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,” and the ranking of poker hands in such games must be consistent with the definition of traditional poker hand rankings provided in Hoyle's Modern Encyclopedia of Card Games, 1974 Ed.¹⁷⁴

The following conditions apply to designated player games at cardrooms under the proposed 2015 Gaming Compact:¹⁷⁵

- The maximum wager in any such designated player game may not exceed \$25;
- A player participating as a designated player must occupy a playing position at the table;
- Each player participating in a designated player game must be offered, in a clockwise rotation, the opportunity to be the designated player after each hand;
- Any player participating as a designated player for thirty (30) consecutive hands must subsequently play as a non-designated player for at least two (2) consecutive hands before resuming play as a designated player;

¹⁶⁹ See Rules 61D-11.002(3) and (5), F.A.C.

¹⁷⁰ See *Seminole Tribe of Florida v. State of Florida*, 2016 U.S. Dist. LEXIS _____ (N.D. Fla. Nov. 9, 2016) Case No.: 4:15-cv-516-RH/CAS, Document 103. at p. 19.

¹⁷¹ Section 849.086(2)(a), F.S.

¹⁷² See subparagraph 7 of paragraph C of Part XII of the proposed 2015 Gaming Compact at pp. 48-49.

¹⁷³ *Id.* at paragraph I of Part III of the proposed 2015 Gaming Compact at p. 5.

¹⁷⁴ *Id.* at paragraph J of Part III of the proposed 2015 Gaming Compact at p. 5.

¹⁷⁵ *Id.* at subparagraph 7 of paragraph C of Part XII of the proposed 2015 Gaming Compact at pp. 48-49.

- Designated players may not be required to cover more than ten (10) times the minimum posted bet for players seated during any one game;
- Pari-mutuel locations that offer slot machines and/or Video Race Terminals¹⁷⁶ may not offer designated player games; and
- Pari-mutuel cardroom locations offering designated player games may not have designated player game tables in excess of 25 percent of the total poker tables authorized at that cardroom.

Effect of Proposed Changes:

Section 50 amends s. 849.086, F.S., to:

- Allow operation 24 hours daily, (currently 8 hours Monday through Friday and 24 hours on Saturday and Sunday); the same hours that a slot machine gaming area may be open pursuant to the amendments in Section 48.
- Remove the ability of a permitholder to amend a renewal application for a cardroom.
- Delete the 90 percent rule in existing law mandating the minimum number of races that must be conducted by a permitholder to renew a cardroom license.
- Require that a permitholder conducting less than a full schedule of live racing or games have a contract with a thoroughbred permitholder that conducts live racing and does not possess a slot machine gaming license; the contract must provide that the (decoupled) permitholder will pay four percent of gross cardroom receipts to the thoroughbred permitholder for use as purses during its next racing meet. See also, Section 30, (Thoroughbred Purse Supplement Program) and Section 41, (Slot Machine gaming licensees; live thoroughbred horse racing purse payments).
- Provide that a designated player game is not a banking game, and that a designated player is the player in the dealer position seated at a traditional player position who pays winning players and collects from losing players.

A designated player game is defined as “a game in which the players compare their cards only to the cards of the designated player or to a combination of cards held by the designated player and cards common and available for play by all players.” All cardroom operators may offer designated player games.

The cardroom operator may not serve as a designated player but may collect a rake as posted at the table. If there are multiple designated players at a table, the dealer button must be rotated clockwise after each hand. A cardroom operator may not allow a designated player to pay an opposing player who holds a lower ranked hand.

Prohibited activities are revised to address banking game issues. A designated player game is deemed a banking game if any of the following elements apply:

¹⁷⁶ The offering of video race terminals is permitted to certain permitholders in limited conditions as an exception to exclusivity granted to the Seminole Tribe under the proposed 2015 Gaming Compact; “Video Race Terminal” means “an individual race terminal linked to a central server as part of a network-based video game, where the 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 of Pari-Mutuel Wagering as complying with all of the following requirements” See subparagraph 4 of paragraph C of Part XII of the proposed 2015 Gaming Compact at pp. 47-48 and paragraph KK of Part III of the proposed 2015 Gaming Compact at page 14.

- Any designated player is required by the rules of a game or by the rules of a cardroom to cover all wagers posted by opposing players;
- The dealer button remains in a fixed position without being offered for rotation;
- The cardroom, or any cardroom licensee, contracts with or receives compensation other than a posted table rake from any player to participate in any game to serve as a designated player; and
- In any designated player game in which the designated player possesses a higher ranked hand, the designated player is required to pay on an opposing player's wager who holds a lower ranked hand.

Transfer or relocation of a cardroom is prohibited.

Revocation of Pari-Mutuel Permits

Present Situation:

Section 550.1815, F.S., addresses the revocation and suspension of pari-mutuel permits, and provides that the division must refuse to issue or renew, or suspend as appropriate, any permit if the permitholder or affiliated persons has been convicted of a felony in Florida or in any other state, or convicted of a felony under the laws of the United States.

The permit of a harness horse permitholder or thoroughbred horse permitholder who does not pay tax on handle for live performances for a full schedule of live races during any two consecutive state fiscal years is void and escheats to and becomes property of the state, unless the failure to operate and pay tax on handle is the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control.¹⁷⁷ Financial hardship to the permitholder does not, in and of itself, constitute just cause for failure to operate and pay tax on handle.¹⁷⁸

Effect of Proposed Changes:

Section 51 provides that the division must revoke any permit to conduct pari-mutuel wagering if a permitholder has not conducted live events within the 24 months preceding the effective date of the bill, unless the permit is a limited thoroughbred racing permit that was issued under s. 550.3345, F.S. A permit revoked for failure to conduct live events within the 24 months preceding the effective date of the bill may not be reissued.

Directives to Division of Law Revision and Information

Section 52 directs the Division of Law Revision and Information to replace references to the "effective date of this act" throughout the bill with the actual date the bill is effective.

¹⁷⁷ Section 550.09512(3), F.S. and s. 550.09515(3), F.S.

¹⁷⁸ *Id.*

Effective Dates

Section 53 provides that except for section 4, 15, and section 53, which are effective upon becoming a law, this act:

- Is effective only if the proposed 2015 Gaming Compact, as amended as required in Section 4, is approved, or deemed approved, by the United States Department of Interior pursuant to the Indian Gaming Regulatory Act; and
- Takes effect upon the date that the approved compact is published in the Federal Register.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

SB 8 has not been reviewed by the Revenue Estimating Conference.

The bill requires the proposed 2015 Gaming Compact between the Seminole Tribe of Florida (the Seminole Tribe) and the State of Florida, executed by the Seminole Tribe and the Governor on December 7, 2015, (the proposed 2015 Gaming Compact) be amended to incorporate additional exceptions from the exclusivity to be provided to the Seminole Tribe under the proposed 2015 Gaming Compact, without any impact or change to the payments to the state under the proposed 2015 Gaming Compact. Whether the Seminole Tribe will agree to the amendments to the proposed 2015 Gaming Compact required by the bill is unknown.

With two exceptions, SB 8 is effective only if the proposed 2015 Gaming Compact, as amended, is approved or “deemed approved” by the United State Department of Interior under the Indian Gaming Regulatory Act of 1988. The bill takes effect upon the date that the approved compact is published in the Federal Register. Whether the U. S. Department of Interior will approve the proposed 2015 Gaming Compact, as amended, and publish the required notice also is unknown.

SB 8 is similar to SBs 7072 and 7074 from the 2016 Regular Session and also contains provisions similar to CS/SB 832 from the 2016 Regular Session. During the 2016 Regular Session, the Revenue Estimating Conference held an impact conference on SBs

7072 and 7074 (2016). The Conference determined that the overall impact of SBs 7072 and 7074 was plus or minus indeterminate “[b]ecause [the bills’] provisions contemplate a significant renegotiation of the Compact executed by the Governor and the [Seminole] Tribe on December 7, 2015, [and] the final impact to the state from the interaction of the two bills is currently unknown.” The Conference did not hold an impact conference on CS/SB 832 (2016).

In addition to those provisions of the bill that were reviewed during the 2016 Regular Session, SB 8 provides for the regulation of fantasy contests by a newly-created Office of Amusements within the DBPR. Contest operators are required to pay initial license application fees and annual license renewal fees which will generate positive but indeterminate revenue to the state.

Accordingly, the fiscal impact of SB 8 is likely to be indeterminate, as well.

However, during the 2016 Regular Session, the Revenue Estimating Conference estimated the impacts of individual elements of SB 7072 (2016). The impacts of the individual elements of SB 7072 (2016) included within SB 8 are shown below, with the following caveats:

- The impact analysis for SBs 7072 and 7074 was based on revenue forecasts from December 2015 that have been subsequently revised.
- The impact analysis for SBs 7072 and 7074 was based on one potential new slots gaming facility in Miami-Dade , while SB 8 includes the potential for new slots gaming facilities in Broward and Miami-Dade.
- The impact analysis for SBs 7072 and 7074 assumed six referendum counties would add slots facilities; there are now eight.
- While Blackjack was authorized for certain facilities in SBs 7072 and 7074, it was not clear how it would be taxed or what tax rate would apply. SB 8 establishes a tax rate of 25 percent of the blackjack operator’s monthly gross receipts.

When taken into consideration, the caveats described above produce both independent and interactive effects that will change the estimates developed in 2016.

SB 8 Fiscal Impact (based upon Fiscal Impact of SB 7072 (2016))¹			
<ul style="list-style-type: none"> Assuming proposed 2015 Gaming Compact Payments are unchanged All estimates are compared to current estimates, including 2010 Gaming Compact revenues 			
Issue	First Fiscal Year after USDOJ approval of proposed 2015 Compact, as amended (\$ millions)	Recurring Impact 5th Fiscal Year after USDOJ approval of proposed 2015 Compact, as amended (\$ millions)	Affected Fund
Indian Gaming Revenue from ratification of proposed 2015 Compact, as amended²	201.3	342.7	GR
Slot Machine Tax Rate Reduction	(55.8)	(59.2)	EETF
New Slot Machine Facilities in Referendum Counties ³	0.0	82.1	EETF
New Slot Machine Facilities in Broward and Miami-Dade Counties	0.0	3.3	EETF
Slot Machine License Fees ⁴	0.0	16.0	PMWTF
New Slot Machine Facilities Broward and Miami Dade - Application Fees ⁵	4.0	0.0	PMWTF
Diverted Sales Tax	0.0	(20.1)	GR
Permit Reduction Program - Thoroughbred Purse Supplement Program	(20.0)	(20.0)	GR
Pari-mutuel Decoupling	2.1	2.6	PMWTF
Escheated Ticket Loss	0.0	(0.3)	SSTF
Point-of-Sale Lottery Terminals	**	**	EETF
House Banked Blackjack ⁶	**	**	PMWTF
Deactivated Permits	(**)	(**)	PMWTF
Construction-Related Sales Tax	**	**	GR
Total-Non Indian Gaming Revenue:			
	(20.0)	(40.1)	GR
	(55.8)	26.2	EETF
	0.0	(0.3)	SSTF
	6.1	18.6	PMWTF
GR=General Revenue Fund; EETF=Educational Enhancement Trust Fund; SSTF=State School Trust Fund; PMWTF=Pari-mutuel Wagering Trust Fund			
** = Positive Indeterminate (***) = Negative Indeterminate			
¹ Except where noted, the first year impact is that for SB 7072 (2016) for FY 2016-17; recurring impact is the recurring impact for SB 7072 (2016) 5 fiscal years thereafter.			
² Indian Gaming Revenues shown are the difference between the Minimum Guarantee Payment under the proposed 2015 Gaming Compact for Fiscal Year 2017-2018 (Recurring is Fiscal Year 2022-2023) and the estimated net revenues for Indian Gaming projected for that Fiscal Year under the 2010 Gaming Compact, by the December 2016 REC. First Year impact does <i>not</i> include non-recurring impact of amounts paid for banking games under the 2010 Gaming Compact placed in GR reserve due to pending federal litigation; \$152.5 million, as of 11.30.2016.			
³ Projected revenues are based on the 6 counties which had passed slot machine referenda when SB 7072 (2016) was considered; as of November 2016, 8 counties have approved slot machines in referenda.			
⁴ Adjusted to reflect 8 counties now, rather than 6 counties when the SB 7072 (2016) impact estimate was done.			
⁵ Adjusted to reflect 2 facilities in SB 8, rather than only 1 in SB 7072 (2016).			
⁶ SB 8 includes a 25% tax on blackjack operators' monthly gross; SB 7072 (2016) did not include any tax. So, the impact is now positive indeterminate.			

B. Private Sector Impact:

The bill creates additional gambling opportunities for Floridians and visitors. It allows certain pari-mutuel permitholders to offer slot machines or blackjack, creates two additional slot machine facilities (one in each county) to be located in Broward County or a county defined in s. 125.011, F.S., (presently only Miami-Dade County), and expands the hours slot machine facilities and cardrooms may operate. By allowing pari-mutuel permitholders to decouple their live racing and games from cardrooms and slot machine operations, the bill may adversely affect employees and businesses that support live racing and games. The thoroughbred purse supplement program, however, will benefit the thoroughbred racing industry in the state.

Pari-mutuel permitholders who hold active, dormant, and inactive permits must evaluate the impact of the provisions of the bill on their operations and business interests. Greyhound racing permitholders, jai alai permitholders, harness racing permitholders, and quarter horse racing permitholders must determine, on an annual basis, whether to offer live racing or games at their pari-mutuel facilities, (i.e., decoupling), but may continue to offer slot machines or cardrooms. Tax rates are lowered for pari-mutuel permitholders and slot machine licensees.

Certain thoroughbred horse racing permitholders may elect to discontinue live racing within the 30-day period after the effective date of the bill (i.e., partial decoupling) but continue to operate their licensed slot machine facilities and/or cardrooms.

Any of the eight pari-mutuel permitholders in Broward and Miami-Dade Counties that have a slot machine license may operate up to 25 house banked blackjack tables at their facilities but must pay a 25 percent tax on gross receipts associated with wagering on those table games.

C. Government Sector Impact:

The Division of Pari-mutuel Wagering (division) must implement the provisions of the bill and adopt forms and procedures for the pari-mutuel permit reduction program, and for the issuance of additional slot machine licenses in the eight counties which have approved slot machine gaming (Brevard, Duval, Gadsden, Hamilton, Lee, Palm Beach, St. Lucie, and Washington), as well as for the two additional slot machine facilities (one in each county) to be located in Broward County or a county defined in s. 125.011, F.S., (presently only Miami-Dade County).

The bill will result in new state expenditure requirements but is also expected to generate additional revenues. The Department of Business and Professional Regulation (DBPR) analysis indicates that implementation of the bill will require three FTEs to staff the Office of Amusement, and 43 additional FTEs for the division. Cost estimates provided by the DBPR for the additional staff are \$1,890,541 in Fiscal Year 2017-2018,

\$2,397,509 in Fiscal Year 2018-2019, and \$2,918,389 in Fiscal Year 2019-2020.¹⁷⁹ Also, according to the DBPR, most updates to the DBPR's computer system, Versa: Regulation and OnBase, and any other possible modifications to Versa: Online, will be made with existing DBPR resources. However, technology infrastructure and licensing costs resulting from the additional FTEs required to implement the bill are included in the fiscal impacts above. In addition, the division's Central Management System (CMS) and Race Monitoring System (RMS) databases are maintained by the division in conjunction with a service provider, which is responsible for making programming changes to the application. Total costs for updates to the CMS and RMS are indeterminate.¹⁸⁰

The Department of the Lottery indicates it is likely that the implementation of **Sections 1, 2, and 3** of the bill relating to the point-of-sale terminals for the sale of lottery tickets or games will result in some increase in sales of lottery products as well as transfers to education, although the amount is cannot be determined.¹⁸¹ Any increase in sales will result in increased sales commissions to retailers.¹⁸²

VI. Technical Deficiencies:

The bill requires that the proposed 2015 Gaming Compact be amended to incorporate additional exceptions from the exclusivity to be provided to the Seminole Tribe. The bill does not stipulate the process by which a determination will be made that the required amendments have been made, or whether the amendments will be incorporated into the original document or will be made in a separate document attached to the original.

The sections of the bill concerning fantasy contests are unclear with respect to certain aspects of how the industry will be regulated. For example:

- The bill defines a “noncommercial contest operator” but does not apply different standards of regulation to noncommercial operators and other contest operators.
- The calculation of a contest operator’s application fee and annual license fee is ambiguous.
- The bill provides that the penalty provisions do not apply to a fantasy contest operator who applies for a license within 90 days after the effective date of the act and receives a license within 240 days after the effective date of the act, but does not address penalties that may be imposed against licensed fantasy contest operators for violations of the act after they are licensed.

The DBPR General Counsel has noted that the bill may provide an insufficient timeframe for the agency to review applications for new slot machine facilities in Miami-Dade and Broward Counties, and insufficient rulemaking authority for promulgating rules for blackjack and carrying out the duties of the Office of Amusements. The General Counsel also noted potential difficulties

¹⁷⁹ See *2017 Agency Legislative Bill Analysis* issued by the Department of Business and Professional Regulation for SB 8, dated February 10, 2017 (on file with Senate Appropriations Subcommittee on Finance and Tax).

¹⁸⁰ *Id.* at page 12.

¹⁸¹ See *2017 Agency Legislative Bill Analysis* issued by the Department of the Lottery for SB 8, dated January 20, 2017 (on file with Senate Committee on Regulated Industries) at page 3.

¹⁸² *Id.* at page 4.

for the agency regarding definitions of terms relating to card games and blackjack, and requirements for regulating the welfare of racing greyhounds.¹⁸³

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 24.103, 24.105, 24.112, 285.710, 285.712, 550.002, 550.01215, 550.0251, 550.054, 550.0555, 550.0951, 550.09512, 550.09514, 550.09515, 550.1625, 550.1648, 550.26165, 550.3345, 550.3551, 550.475, 550.5251, 550.615, 550.6308, 551.101, 551.102, 551.104, 551.1042, 551.1043, 551.1044, 551.106, 551.108, 551.114, 551.116, 551.121, and 849.086.

This bill creates the following sections of the Florida Statutes: 546.11, 546.12, 546.13, 546.14, 546.15, 546.16, 546.17, 546.18, 550.1752, 550.1753, 550.2416, 551.1042, 551.1043, and 551.1044.

This bill repeals the following sections of the Florida Statutes: 550.0745 and 550.1647.

This bill creates three undesignated sections of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

¹⁸³ *Id.* at page 15.



496100

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Appropriations (Galvano) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 24.103, Florida Statutes, is reordered
and amended to read:

24.103 Definitions.—As used in this act, the term:

(1) "Department" means the Department of the Lottery.

(6)~~(2)~~ "Secretary" means the secretary of the department.

(3) "Person" means any individual, firm, association, joint



496100

11 adventure, partnership, estate, trust, syndicate, fiduciary,
12 corporation, or other group or combination and includes an ~~shall~~
13 ~~include any~~ agency or political subdivision of the state.

14 (4) "Point-of-sale terminal" means an electronic device
15 used to process credit card, debit card, or other similar charge
16 card payments at retail locations which is supported by networks
17 that enable verification, payment, transfer of funds, and
18 logging of transactions.

19 (2)~~(4)~~ "Major procurement" means a procurement for a
20 contract for the printing of tickets for use in any lottery
21 game, consultation services for the startup of the lottery, any
22 goods or services involving the official recording for lottery
23 game play purposes of a player's selections in any lottery game
24 involving player selections, any goods or services involving the
25 receiving of a player's selection directly from a player in any
26 lottery game involving player selections, any goods or services
27 involving the drawing, determination, or generation of winners
28 in any lottery game, the security report services provided for
29 in this act, or any goods and services relating to marketing and
30 promotion which exceed a value of \$25,000.

31 (5) "Retailer" means a person who sells lottery tickets on
32 behalf of the department pursuant to a contract.

33 (7)~~(6)~~ "Vendor" means a person who provides or proposes to
34 provide goods or services to the department, but does not
35 include an employee of the department, a retailer, or a state
36 agency.

37 Section 2. Present subsections (19) and (20) of section
38 24.105, Florida Statutes, are redesignated as subsections (20)
39 and (21), respectively, and a new subsection (19) is added to



496100

40 that section, to read:

41 24.105 Powers and duties of department.—The department
42 shall:

43 (19) Have the authority to create a program that allows a
44 person who is at least 18 years of age to purchase a lottery
45 ticket at a point-of-sale terminal. The department may adopt
46 rules to administer the program. Such rules shall include, but
47 are not limited to, the following:

48 (a) Limiting the dollar amount of lottery tickets that a
49 person may purchase at point-of-sale terminals;

50 (b) Creating a process to enable a customer to restrict or
51 prevent his or her own access to lottery tickets; and

52 (c) Ensuring that the program is administered in a manner
53 that does not breach the exclusivity provisions of any Indian
54 gaming compact to which this state is a party.

55 Section 3. Section 24.112, Florida Statutes, is amended to
56 read:

57 24.112 Retailers of lottery tickets; ~~authorization of~~
58 ~~vending machines; point-of-sale terminals to dispense lottery~~
59 ~~tickets.—~~

60 (1) The department shall adopt ~~promulgate~~ rules specifying
61 the terms and conditions for contracting with retailers who will
62 best serve the public interest and promote the sale of lottery
63 tickets.

64 (2) In the selection of retailers, the department shall
65 consider factors such as financial responsibility, integrity,
66 reputation, accessibility of the place of business or activity
67 to the public, security of the premises, the sufficiency of
68 existing retailers to serve the public convenience, and the



496100

69 projected volume of the sales for the lottery game involved. In
70 the consideration of these factors, the department may require
71 the information it deems necessary of any person applying for
72 authority to act as a retailer. However, the department may not
73 establish a limitation upon the number of retailers and shall
74 make every effort to allow small business participation as
75 retailers. It is the intent of the Legislature that retailer
76 selections be based on business considerations and the public
77 convenience and that retailers be selected without regard to
78 political affiliation.

79 (3) The department may ~~shall~~ not contract with any person
80 as a retailer who:

81 (a) Is less than 18 years of age.

82 (b) Is engaged exclusively in the business of selling
83 lottery tickets; however, this paragraph may ~~shall~~ not preclude
84 the department from selling lottery tickets.

85 (c) Has been convicted of, or entered a plea of guilty or
86 nolo contendere to, a felony committed in the preceding 10
87 years, regardless of adjudication, unless the department
88 determines that:

89 1. The person has been pardoned or the person's civil
90 rights have been restored;

91 2. Subsequent to such conviction or entry of plea the
92 person has engaged in the kind of law-abiding commerce and good
93 citizenship that would reflect well upon the integrity of the
94 lottery; or

95 3. If the person is a firm, association, partnership,
96 trust, corporation, or other entity, the person has terminated
97 its relationship with the individual whose actions directly



496100

98 contributed to the person's conviction or entry of plea.

99 (4) The department shall issue a certificate of authority
100 to each person with whom it contracts as a retailer for purposes
101 of display pursuant to subsection (6). The issuance of the
102 certificate may ~~shall~~ not confer upon the retailer any right
103 apart from that specifically granted in the contract. The
104 authority to act as a retailer may ~~shall~~ not be assignable or
105 transferable.

106 (5) A ~~Any~~ contract executed by the department pursuant to
107 this section shall specify the reasons for any suspension or
108 termination of the contract by the department, including, but
109 not limited to:

110 (a) Commission of a violation of this act or rule adopted
111 pursuant thereto.

112 (b) Failure to accurately account for lottery tickets,
113 revenues, or prizes as required by the department.

114 (c) Commission of any fraud, deceit, or misrepresentation.

115 (d) Insufficient sale of tickets.

116 (e) Conduct prejudicial to public confidence in the
117 lottery.

118 (f) Any material change in any matter considered by the
119 department in executing the contract with the retailer.

120 (6) Each ~~Every~~ retailer shall post and keep conspicuously
121 displayed in a location on the premises accessible to the public
122 its certificate of authority and, with respect to each game, a
123 statement supplied by the department of the estimated odds of
124 winning a ~~some~~ prize for the game.

125 (7) A ~~No~~ contract with a retailer may not ~~shall~~ authorize
126 the sale of lottery tickets at more than one location, and a



496100

127 retailer may sell lottery tickets only at the location stated on
128 the certificate of authority.

129 (8) With respect to any retailer whose rental payments for
130 premises are contractually computed, in whole or in part, on the
131 basis of a percentage of retail sales, and where such
132 computation of retail sales is not explicitly defined to include
133 sales of tickets in a state-operated lottery, the compensation
134 received by the retailer from the department shall be deemed to
135 be the amount of the retail sale for the purposes of such
136 contractual compensation.

137 (9) (a) The department may require each ~~every~~ retailer to
138 post an appropriate bond as determined by the department, using
139 an insurance company acceptable to the department, in an amount
140 not to exceed twice the average lottery ticket sales of the
141 retailer for the period within which the retailer is required to
142 remit lottery funds to the department. For the first 90 days of
143 sales of a new retailer, the amount of the bond may not exceed
144 twice the average estimated lottery ticket sales for the period
145 within which the retailer is required to remit lottery funds to
146 the department. This paragraph does ~~shall~~ not apply to lottery
147 tickets that ~~which~~ are prepaid by the retailer.

148 (b) In lieu of such bond, the department may purchase
149 blanket bonds covering all or selected retailers or may allow a
150 retailer to deposit and maintain with the Chief Financial
151 Officer securities that are interest bearing or accruing and
152 that, with the exception of those specified in subparagraphs 1.
153 and 2., are rated in one of the four highest classifications by
154 an established nationally recognized investment rating service.
155 Securities eligible under this paragraph shall be limited to:



496100

156 1. Certificates of deposit issued by solvent banks or
157 savings associations organized and existing under the laws of
158 this state or under the laws of the United States and having
159 their principal place of business in this state.

160 2. United States bonds, notes, and bills for which the full
161 faith and credit of the government of the United States is
162 pledged for the payment of principal and interest.

163 3. General obligation bonds and notes of any political
164 subdivision of the state.

165 4. Corporate bonds of any corporation that is not an
166 affiliate or subsidiary of the depositor.

167

168 Such securities shall be held in trust and shall have at all
169 times a market value at least equal to an amount required by the
170 department.

171 (10) Each ~~Every~~ contract entered into by the department
172 pursuant to this section shall contain a provision for payment
173 of liquidated damages to the department for any breach of
174 contract by the retailer.

175 (11) The department shall establish procedures by which
176 each retailer shall account for all tickets sold by the retailer
177 and account for all funds received by the retailer from such
178 sales. The contract with each retailer shall include provisions
179 relating to the sale of tickets, payment of moneys to the
180 department, reports, service charges, and interest and
181 penalties, if necessary, as the department shall deem
182 appropriate.

183 (12) ~~No~~ Payment by a retailer to the department for tickets
184 may not shall be in cash. All such payments shall be in the form



496100

185 of a check, bank draft, electronic fund transfer, or other
186 financial instrument authorized by the secretary.

187 (13) Each retailer shall provide accessibility for disabled
188 persons on habitable grade levels. This subsection does not
189 apply to a retail location that ~~which~~ has an entrance door
190 threshold more than 12 inches above ground level. As used in
191 ~~herein and for purposes of~~ this subsection only, the term
192 "accessibility for disabled persons on habitable grade levels"
193 means that retailers shall provide ramps, platforms, aisles and
194 pathway widths, turnaround areas, and parking spaces to the
195 extent these are required for the retailer's premises by the
196 particular jurisdiction where the retailer is located.
197 Accessibility shall be required to only one point of sale of
198 lottery tickets for each lottery retailer location. The
199 requirements of this subsection shall be deemed to have been met
200 if, in lieu of the foregoing, disabled persons can purchase
201 tickets from the retail location by means of a drive-up window,
202 provided the hours of access at the drive-up window are not less
203 than those provided at any other entrance at that lottery
204 retailer location. Inspections for compliance with this
205 subsection shall be performed by those enforcement authorities
206 responsible for enforcement pursuant to s. 553.80 in accordance
207 with procedures established by those authorities. Those
208 enforcement authorities shall provide to the Department of the
209 Lottery a certification of noncompliance for any lottery
210 retailer not meeting such requirements.

211 (14) The secretary may, after filing with the Department of
212 State his or her manual signature certified by the secretary
213 under oath, execute or cause to be executed contracts between



496100

214 the department and retailers by means of engraving, imprinting,
215 stamping, or other facsimile signature.

216 (15) A vending machine may be used to dispense online
217 lottery tickets, instant lottery tickets, or both online and
218 instant lottery tickets.

219 (a) The vending machine must:

220 1. Dispense a lottery ticket after a purchaser inserts a
221 coin or currency in the machine.

222 2. Be capable of being electronically deactivated for a
223 period of 5 minutes or more.

224 3. Be designed to prevent its use for any purpose other
225 than dispensing a lottery ticket.

226 (b) In order to be authorized to use a vending machine to
227 dispense lottery tickets, a retailer must:

228 1. Locate the vending machine in the retailer's direct line
229 of sight to ensure that purchases are only made by persons at
230 least 18 years of age.

231 2. Ensure that at least one employee is on duty when the
232 vending machine is available for use. However, if the retailer
233 has previously violated s. 24.1055, at least two employees must
234 be on duty when the vending machine is available for use.

235 (c) A vending machine that dispenses a lottery ticket may
236 dispense change to a purchaser but may not be used to redeem any
237 type of winning lottery ticket.

238 (d) The vending machine, or any machine or device linked to
239 the vending machine, may not include or make use of video reels
240 or mechanical reels or other video depictions of slot machine or
241 casino game themes or titles for game play. This does not
242 preclude the use of casino game themes or titles on such tickets



496100

243 or signage or advertising displays on the machines.

244 (16) The department, a retailer operating from one or more
245 locations, or a vendor approved by the department may use a
246 point-of-sale terminal to facilitate the sale of a lottery
247 ticket.

248 (a) A point-of-sale terminal must:

249 1. Dispense a paper lottery ticket with numbers selected by
250 the purchaser or selected randomly by the machine after the
251 purchaser uses a credit card, debit card, or other similar
252 charge card issued by a bank, savings association, credit union,
253 or charge card company or issued by a retailer pursuant to part
254 II of chapter 520 for payment;

255 2. Recognize a valid driver license or use another age
256 verification process approved by the department to ensure that
257 only persons at least 18 years of age may purchase a lottery
258 ticket;

259 3. Process a lottery transaction through a platform that is
260 certified or otherwise approved by the department; and

261 4. Be in compliance with all applicable department
262 requirements related to the lottery ticket offered for sale.

263 (b) A point-of-sale terminal does not reveal winning
264 numbers, which are selected at a subsequent time and different
265 location through a drawing by the state lottery.

266 (c) A point-of-sale terminal, or any machine or device
267 linked to the point-of-sale terminal, may not include or make
268 use of video reels or mechanical reels or other video depictions
269 of slot machine or casino game themes or titles for game play.
270 This does not preclude the use of casino game themes or titles
271 on a lottery ticket or game or on the signage or advertising



496100

272 displays on the terminal.

273 (d) A point-of-sale terminal may not be used to redeem a
274 winning ticket.

275 Section 4. Effective upon becoming a law, paragraph (a) of
276 subsection (1), subsection (3), and present subsections (9),
277 (11), and (14) of section 285.710, Florida Statutes, are
278 amended, present subsections (4) through (14) of that section
279 are redesignated as subsections (5) through (15), respectively,
280 and a new subsection (4) is added to that section, to read:

281 285.710 Compact authorization.—

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

283 (a) "Compact" means the Gaming Compact between the Seminole
284 Tribe of Florida and the State of Florida, ~~executed on April 7,~~
285 ~~2010.~~

286 (3) (a) A The gaming compact between the Seminole Tribe of
287 Florida and the State of Florida, executed by the Governor and
288 the Tribe on April 7, 2010, was is ratified and approved by
289 chapter 2010-29, Laws of Florida. The Governor shall cooperate
290 with the Tribe in seeking approval of the compact from the
291 United States Secretary of the Interior.

292 (b) The Gaming Compact between the Seminole Tribe of
293 Florida and the State of Florida, which was executed by the
294 Governor and the Tribe on December 7, 2015, shall be deemed
295 ratified and approved only if amended as specified in subsection
296 (4).

297 (c) Upon approval or deemed approval by the United States
298 Department of Interior and publication in the Federal Register,
299 the amended Gaming Compact supersedes the gaming compact
300 ratified and approved by chapter 2010-29, Laws of Florida. The



496100

301 Governor shall cooperate with the Tribe in seeking approval of
302 the amended Gaming Compact from the United States Secretary of
303 the Interior. The Secretary of the Department of Business and
304 Professional Regulation is directed to notify in writing the
305 Governor, the President of the Senate, the Speaker of the House
306 of Representatives, and the Division of Law Revision and
307 Information of the effective date of the compact, amended as
308 required by this act, which has been published in the Federal
309 Register by the Department of the Interior within 5 days after
310 such publication.

311 (4) The compact executed on December 7, 2015, shall be
312 amended by an agreement between the Governor and the Tribe to:

313 (a) Become effective after it is approved as a tribal-state
314 compact within the meaning of the Indian Gaming Regulatory Act
315 by action of the United States Secretary of the Interior or by
316 operation of law under 25 U.S.C. s. 2710(d)(8), and upon
317 publication of a notice of approval in the Federal Register
318 under 25 U.S.C. s. 2710(d)(8)(D);

319 (b) Require that the State of Florida and the Tribe
320 dismiss, with prejudice, any and all pending motions for
321 rehearing or any pending appeals arising from *State of Florida*
322 *v. Seminole Tribe of Florida* (Consolidated Case No. 4:15cv516-
323 RH/CAS; United States District Court in and for the Northern
324 District of Florida); and

325 (c) Incorporate the following exceptions to the exclusivity
326 provided to the Tribe under the gaming compact executed on
327 December 7, 2015:

328 1. Point-of-sale lottery ticket sales are permitted in
329 accordance with chapter 24, as amended by this act;



496100

330 2. Fantasy contests conducted in accordance with ss.
331 546.11-546.18, as created by this act;

332 3. Slot machines operated in accordance with chapter 551,
333 as amended by this act;

334 4. The game of blackjack, in accordance with s. 551.1044,
335 as created by this act;

336 5. Designated player games of poker conducted at cardrooms
337 in accordance with chapter 849, as amended by this act, and in
338 compliance with Rule Chapter 61D-11, Florida Administrative
339 Code;

340 6. Those activities claimed to be violations of the gaming
341 compact between the Seminole Tribe of Florida and the State of
342 Florida, executed by the Governor and the Tribe on April 7,
343 2010, in the legal actions consolidated and heard in State of
344 Florida v. Seminole Tribe of Florida (Consolidated Case No.
345 4:15cv516-RH/CAS; United States District Court in and for the
346 Northern District of Florida); and

347 7. All activities authorized and conducted pursuant to
348 Florida law, as amended by this act.

349

350 The incorporation of all such provisions may not impact or
351 change the payments required to the state under part XI of the
352 compact during the Guarantee Payment Period and the Regular
353 Payment Period and may not change or impact the Guaranteed
354 Minimum Compact Term Payment required to be paid to the state
355 under the compact or any other payment required to be paid by
356 the Tribe under the compact. The compact may not be amended to
357 prorate or reduce any amount required to be paid to the state
358 during the first fiscal year of the Guaranteed Payment Period or



496100

359 any other time during which the compact is effective, regardless
360 of the date on which the compact becomes effective. Part XI of
361 the compact shall be amended to delete provisions concerning
362 payments required to be paid to the state during the Initial
363 Payment Period.

364 (10) ~~(9)~~ The moneys paid by the Tribe to the state for the
365 benefit of exclusivity under the compact ratified by this
366 section shall be deposited into the General Revenue Fund. Three
367 percent of the amount paid by the Tribe to the state shall be
368 designated as the local government share and shall be
369 distributed as provided in subsections ~~(10)~~ and (11) and (12).

370 (12) ~~(11)~~ Upon receipt of the annual audited revenue figures
371 from the Tribe and completion of the calculations as provided in
372 subsection (11) ~~(10)~~, the state compliance agency shall certify
373 the results to the Chief Financial Officer and shall request the
374 distributions to be paid from the General Revenue Fund within 30
375 days after authorization of nonoperating budget authority
376 pursuant to s. 216.181(12).

377 (15) ~~(14)~~ Notwithstanding any other provision of state law,
378 it is not a crime for a person to participate in the games
379 specified in subsection (14) ~~(13)~~ at a tribal facility operating
380 under the compact entered into pursuant to this section.

381 Section 5. Subsection (14) of section 285.710, Florida
382 Statutes, as amended by this act, is amended to read:

383 285.710 Compact authorization.—

384 (14) For the purpose of satisfying the requirement in 25
385 U.S.C. s. 2710(d)(1)(B) that the gaming activities authorized
386 under an Indian gaming compact must be permitted in the state
387 for any purpose by any person, organization, or entity, the



496100

388 following class III games or other games specified in this
389 section are hereby authorized to be conducted by the Tribe
390 pursuant to the compact:

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

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

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

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

397 (e) ~~(e)~~ Raffles and drawings.

398 Section 6. Subsection (4) of section 285.712, Florida
399 Statutes, is amended to read:

400 285.712 Tribal-state gaming compacts.-

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

406 Section 7. Section 546.11, Florida Statutes, is created to
407 read:

408 546.11 Short title.-Sections 546.11-546.18 may be cited as
409 the "Fantasy Contest Amusement Act."

410 Section 8. Section 546.12, Florida Statutes, is created to
411 read:

412 546.12 Legislative intent.-It is the intent of the
413 Legislature to ensure public confidence in the integrity of
414 fantasy contests and fantasy contest operators. This act is
415 designed to strictly regulate the operators of fantasy contests
416 and individuals who participate in such contests and to adopt



496100

417 consumer protections related to fantasy contests. Furthermore,
418 the Legislature finds that fantasy contests, as that term is
419 defined in s. 546.13, involve the skill of contest participants.

420 Section 9. Section 546.13, Florida Statutes, is created to
421 read:

422 546.13 Definitions.—As used in ss. 546.11-546.18, the term:

423 (1) "Act" means ss. 546.11-546.18.

424 (2) "Confidential information" means information related to
425 the playing of fantasy contests by contest participants which is
426 obtained solely as a result of a person's employment with, or
427 work as an agent of, a contest operator.

428 (3) "Contest operator" means a person or entity that offers
429 fantasy contests for a cash prize to members of the public.

430 (4) "Contest participant" means a person who pays an entry
431 fee for the ability to participate in a fantasy contest offered
432 by a contest operator.

433 (5) "Entry fee" means the cash or cash equivalent amount
434 that is required to be paid by a person to a contest operator to
435 participate in a fantasy contest.

436 (6) "Fantasy contest" means a fantasy or simulation sports
437 game or contest offered by a contest operator or a noncommercial
438 contest operator in which a contest participant manages a
439 fantasy or simulation sports team composed of athletes from a
440 professional sports organization and which meets the following
441 conditions:

442 (a) All prizes and awards offered to winning contest
443 participants are established and made known to the contest
444 participants in advance of the game or contest and their value
445 is not determined by the number of contest participants or the



496100

446 amount of any fees paid by those contest participants.

447 (b) All winning outcomes reflect the relative knowledge and
448 skill of the contest participants and are determined
449 predominantly by accumulated statistical results of the
450 performance of the athletes participating in multiple real-world
451 sporting or other events. However, a winning outcome may not be
452 based:

453 1. On the score, point spread, or any performance or
454 performances of a single real-world team or any combination of
455 such teams;

456 2. Solely on any single performance of an individual
457 athlete in a single real-world sporting or other event;

458 3. On a live pari-mutuel event, as the term "pari-mutuel"
459 is defined in s. 550.002; or

460 4. On the performance of athletes participating in an
461 amateur sporting event.

462 (7) "Noncommercial contest operator" means a person who
463 organizes and conducts a fantasy contest in which contest
464 participants are charged entry fees for the right to
465 participate; entry fees are collected, maintained, and
466 distributed by the same person; and all entry fees are returned
467 to the contest participants in the form of prizes.

468 (8) "Office" means the Office of Contest Amusements created
469 in s. 546.14.

470 Section 10. Section 546.14, Florida Statutes is created to
471 read:

472 546.14 Office of Contest Amusements.—

473 (1) The Office of Contest Amusements is created within the
474 Department of Business and Professional Regulation. The office



496100

475 shall operate under the supervision of a senior manager exempt
476 under s. 110.205 in the Senior Management Service appointed by
477 the Secretary of Business and Professional Regulation.

478 (2) The duties of the office include, but are not limited
479 to, administering and enforcing this act and any rules adopted
480 pursuant to this act. The office may work with department
481 personnel as needed to assist in fulfilling its duties.

482 (3) The office may:

483 (a) Conduct investigations and monitor the operation and
484 play of fantasy contests.

485 (b) Review the books, accounts, and records of any current
486 or former contest operator.

487 (c) Suspend or revoke any license issued under this act,
488 after a hearing, for any violation of state law or rule.

489 (d) Take testimony, issue summons and subpoenas for any
490 witness, and issue subpoenas duces tecum in connection with any
491 matter within its jurisdiction.

492 (e) Monitor and ensure the proper collection and
493 safeguarding of entry fees and the payment of contest prizes in
494 accordance with consumer protection procedures adopted pursuant
495 to s. 546.16.

496 (4) The office may adopt rules to implement and administer
497 this act.

498 Section 11. Section 546.15, Florida Statutes, is created to
499 read:

500 546.15 Licensing.—

501 (1) A contest operator that offers fantasy contests for
502 play by persons in this state must be licensed by the office to
503 conduct fantasy contests within this state. The initial license



496100

504 application fee is \$500,000, and the annual license renewal fee
505 is \$100,000; however, the respective fees may not exceed 10
506 percent of the difference between the amount of entry fees
507 collected by a contest operator from the operation of fantasy
508 contests in this state and the amount of cash or cash
509 equivalents paid to contest participants in this state. The
510 office shall require the contest operator to provide written
511 evidence of the proposed amount of entry fees and cash or cash
512 equivalents to be paid to contest participants during the annual
513 license period. Before renewing a license, the contest operator
514 shall provide written evidence to the office of the actual entry
515 fees collected and cash or cash equivalents paid to contest
516 participants during the previous period of licensure. The
517 contest operator shall remit to the office any difference in
518 license fee which results from the difference between the
519 proposed amount of entry fees and cash or cash equivalents paid
520 to contest participants and the actual amounts collected and
521 paid.

522 (2) The office shall grant or deny a completed application
523 within 120 days after receipt. A completed application that is
524 not acted upon by the office within 120 days after receipt is
525 deemed approved, and the office shall issue the license.
526 Applications for a contest operator's license are exempt from
527 the 90-day licensure timeframe imposed in s. 120.60(1).

528 (3) The application must include:

529 (a) The full name of the applicant.

530 (b) If the applicant is a corporation, the name of the
531 state in which the applicant is incorporated and the names and
532 addresses of the officers, directors, and shareholders who hold



496100

533 15 percent or more equity.

534 (c) If the applicant is a business entity other than a
535 corporation, the names and addresses of each principal, partner,
536 or shareholder who holds 15 percent or more equity.

537 (d) The names and addresses of the ultimate equitable
538 owners of the corporation or other business entity, if different
539 from those provided under paragraphs (b) and (c), unless the
540 securities of the corporation or entity are registered pursuant
541 to s. 12 of the Securities Exchange Act of 1934, 15 U.S.C. ss.
542 78a-78kk, and:

543 1. The corporation or entity files with the United States
544 Securities and Exchange Commission the reports required by s. 13
545 of that act; or

546 2. The securities of the corporation or entity are
547 regularly traded on an established securities market in the
548 United States.

549 (e) The estimated number of fantasy contests to be
550 conducted by the applicant annually.

551 (f) A statement of the assets and liabilities of the
552 applicant.

553 (g) If required by the office, the names and addresses of
554 the officers and directors of any creditor of the applicant and
555 of stockholders who hold more than 10 percent of the stock of
556 the creditor.

557 (h) For each individual listed in the application pursuant
558 to paragraph (a), paragraph (b), paragraph (c) or paragraph (d),
559 a full set of fingerprints to be submitted to the office or to a
560 vendor, entity, or agency authorized by s. 943.053(13).

561 1. The office, vendor, entity, or agency shall forward the



496100

562 fingerprints to the Department of Law Enforcement for state
563 processing, and the Department of Law Enforcement shall forward
564 the fingerprints to the Federal Bureau of Investigation for
565 national processing.

566 2. Fees for state and federal fingerprint processing and
567 retention shall be borne by the applicant. The state cost for
568 fingerprint processing shall be as provided in s. 943.053(3) (b)
569 for records provided to persons or entities other than those
570 specified as exceptions therein.

571 3. Fingerprints submitted to the Department of Law
572 Enforcement pursuant to this paragraph shall be retained by the
573 Department of Law Enforcement as provided in s. 943.05(2) (g) and
574 (h) and, when the Department of Law Enforcement begins
575 participation in the program, enrolled in the Federal Bureau of
576 Investigation's national retained print arrest notification
577 program. Any arrest record identified shall be reported to the
578 department.

579 (i) For each foreign national, such documents as necessary
580 to allow the office to conduct criminal history records checks
581 in the individual's home country. The applicant must pay the
582 full cost of processing fingerprints and required documentation.
583 The office also may charge a \$2 handling fee for each set of
584 fingerprints submitted.

585 (4) A person or entity is not eligible for licensure as a
586 contest operator or for licensure renewal if an individual
587 required to be listed pursuant to paragraph (3) (a), paragraph
588 (3) (b), paragraph (3) (c), or paragraph (3) (d) is determined by
589 the office, after investigation, not to be of good moral
590 character or is found to have been convicted of a felony in this



496100

591 state, any offense in another jurisdiction which would be
592 considered a felony if committed in this state, or a felony
593 under the laws of the United States. As used in this subsection,
594 the term "convicted" means having been found guilty, with or
595 without adjudication of guilt, as a result of a jury verdict,
596 nonjury trial, or entry of a plea of guilty or nolo contendere.

597 (5) The office may suspend, revoke, or deny the license of
598 a contest operator who fails to comply with this act or rules
599 adopted pursuant to this act.

600 Section 12. Section 546.16, Florida Statutes, is created to
601 read:

602 546.16 Consumer protection.-

603 (1) A contest operator that charges an entry fee to contest
604 participants shall implement procedures for fantasy contests
605 which:

606 (a) Prevent employees of the contest operator, and
607 relatives living in the same household as such employees, from
608 competing in a fantasy contest in which a cash prize is awarded.

609 (b) Prohibit the contest operator from being a contest
610 participant in a fantasy contest that he or she offers.

611 (c) Prevent employees or agents of the contest operator
612 from sharing with a third party confidential information that
613 could affect fantasy contest play until the information has been
614 made publicly available.

615 (d) Verify that contest participants are 18 years of age or
616 older.

617 (e) Restrict an individual who is a player, a game
618 official, or another participant in a real-world game or
619 competition from participating in a fantasy contest that is



496100

620 determined, in whole or in part, on the performance of that
621 individual, the individual's real-world team, or the accumulated
622 statistical results of the sport or competition in which he or
623 she is a player, game official, or other participant.

624 (f) Allow individuals to restrict or prevent their own
625 access to such a fantasy contest and take reasonable steps to
626 prevent those individuals from entering a fantasy contest.

627 (g) Limit the number of entries a single contest
628 participant may submit to each fantasy contest and take
629 reasonable steps to prevent participants from submitting more
630 than the allowable number of entries.

631 (h) Segregate contest participants' funds from operational
632 funds or maintain a reserve in the form of cash, cash
633 equivalents, payment processor reserves, payment processor
634 receivables, an irrevocable letter of credit, a bond, or a
635 combination thereof in the total amount of deposits in contest
636 participants' accounts for the benefit and protection of
637 authorized contest participants' funds held in fantasy contest
638 accounts.

639 (2) A contest operator that offers fantasy contests in this
640 state which require contest participants to pay an entry fee
641 shall annually contract with a third party to perform an
642 independent audit, consistent with the standards established by
643 the American Institute of Certified Public Accountants, to
644 ensure compliance with this act. The contest operator shall
645 submit the results of the independent audit to the office no
646 later than 90 days after the end of each annual licensing
647 period.

648 Section 13. Section 546.17, Florida Statutes, is created to



496100

649 read:

650 546.17 Records and reports.—Each contest operator shall
651 keep and maintain daily records of its operations and shall
652 maintain such records for at least 3 years. The records must
653 sufficiently detail all financial transactions to determine
654 compliance with the requirements of this act and must be
655 available for audit and inspection by the office or other law
656 enforcement agencies during the contest operator's regular
657 business hours. The office shall adopt rules to implement this
658 subsection.

659 Section 14. Section 546.18, Florida Statutes, is created to
660 read:

661 546.18 Penalties; applicability; exemption.—

662 (1) (a) A contest operator, or an employee or agent thereof,
663 who violates this act is subject to a civil penalty, not to
664 exceed \$5,000 for each violation and not to exceed \$100,000 in
665 the aggregate, which shall accrue to the state. An action to
666 recover such penalties may be brought by the office or the
667 Department of Legal Affairs in the circuit courts in the name
668 and on behalf of the state.

669 (b) The penalty provisions established in this subsection
670 do not apply to violations committed by a contest operator which
671 occurred prior to the issuance of a license under this act if
672 the contest operator applies for a license within 90 days after
673 the effective date of this section and receives a license within
674 240 days after the effective date of this section.

675 (2) Fantasy contests conducted by a contest operator or
676 noncommercial contest operator in accordance with this act are
677 not subject to s. 849.01, s. 849.08, s. 849.09, s. 849.11, s.



496100

678 849.14, or s. 849.25.

679 Section 15. The Division of Law Revision and Information is
680 directed to replace the phrase "the effective date of this
681 section" wherever it occurs in s. 546.18, Florida Statutes, with
682 the date that section becomes effective.

683 Section 16. Subsection (11) of section 550.002, Florida
684 Statutes, is amended to read:

685 550.002 Definitions.—As used in this chapter, the term:

686 (11) (a) "Full schedule of live racing or games" means: ~~;~~

687 1. For a greyhound racing permitholder or jai alai
688 permitholder, the conduct of a combination of at least 100 live
689 ~~evening or matinee~~ performances during the preceding year. ~~;~~ ~~for~~
690 ~~a permitholder who has a converted permit or filed an~~
691 ~~application on or before June 1, 1990, for a converted permit,~~
692 ~~the conduct of a combination of at least 100 live evening and~~
693 ~~matinee wagering performances during either of the 2 preceding~~
694 ~~years;~~

695 2. For a jai alai permitholder that ~~who~~ does not possess a
696 operate slot machine license machines in its pari-mutuel
697 facility, ~~who~~ has conducted at least 100 live performances per
698 year for at least 10 years after December 31, 1992, and has had
699 ~~whose~~ handle on live jai alai games conducted at its pari-mutuel
700 facility which was ~~has been~~ less than \$4 million per state
701 fiscal year for at least 2 consecutive years after June 30,
702 1992, the conduct of ~~a combination of~~ at least 40 live ~~evening~~
703 ~~or matinee~~ performances during the preceding year. ~~;~~

704 3. For a jai alai permitholder that possesses a ~~who~~
705 ~~operates~~ slot machine license machines in its pari-mutuel
706 facility, the conduct of ~~a combination of~~ at least 150



496100

707 performances during the preceding year.~~†~~

708 4. For a jai alai permitholder that does not possess a slot
709 machine license, the conduct of at least 58 live performances
710 during the preceding year, unless the permitholder meets the
711 requirements of subparagraph 2.

712 5. For a harness horse racing permitholder, the conduct of
713 at least 100 live regular wagering performances during the
714 preceding year.~~†~~

715 6. For a quarter horse racing permitholder at its facility,
716 unless an alternative schedule of at least 20 live regular
717 wagering performances each year is agreed upon by the
718 permitholder and either the Florida Quarter Horse Racing
719 Association or the horsemen ~~horsemen's~~ association representing
720 the majority of the quarter horse owners and trainers at the
721 facility and filed ~~with the division along~~ with its annual
722 operating license ~~date~~ application.~~†~~

723 a. In the 2010-2011 fiscal year, the conduct of at least 20
724 regular wagering performances.~~†~~

725 b. In the 2011-2012 and 2012-2013 fiscal years, the conduct
726 of at least 30 live regular wagering performances.~~†~~ ~~and~~

727 c. For every fiscal year after the 2012-2013 fiscal year,
728 the conduct of at least 40 live regular wagering performances.~~†~~

729 7. For a quarter horse racing permitholder leasing another
730 licensed racetrack, the conduct of 160 events at the leased
731 facility during the preceding year.~~†~~ ~~and~~

732 8. For a thoroughbred racing permitholder, the conduct of
733 at least 40 live regular wagering performances during the
734 preceding year.

735 (b) ~~For a permitholder which is restricted by statute to~~



496100

736 ~~ertain operating periods within the year when other members of~~
737 ~~its same class of permit are authorized to operate throughout~~
738 ~~the year, the specified number of live performances which~~
739 ~~constitute a full schedule of live racing or games shall be~~
740 ~~adjusted pro rata in accordance with the relationship between~~
741 ~~its authorized operating period and the full calendar year and~~
742 ~~the resulting specified number of live performances shall~~
743 ~~constitute the full schedule of live games for such permit holder~~
744 ~~and all other permit holders of the same class within 100 air~~
745 ~~miles of such permit holder. A live performance must consist of~~
746 ~~no fewer than eight races or games conducted live for each of a~~
747 ~~minimum of three performances each week at the permit holder's~~
748 ~~licensed facility under a single admission charge.~~

749 Section 17. Subsections (1), (3), and (6) of section
750 550.01215, Florida Statutes, are amended, and subsection (7) is
751 added to that section, to read:

752 550.01215 License application; periods of operation; bond,
753 conversion of permit.-

754 (1) Each permit holder shall annually, during the period
755 between December 15 and January 4, file in writing with the
756 division its application for an operating a license to conduct
757 pari-mutuel wagering during the next fiscal year, including
758 intertrack and simulcast race wagering for greyhound racing
759 permit holders, jai alai permit holders, harness horse racing
760 permit holders, quarter horse racing permit holders, and
761 thoroughbred horse racing permit holders that do not ~~to~~ conduct
762 live performances during the next state fiscal year. Each
763 application for live performances must shall specify the number,
764 dates, and starting times of all live performances that which



496100

765 the permitholder intends to conduct. It must ~~shall~~ also specify
766 which performances will be conducted as charity or scholarship
767 performances.

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

770 1. For each permitholder, whether the permitholder intends
771 to accept wagers on intertrack or simulcast events. As a
772 condition on the ability to accept wagers on intertrack or
773 simulcast events, each permitholder accepting wagers on
774 intertrack or simulcast events must make available for wagering
775 to its patrons all available live races conducted by
776 thoroughbred horse permitholders.

777 2. For each permitholder that elects ~~which elects~~ to
778 operate a cardroom, the dates and periods of operation the
779 permitholder intends to operate the cardroom. ~~or,~~

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

784 (b) A greyhound racing permitholder that conducted a full
785 schedule of live racing for a period of at least 10 consecutive
786 state fiscal years after the 1996-1997 state fiscal year, or
787 that converted its permit to a permit to conduct greyhound
788 racing after the 1996-1997 state fiscal year, may specify in its
789 application for an operating license that it does not intend to
790 conduct live racing, or that it intends to conduct less than a
791 full schedule of live racing, in the next state fiscal year. A
792 greyhound racing permitholder may receive an operating license
793 to conduct pari-mutuel wagering activities at another



496100

794 permitholder's greyhound racing facility pursuant to s. 550.475.

795 (c)1. A thoroughbred horse racing permitholder that has
796 conducted live racing for at least 5 years may elect not to
797 conduct live racing, if such election is made within 30 days
798 after the effective date of this act. A thoroughbred horse
799 racing permitholder that makes such election may retain such
800 permit, must specify in future applications for an operating
801 license that it does not intend to conduct live racing, and is a
802 pari-mutuel facility as defined in s. 550.002(23).

803 2. If a thoroughbred horse racing permitholder makes such
804 election and if such permitholder holds a slot machine license
805 when such election is made, the facility where such permit is
806 located:

807 a. Remains an eligible facility pursuant to s. 551.102(4),
808 and continues to be eligible for a slot machine license;

809 b. Is exempt from ss. 550.5251, 551.104(3) and (4)(c)1.,
810 and 551.114(2) and (4);

811 c. Is eligible, but not required, to be a guest track for
812 purposes of intertrack wagering and simulcasting; and

813 d. Remains eligible for a cardroom license, notwithstanding
814 any requirement for the conduct of live racing pursuant to s.
815 849.086.

816 3. A thoroughbred horse racing permitholder that makes such
817 election shall comply with all contracts regarding contributions
818 by such permitholder to thoroughbred horse purse supplements or
819 breeders' awards entered into before the effective date of this
820 act pursuant to s. 551.104(10)(a). At the time of such election,
821 such permitholder shall file with the division an irrevocable
822 consent that such contributions shall be allowed to be used for



496100

823 purses and awards on live races at other thoroughbred horse
824 racing facilities in this state. This subparagraph and s.
825 551.104(10)(a) shall not apply after December 31, 2020, to a
826 thoroughbred horse racing permitholder that made such election.

827 (d) Any harness horse racing permitholder and any quarter
828 horse racing permitholder that has held an operating license for
829 at least 5 years is exempt from the live racing requirements of
830 this subsection and may specify in its annual application for an
831 operating license that it does not intend to conduct live
832 racing, or that it intends to conduct less than a full schedule
833 of live racing, in the next state fiscal year.

834 (e) A jai alai permitholder that has held an operating
835 license for at least 5 years is exempt from the live jai alai
836 requirements of this subsection and may specify in its annual
837 application for an operating license that it does not intend to
838 conduct live jai alai, or that it intends to conduct less than a
839 full schedule of live jai alai, in the next state fiscal year.

840
841 A permitholder described in paragraph (b), paragraph (d), or
842 paragraph (e) may retain its permit and is a pari-mutuel
843 facility as defined in s. 550.002(23). If such permitholder has
844 been issued a slot machine license, the facility where such
845 permit is located remains an eligible facility as defined in s.
846 551.102(4) and continues to be eligible for a slot machine
847 license; is exempt from s. 551.104(3) and (4)(c)1., and s.
848 551.114(2) and (4); is eligible, but not required, to be a guest
849 track or, if the permitholder is a harness horse racing
850 permitholder, a host track for purposes of intertrack wagering
851 and simulcasting pursuant to ss. 550.3551, 550.615, 550.625, and



496100

852 550.6305; and remains eligible for a cardroom license,
853 notwithstanding any requirement for the conduct of live racing
854 performances contained in s. 849.086.

855 (f) Permitholders ~~may~~ shall be entitled to amend their
856 applications through February 28.

857 (3) The division shall issue each license no later than
858 March 15. Each permitholder shall operate all performances at
859 the date and time specified on its license. The division shall
860 have the authority to approve minor changes in racing dates
861 after a license has been issued. The division may approve
862 changes in racing dates after a license has been issued when
863 there is no objection from any operating permitholder located
864 within 50 miles of the permitholder requesting the changes in
865 operating dates. In the event of an objection, the division
866 shall approve or disapprove the change in operating dates based
867 upon the impact on operating permitholders located within 50
868 miles of the permitholder requesting the change in operating
869 dates. In making the determination to change racing dates, the
870 division shall take into consideration the impact of such
871 changes on state revenues. Notwithstanding any other provision
872 of law, and for the 2017-2018 fiscal year only, the division may
873 approve changes in racing dates for permitholders if the request
874 for such changes is received before August 31, 2017.

875 (6) A summer jai alai permitholder may apply for an
876 operating license to operate a jai alai fronton only during the
877 summer season beginning May 1 and ending November 30 of each
878 year on such dates as may be selected by the permitholder. Such
879 permitholder is subject to the same taxes, rules, and provisions
880 of this chapter which apply to the operation of winter jai alai



496100

881 frontons. A summer jai alai permitholder is not eligible for
882 licensure to operate a slot machine facility. A summer jai alai
883 permitholder and a winter jai alai permitholder may not operate
884 on the same days or in competition with each other. This
885 subsection does not prevent a summer jai alai licensee from
886 leasing the facilities of a winter jai alai licensee for the
887 operation of a summer meet ~~Any permit which was converted from a~~
888 ~~jai alai permit to a greyhound permit may be converted to a jai~~
889 ~~alai permit at any time if the permitholder never conducted~~
890 ~~greyhound racing or if the permitholder has not conducted~~
891 ~~greyhound racing for a period of 12 consecutive months.~~

892 (7) In addition to seeking a license under any other
893 provision of this section, if any of the following conditions
894 exist on February 1 of any year, the holder of a limited
895 thoroughbred racing permit under s. 550.3345 which did not file
896 an application for live performances between December 15 and
897 January 31 may apply to conduct live performances, and such
898 application must be filed before March 31, with the resulting
899 license issued no later than April 15:

900 (a) All thoroughbred racing permitholders with slot machine
901 licenses have not collectively sought pari-mutuel wagering
902 licenses for at least 160 performances and a minimum of 1,760
903 races in the next state fiscal year.

904 (b) All thoroughbred racing permitholders have not
905 collectively sought pari-mutuel wagering licenses for at least
906 200 performances or a minimum of 1,760 races in the next state
907 fiscal year.

908 (c) All thoroughbred racing permitholders did not
909 collectively run at least 1,760 races in the previous state



496100

910 fiscal year.

911 Section 18. Subsection (1) of section 550.0251, Florida
912 Statutes, is amended to read:

913 550.0251 The powers and duties of the Division of Pari-
914 mutuel Wagering of the Department of Business and Professional
915 Regulation.—The division shall administer this chapter and
916 regulate the pari-mutuel industry under this chapter and the
917 rules adopted pursuant thereto, and:

918 (1) The division shall make an annual report for the prior
919 fiscal year to the Governor, the President of the Senate, and
920 the Speaker of the House of Representatives. The report shall
921 include, at a minimum:

922 (a) Recent events in the gaming industry, including pending
923 litigation involving permitholders; pending permitholder,
924 facility, cardroom, slot, or operating license applications; and
925 new and pending rules.

926 (b) Actions of the department relating to the
927 implementation and administration of this chapter, and chapters
928 551 and 849.

929 (c) The state revenues and expenses associated with each
930 form of authorized gaming. Revenues and expenses associated with
931 pari-mutuel wagering must be further delineated by the class of
932 license.

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

935 (e) A summary of disciplinary actions taken by the
936 department.

937 (f) Any suggestions to more effectively achieve ~~showing its~~
938 ~~own actions, receipts derived under the provisions of this~~



496100

939 ~~chapter, the practical effects of the application of this~~
940 ~~chapter, and any suggestions it may approve for the more~~
941 ~~effectual accomplishments of the purposes of this chapter.~~

942 Section 19. Paragraphs (a) and (b) of subsection (9) of
943 section 550.054, Florida Statutes, is amended, and paragraphs
944 (c) through (g) are added to that subsection, and paragraph (a)
945 of subsection (11) and subsections (13) and (14) of that section
946 are amended, to read:

947 550.054 Application for permit to conduct pari-mutuel
948 wagering.—

949 (9) (a) After a permit has been granted by the division and
950 has been ratified and approved by the majority of the electors
951 participating in the election in the county designated in the
952 permit, the division shall grant to the lawful permitholder,
953 subject to the conditions of this chapter, a license to conduct
954 pari-mutuel operations under this chapter, and, ~~except as~~
955 ~~provided in s. 550.5251,~~ the division shall fix annually the
956 time, place, and number of days during which pari-mutuel
957 operations may be conducted by the permitholder at the location
958 fixed in the permit and ratified in the election. After the
959 first license has been issued to the holder of a ratified permit
960 for racing in any county, all subsequent annual applications for
961 a license by that permitholder must be accompanied by proof, in
962 such form as the division requires, that the ratified
963 permitholder still possesses all the qualifications prescribed
964 by this chapter and that the permit has not been recalled at a
965 later election held in the county.

966 (b) The division may revoke or suspend any permit or
967 license issued under this chapter upon a ~~the~~ willful violation



496100

968 by the permitholder or licensee ~~of any provision~~ of this
969 chapter, chapter 551, s. 849.086, or rules of any rule adopted
970 pursuant thereto under this chapter. With the exception of the
971 revocation of permits required in paragraphs (c), (d), (f), and
972 (g), In lieu of suspending or revoking a permit or license, the
973 division may, in lieu of suspending or revoking a permit or
974 license, impose a civil penalty against the permitholder or
975 licensee for a violation of this chapter, chapter 551, s.
976 849.086, or rules adopted pursuant thereto any rule adopted by
977 the division. The penalty so imposed may not exceed \$1,000 for
978 each count or separate offense. All penalties imposed and
979 collected must be deposited with the Chief Financial Officer to
980 the credit of the General Revenue Fund.

981 (c) Unless a failure to obtain an operating license and to
982 operate was the direct result of fire, strike, war, or other
983 disaster or event beyond the permitholder's control, the
984 division shall revoke the permit of any permitholder that has
985 not obtained an operating license in accordance with s.
986 550.01215 for a period of more than 24 consecutive months after
987 June 30, 2012. The division shall revoke the permit upon
988 adequate notice to the permitholder. Financial hardship to the
989 permitholder does not, in and of itself, constitute just cause
990 for failure to operate.

991 (d) The division shall revoke the permit of any
992 permitholder that fails to make payments that are due pursuant
993 to s. 550.0951 for more than 24 consecutive months unless such
994 failure to pay the tax due on handle was the direct result of
995 fire, strike, war, or other disaster or event beyond the
996 permitholder's control. Financial hardship to the permitholder



496100

997 does not, in and of itself, constitute just cause for failure to
998 pay tax on handle.

999 (e) Notwithstanding any other law, a new permit to conduct
1000 pari-mutuel wagering may not be approved or issued 30 days after
1001 the effective date of this act.

1002 (f) A permit revoked under this subsection is void and may
1003 not be reissued.

1004 (g) A permitholder may apply to the division to place the
1005 permit into inactive status for a period of 12 months pursuant
1006 to division rule. The division, upon good cause shown by the
1007 permitholder, may renew inactive status for a period of up to 12
1008 months, but a permit may not be in inactive status for a period
1009 of more than 24 consecutive months. Holders of permits in
1010 inactive status are not eligible for licensure for pari-mutuel
1011 wagering, slot machines, or cardrooms.

1012 (11) (a) A permit granted under this chapter may not be
1013 transferred or assigned except upon written approval by the
1014 division pursuant to s. 550.1815, ~~except that the holder of any~~
1015 ~~permit that has been converted to a jai alai permit may lease or~~
1016 ~~build anywhere within the county in which its permit is located.~~

1017 (13) ~~(a)~~ Notwithstanding any provision ~~provisions~~ of this
1018 chapter or chapter 551, a pari-mutuel ~~no thoroughbred horse~~
1019 ~~racine~~ permit or license issued under this chapter or chapter
1020 551 may not shall be transferred, or reissued when such
1021 reissuance is in the nature of a transfer so as to permit or
1022 authorize a licensee to change the location of a pari-mutuel
1023 facility, cardroom, or slot machine facility, except through the
1024 relocation of the pari-mutuel permit pursuant to s. 550.0555.
1025 ~~thoroughbred horse racetrack except upon proof in such form as~~



496100

1026 ~~the division may prescribe that a referendum election has been~~
1027 ~~held:~~

1028 ~~1. If the proposed new location is within the same county~~
1029 ~~as the already licensed location, in the county where the~~
1030 ~~licensee desires to conduct the race meeting and that a majority~~
1031 ~~of the electors voting on that question in such election voted~~
1032 ~~in favor of the transfer of such license.~~

1033 ~~2. If the proposed new location is not within the same~~
1034 ~~county as the already licensed location, in the county where the~~
1035 ~~licensee desires to conduct the race meeting and in the county~~
1036 ~~where the licensee is already licensed to conduct the race~~
1037 ~~meeting and that a majority of the electors voting on that~~
1038 ~~question in each such election voted in favor of the transfer of~~
1039 ~~such license.~~

1040 ~~(b) Each referendum held under the provisions of this~~
1041 ~~subsection shall be held in accordance with the electoral~~
1042 ~~procedures for ratification of permits, as provided in s.~~
1043 ~~550.0651. The expense of each such referendum shall be borne by~~
1044 ~~the licensee requesting the transfer.~~

1045 ~~(14) (a) Any holder of a permit to conduct jai alai may~~
1046 ~~apply to the division to convert such permit to a permit to~~
1047 ~~conduct greyhound racing in lieu of jai alai if:~~

1048 ~~1. Such permit is located in a county in which the division~~
1049 ~~has issued only two pari-mutuel permits pursuant to this~~
1050 ~~section;~~

1051 ~~2. Such permit was not previously converted from any other~~
1052 ~~class of permit; and~~

1053 ~~3. The holder of the permit has not conducted jai alai~~
1054 ~~games during a period of 10 years immediately preceding his or~~



496100

1055 ~~her application for conversion under this subsection.~~
1056 ~~(b) The division, upon application from the holder of a jai~~
1057 ~~alai permit meeting all conditions of this section, shall~~
1058 ~~convert the permit and shall issue to the permitholder a permit~~
1059 ~~to conduct greyhound racing. A permitholder of a permit~~
1060 ~~converted under this section shall be required to apply for and~~
1061 ~~conduct a full schedule of live racing each fiscal year to be~~
1062 ~~eligible for any tax credit provided by this chapter. The holder~~
1063 ~~of a permit converted pursuant to this subsection or any holder~~
1064 ~~of a permit to conduct greyhound racing located in a county in~~
1065 ~~which it is the only permit issued pursuant to this section who~~
1066 ~~operates at a leased facility pursuant to s. 550.475 may move~~
1067 ~~the location for which the permit has been issued to another~~
1068 ~~location within a 30-mile radius of the location fixed in the~~
1069 ~~permit issued in that county, provided the move does not cross~~
1070 ~~the county boundary and such location is approved under the~~
1071 ~~zoning regulations of the county or municipality in which the~~
1072 ~~permit is located, and upon such relocation may use the permit~~
1073 ~~for the conduct of pari-mutuel wagering and the operation of a~~
1074 ~~cardroom. The provisions of s. 550.6305(9)(d) and (f) shall~~
1075 ~~apply to any permit converted under this subsection and shall~~
1076 ~~continue to apply to any permit which was previously included~~
1077 ~~under and subject to such provisions before a conversion~~
1078 ~~pursuant to this section occurred.~~

1079 Section 20. Section 550.0555, Florida Statutes, is amended
1080 to read:

1081 550.0555 Permitholder Greyhound dogracing permits;
1082 relocation within a county; conditions.—

1083 (1) It is the finding of the Legislature that pari-mutuel



496100

1084 wagering on greyhound dogracing provides substantial revenues to
1085 the state. It is the further finding that, in some cases, this
1086 revenue-producing ability is hindered due to the lack of
1087 provisions allowing the relocation of existing dogracing
1088 operations. It is therefore declared that state revenues derived
1089 from greyhound dogracing will continue to be jeopardized if
1090 provisions allowing the relocation of such greyhound racing
1091 permits are not implemented. This enactment is made pursuant to,
1092 and for the purpose of, implementing such provisions.

1093 (2) The following permitholders are ~~Any holder of a valid~~
1094 ~~outstanding permit for greyhound dogracing in a county in which~~
1095 ~~there is only one dogracing permit issued, as well as any holder~~
1096 ~~of a valid outstanding permit for jai alai in a county where~~
1097 ~~only one jai alai permit is issued, is~~ authorized, without the
1098 necessity of an additional county referendum required under s.
1099 550.0651, to move the location for which the permit has been
1100 issued to another location within a 30-mile radius of the
1101 location fixed in the permit issued in that county, provided the
1102 move does not cross the county boundary, that such relocation is
1103 approved under the zoning regulations of the county or
1104 municipality in which the permit is to be located as a planned
1105 development use, consistent with the comprehensive plan, and
1106 that such move is approved by the department after it is
1107 determined that the new location is an existing pari-mutuel
1108 facility that has held an operating license for at least 5
1109 consecutive years since 2010 or is at least 10 miles from an
1110 existing pari-mutuel facility and, if within a county with three
1111 or more pari-mutuel permits, is at least 10 miles from the
1112 waters of the Atlantic Ocean:



496100

1113 (a) Any holder of a valid outstanding greyhound racing
1114 permit that was previously converted from a jai alai permit;

1115 (b) Any holder of a valid outstanding greyhound racing
1116 permit in a county in which there is only one greyhound racing
1117 permit issued; and

1118 (c) Any holder of a valid outstanding jai alai permit in a
1119 county in which there is only one jai alai permit issued. ~~at a~~
1120 ~~proceeding pursuant to chapter 120 in the county affected that~~
1121 ~~the move is necessary to ensure the revenue-producing capability~~
1122 ~~of the permittee without deteriorating the revenue-producing~~
1123 ~~capability of any other pari-mutuel permittee within 50 miles;~~

1124
1125 The distances ~~distance~~ shall be measured on a straight line from
1126 the nearest property line of one racing plant or jai alai
1127 fronton to the nearest property line of the other and the
1128 nearest mean high tide line of the Atlantic Ocean.

1129 Section 21. Section 550.0745, Florida Statutes, is
1130 repealed.

1131 Section 22. Section 550.0951, Florida Statutes, is amended
1132 to read:

1133 550.0951 Payment of daily license fee and taxes;
1134 penalties.—

1135 (1) ~~(a)~~ DAILY LICENSE FEE.—Each person engaged in the
1136 business of conducting race meetings or jai alai games under
1137 this chapter, hereinafter referred to as the "permitholder,"
1138 "licensee," or "permittee," shall pay ~~to the division, for the~~
1139 ~~use of the division,~~ a daily license fee on each live or
1140 simulcast pari-mutuel event of \$100 for each horserace, and \$80
1141 for each greyhound race, ~~dog race~~ and \$40 for each jai alai game,



1142 any of which is conducted at a racetrack or fronton licensed
1143 under this chapter. ~~A In addition to the tax exemption specified~~
1144 ~~in s. 550.09514(1) of \$360,000 or \$500,000 per greyhound~~
1145 ~~permitholder per state fiscal year, each greyhound permitholder~~
1146 ~~shall receive in the current state fiscal year a tax credit~~
1147 ~~equal to the number of live greyhound races conducted in the~~
1148 ~~previous state fiscal year times the daily license fee specified~~
1149 ~~for each dograce in this subsection applicable for the previous~~
1150 ~~state fiscal year. This tax credit and the exemption in s.~~
1151 ~~550.09514(1) shall be applicable to any tax imposed by this~~
1152 ~~chapter or the daily license fees imposed by this chapter except~~
1153 ~~during any charity or scholarship performances conducted~~
1154 ~~pursuant to s. 550.0351. Each permitholder may not be required~~
1155 ~~to shall pay daily license fees in excess of ~~not to exceed~~ \$500~~
1156 ~~per day on any simulcast races or games on which such~~
1157 ~~permitholder accepts wagers, regardless of the number of out-of-~~
1158 ~~state events taken or the number of out-of-state locations from~~
1159 ~~which such events are taken. This license fee shall be deposited~~
1160 ~~with the Chief Financial Officer to the credit of the Pari-~~
1161 ~~mutuel Wagering Trust Fund.~~

1162 ~~(b) Each permitholder that cannot utilize the full amount~~
1163 ~~of the exemption of \$360,000 or \$500,000 provided in s.~~
1164 ~~550.09514(1) or the daily license fee credit provided in this~~
1165 ~~section may, after notifying the division in writing, elect once~~
1166 ~~per state fiscal year on a form provided by the division to~~
1167 ~~transfer such exemption or credit or any portion thereof to any~~
1168 ~~greyhound permitholder which acts as a host track to such~~
1169 ~~permitholder for the purpose of intertrack wagering. Once an~~
1170 ~~election to transfer such exemption or credit is filed with the~~



496100

1171 ~~division, it shall not be rescinded. The division shall~~
1172 ~~disapprove the transfer when the amount of the exemption or~~
1173 ~~credit or portion thereof is unavailable to the transferring~~
1174 ~~permitholder or when the permitholder who is entitled to~~
1175 ~~transfer the exemption or credit or who is entitled to receive~~
1176 ~~the exemption or credit owes taxes to the state pursuant to a~~
1177 ~~deficiency letter or administrative complaint issued by the~~
1178 ~~division. Upon approval of the transfer by the division, the~~
1179 ~~transferred tax exemption or credit shall be effective for the~~
1180 ~~first performance of the next payment period as specified in~~
1181 ~~subsection (5). The exemption or credit transferred to such host~~
1182 ~~track may be applied by such host track against any taxes~~
1183 ~~imposed by this chapter or daily license fees imposed by this~~
1184 ~~chapter. The greyhound permitholder host track to which such~~
1185 ~~exemption or credit is transferred shall reimburse such~~
1186 ~~permitholder the exact monetary value of such transferred~~
1187 ~~exemption or credit as actually applied against the taxes and~~
1188 ~~daily license fees of the host track. The division shall ensure~~
1189 ~~that all transfers of exemption or credit are made in accordance~~
1190 ~~with this subsection and shall have the authority to adopt rules~~
1191 ~~to ensure the implementation of this section.~~

1192 (2) ADMISSION TAX.—

1193 (a) An admission tax equal to 15 percent of the admission
1194 charge for entrance to the permitholder's facility and
1195 grandstand area, or 10 cents, whichever is greater, is imposed
1196 on each person attending a horserace, greyhound race ~~degrace~~, or
1197 jai alai game. The permitholder is ~~shall be~~ responsible for
1198 collecting the admission tax.

1199 (b) The ~~No~~ admission tax imposed under this chapter and ~~or~~



496100

1200 chapter 212 may not ~~shall~~ be imposed on any free passes or
1201 complimentary cards issued to persons for which there is no cost
1202 to the person for admission to pari-mutuel events.

1203 (c) A permitholder may issue tax-free passes to its
1204 officers, officials, and employees and to ~~or~~ other persons
1205 actually engaged in working at the racetrack, including
1206 accredited media ~~press~~ representatives such as reporters and
1207 editors, and may also issue tax-free passes to other
1208 permitholders for the use of their officers and officials. The
1209 permitholder shall file with the division a list of all persons
1210 to whom tax-free passes are issued under this paragraph.

1211 (3) TAX ON HANDLE.—Each permitholder shall pay a tax on
1212 contributions to pari-mutuel pools, the aggregate of which is
1213 hereinafter referred to as “handle,” on races or games conducted
1214 by the permitholder. The tax is imposed daily and is based on
1215 the total contributions to all pari-mutuel pools conducted
1216 during the daily performance. If a permitholder conducts more
1217 than one performance daily, the tax is imposed on each
1218 performance separately.

1219 (a) The tax on handle for quarter horse racing is 1.0
1220 percent of the handle.

1221 (b)1. The tax on handle for greyhound racing ~~dogracing~~ is
1222 1.28 ~~5.5~~ percent of the handle, ~~except that for live charity~~
1223 ~~performances held pursuant to s. 550.0351, and for intertrack~~
1224 ~~wagering on such charity performances at a guest greyhound track~~
1225 ~~within the market area of the host, the tax is 7.6 percent of~~
1226 ~~the handle.~~

1227 2. The tax on handle for jai alai is 7.1 percent of the
1228 handle.



496100

1229 (c)1. The tax on handle for intertrack wagering is:
1230 a. If the host track is a horse track, 2.0 percent of the
1231 handle.
1232 b. If the host track is a harness horse racetrack track,
1233 3.3 percent of the handle.
1234 c. If the host track is a greyhound racing harness track,
1235 1.28 5.5 percent of the handle, to be remitted by the guest
1236 track. if the host track is a dog track, and
1237 d. If the host track is a jai alai fronton, 7.1 percent of
1238 the handle if the host track is a jai alai fronton.
1239 e. The tax on handle for intertrack wagering is 0.5 percent
1240 If the host track and the guest track are thoroughbred racing
1241 permitholders or if the guest track is located outside the
1242 market area of a the host track that is not a greyhound racing
1243 track and within the market area of a thoroughbred racing
1244 permitholder currently conducting a live race meet, 0.5 percent
1245 of the handle.
1246 f. The tax on handle For intertrack wagering on
1247 rebroadcasts of simulcast thoroughbred horseraces, is 2.4
1248 percent of the handle and 1.5 percent of the handle for
1249 intertrack wagering on rebroadcasts of simulcast harness
1250 horseraces, 1.5 percent of the handle.
1251 2. The tax shall be deposited into the Pari-mutuel Wagering
1252 Trust Fund.
1253 3.2. The tax on handle for intertrack wagers accepted by
1254 any greyhound racing dog track located in an area of the state
1255 in which there are only three permitholders, all of which are
1256 greyhound racing permitholders, located in three contiguous
1257 counties, from any greyhound racing permitholder also located



496100

1258 within such area or any greyhound racing ~~dog~~ track or jai alai
1259 fronton located as specified in s. 550.615(7) ~~s. 550.615(6) or~~
1260 ~~(9)~~, on races or games received from any jai alai ~~the same class~~
1261 ~~of~~ permitholder located within the same market area is 1.28 ~~3.9~~
1262 percent of the handle if the host facility is a greyhound racing
1263 permitholder. ~~and~~, If the host facility is a jai alai
1264 permitholder, the tax is rate shall be 6.1 percent of the handle
1265 until ~~except that it shall be 2.3 percent on handle at~~ such time
1266 as the total tax on intertrack handle paid to the division by
1267 the permitholder during the current state fiscal year exceeds
1268 the total ~~tax on intertrack handle~~ paid to the division by the
1269 permitholder during the 1992-1993 state fiscal year, in which
1270 case the tax is 2.3 percent of the handle.

1271 (d) Notwithstanding any other provision of this chapter, in
1272 order to protect the Florida jai alai industry, effective July
1273 1, 2000, a jai alai permitholder may not be taxed on live handle
1274 at a rate higher than 2 percent.

1275 (4) BREAKS TAX.—Effective October 1, 1996, each
1276 permitholder conducting jai alai performances shall pay a tax
1277 equal to the breaks. As used in this subsection, the term
1278 "breaks" means the money that remains in each pari-mutuel pool
1279 after funds are ~~The "breaks" represents that portion of each~~
1280 ~~pari-mutuel pool which is not~~ redistributed to the contributors
1281 and commissions are ~~or~~ withheld by the permitholder ~~as~~
1282 ~~commission.~~

1283 (5) PAYMENT AND DISPOSITION OF FEES AND TAXES.—Payments
1284 imposed by this section shall be paid to the division. The
1285 division shall deposit such payments ~~these sums~~ with the Chief
1286 Financial Officer, to the credit of the Pari-mutuel Wagering



496100

1287 Trust Fund, hereby established. The permitholder shall remit to
1288 the division payment for the daily license fee, the admission
1289 tax, the tax on handle, and the breaks tax. Such payments must
1290 ~~shall~~ be remitted by 3 p.m. on Wednesday of each week for taxes
1291 imposed and collected for the preceding week ending on Sunday.
1292 Beginning on July 1, 2012, such payments must ~~shall~~ be remitted
1293 by 3 p.m. on the 5th day of each calendar month for taxes
1294 imposed and collected for the preceding calendar month. If the
1295 5th day of the calendar month falls on a weekend, payments must
1296 ~~shall~~ be remitted by 3 p.m. the first Monday following the
1297 weekend. Permitholders shall file a report under oath by the 5th
1298 day of each calendar month for all taxes remitted during the
1299 preceding calendar month. Such payments must ~~shall~~ be
1300 accompanied by a report under oath showing the total of all
1301 admissions, the pari-mutuel wagering activities for the
1302 preceding calendar month, and any ~~such~~ other information ~~as may~~
1303 ~~be~~ prescribed by the division.

1304 (6) PENALTIES.—

1305 (a) The failure of any permitholder to make payments as
1306 prescribed in subsection (5) is a violation of this section, and
1307 the ~~permitholder may be subjected by the division~~ may impose ~~to~~
1308 a civil penalty against the permitholder of up to \$1,000 for
1309 each day the tax payment is not remitted. All penalties imposed
1310 and collected shall be deposited in the General Revenue Fund. If
1311 a permitholder fails to pay penalties imposed by order of the
1312 division under this subsection, the division may suspend or
1313 revoke the license of the permitholder, cancel the permit of the
1314 permitholder, or deny issuance of any further license or permit
1315 to the permitholder.



496100

1316 (b) In addition to the civil penalty prescribed in
1317 paragraph (a), any willful or wanton failure by any permit holder
1318 to make payments of the daily license fee, admission tax, tax on
1319 handle, or breaks tax constitutes sufficient grounds for the
1320 division to suspend or revoke the license of the permit holder,
1321 to cancel the permit of the permit holder, or to deny issuance of
1322 any further license or permit to the permit holder.

1323 Section 23. Section 550.09512, Florida Statutes, is amended
1324 to read:

1325 550.09512 Harness horse racing taxes; abandoned interest in
1326 a permit for nonpayment of taxes.—

1327 (1) Pari-mutuel wagering at harness horse racetracks in
1328 this state is an important business enterprise, and taxes
1329 derived therefrom constitute a part of the tax structure which
1330 funds operation of the state. Harness horse racing permit holders
1331 should pay their fair share of these taxes to the state. This
1332 business interest should not be taxed to such an extent as to
1333 cause any racetrack which is operated under sound business
1334 principles to be forced out of business. Due to the need to
1335 protect the public health, safety, and welfare, the gaming laws
1336 of the state provide for the harness horse racing industry to be
1337 highly regulated and taxed. The state recognizes that there
1338 exist identifiable differences between harness horse racing
1339 permit holders based upon their ability to operate under such
1340 regulation and tax system.

1341 (2) (a) The tax on handle for live harness horse racing
1342 performances is 0.5 percent of handle per performance.

1343 (b) For purposes of this section, the term "handle" shall
1344 have the same meaning as in s. 550.0951, and does ~~shall~~ not



496100

1345 include handle from intertrack wagering.

1346 (3)~~(a)~~ The division shall revoke the permit of a harness
1347 horse racing permitholder that ~~who~~ does not pay the tax due on
1348 handle for live harness horse racing performances for a full
1349 schedule of live races for more than 24 consecutive months
1350 ~~during any 2 consecutive state fiscal years shall be void and~~
1351 ~~shall escheat to and become the property of the state unless~~
1352 such failure to operate and pay tax on handle was the direct
1353 result of fire, strike, war, or other disaster or event beyond
1354 the ability of the permitholder to control. Financial hardship
1355 to the permitholder does ~~shall~~ not, in and of itself, constitute
1356 just cause for failure to operate and pay tax on handle. A
1357 permit revoked under this subsection is void and may not be
1358 reissued.

1359 ~~(b) In order to maximize the tax revenues to the state, the~~
1360 ~~division shall reissue an escheated harness horse permit to a~~
1361 ~~qualified applicant pursuant to the provisions of this chapter~~
1362 ~~as for the issuance of an initial permit. However, the~~
1363 ~~provisions of this chapter relating to referendum requirements~~
1364 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~
1365 ~~escheated harness horse permit. As specified in the application~~
1366 ~~and upon approval by the division of an application for the~~
1367 ~~permit, the new permitholder shall be authorized to operate a~~
1368 ~~harness horse facility anywhere in the same county in which the~~
1369 ~~escheated permit was authorized to be operated, notwithstanding~~
1370 ~~the provisions of s. 550.054(2) relating to mileage limitations.~~

1371 (4) In the event that a court of competent jurisdiction
1372 determines any of the provisions of this section to be
1373 unconstitutional, it is the intent of the Legislature that the



496100

1374 provisions contained in this section shall be null and void and
1375 that the provisions of s. 550.0951 shall apply to all harness
1376 horse racing permitholders beginning on the date of such
1377 judicial determination. To this end, the Legislature declares
1378 that it would not have enacted any of the provisions of this
1379 section individually and, to that end, expressly finds them not
1380 to be severable.

1381 Section 24. Section 550.09514, Florida Statutes, is amended
1382 to read:

1383 550.09514 Greyhound racing ~~degracing taxes,~~ purse
1384 requirements.-

1385 ~~(1) Wagering on greyhound racing is subject to a tax on~~
1386 ~~handle for live greyhound racing as specified in s. 550.0951(3).~~
1387 ~~However, each permitholder shall pay no tax on handle until such~~
1388 ~~time as this subsection has resulted in a tax savings per state~~
1389 ~~fiscal year of \$360,000. Thereafter, each permitholder shall pay~~
1390 ~~the tax as specified in s. 550.0951(3) on all handle for the~~
1391 ~~remainder of the permitholder's current race meet. For the three~~
1392 ~~permitholders that conducted a full schedule of live racing in~~
1393 ~~1995, and are closest to another state that authorizes greyhound~~
1394 ~~pari-mutuel wagering, the maximum tax savings per state fiscal~~
1395 ~~year shall be \$500,000. The provisions of this subsection~~
1396 ~~relating to tax exemptions shall not apply to any charity or~~
1397 ~~scholarship performances conducted pursuant to s. 550.0351.~~

1398 (1) (a) (2) (a) The division shall determine for each
1399 greyhound racing permitholder the annual purse percentage rate
1400 of live handle for the state fiscal year 1993-1994 by dividing
1401 total purses paid on live handle by the permitholder, exclusive
1402 of payments made from outside sources, during the 1993-1994



496100

1403 state fiscal year by the permitholder's live handle for the
1404 1993-1994 state fiscal year. A greyhound racing ~~Each~~
1405 permitholder conducting live racing during a fiscal year shall
1406 pay as purses for such live races conducted during its current
1407 race meet a percentage of its live handle not less than the
1408 percentage determined under this paragraph, exclusive of
1409 payments made by outside sources, for its 1993-1994 state fiscal
1410 year.

1411 (b) Except as otherwise set forth herein, in addition to
1412 the minimum purse percentage required by paragraph (a), each
1413 greyhound racing permitholder conducting live racing during a
1414 fiscal year shall pay as purses an annual amount of \$60 for each
1415 live race conducted ~~equal to 75 percent of the daily license~~
1416 ~~fees paid by the greyhound racing each permitholder in for~~ the
1417 preceding 1994-1995 fiscal year. ~~These~~ This ~~purse supplement~~
1418 ~~shall be disbursed weekly during the permitholder's race meet in~~
1419 ~~an amount determined by dividing the annual purse supplement by~~
1420 ~~the number of performances approved for the permitholder~~
1421 ~~pursuant to its annual license and multiplying that amount by~~
1422 ~~the number of performances conducted each week. For the~~
1423 ~~greyhound permitholders in the county where there are two~~
1424 ~~greyhound permitholders located as specified in s. 550.615(6),~~
1425 ~~such permitholders shall pay in the aggregate an amount equal to~~
1426 ~~75 percent of the daily license fees paid by such permitholders~~
1427 ~~for the 1994-1995 fiscal year. These permitholders shall be~~
1428 ~~jointly and severally liable for such purse payments. The~~
1429 ~~additional purses provided by this paragraph must be used~~
1430 ~~exclusively for purses other than stakes~~ and disbursed weekly
1431 during the permitholder's race meet. The division shall conduct



496100

1432 audits necessary to ensure compliance with this section.

1433 (c)1. Each greyhound racing permitholder, when conducting
1434 at least three live performances during any week, shall pay
1435 purses in that week on wagers it accepts as a guest track on
1436 intertrack and simulcast greyhound races at the same rate as it
1437 pays on live races. Each greyhound racing permitholder, when
1438 conducting at least three live performances during any week,
1439 shall pay purses in that week, at the same rate as it pays on
1440 live races, on wagers accepted on greyhound races at a guest
1441 track that ~~which~~ is not conducting live racing and is located
1442 within the same market area as the greyhound racing permitholder
1443 conducting at least three live performances during any week.

1444 2. Each host greyhound racing permitholder shall pay purses
1445 on its simulcast and intertrack broadcasts of greyhound races to
1446 guest facilities that are located outside its market area in an
1447 amount equal to one quarter of an amount determined by
1448 subtracting the transmission costs of sending the simulcast or
1449 intertrack broadcasts from an amount determined by adding the
1450 fees received for greyhound simulcast races plus 3 percent of
1451 the greyhound intertrack handle at guest facilities that are
1452 located outside the market area of the host and that paid
1453 contractual fees to the host for such broadcasts of greyhound
1454 races.

1455 (d) The division shall require sufficient documentation
1456 from each greyhound racing permitholder regarding purses paid on
1457 live racing to assure that the annual purse percentage rates
1458 paid by each greyhound racing permitholder conducting ~~on the~~
1459 live races are not reduced below those paid during the 1993-1994
1460 state fiscal year. The division shall require sufficient



496100

1461 documentation from each greyhound racing permitholder to assure
1462 that the purses paid by each permitholder on the greyhound
1463 intertrack and simulcast broadcasts are in compliance with the
1464 requirements of paragraph (c).

1465 (e) In addition to the purse requirements of paragraphs
1466 (a)-(c), each greyhound racing permitholder conducting live
1467 races shall pay as purses an amount equal to one-third of the
1468 amount of the tax reduction on live and simulcast handle
1469 applicable to such permitholder as a result of the reductions in
1470 tax rates provided by s. 6, chapter 2000-354, Laws of Florida
1471 ~~this act through the amendments to s. 550.0951(3)~~. With respect
1472 to intertrack wagering when the host and guest tracks are
1473 greyhound racing permitholders not within the same market area,
1474 an amount equal to the tax reduction applicable to the guest
1475 track handle as a result of the reduction in tax rate provided
1476 by s. 6, chapter 2000-354, Laws of Florida, ~~this act through the~~
1477 ~~amendment to s. 550.0951(3)~~ shall be distributed to the guest
1478 track, one-third of which amount shall be paid as purses at the
1479 guest track. However, if the guest track is a greyhound racing
1480 permitholder within the market area of the host or if the guest
1481 track is not a greyhound racing permitholder, an amount equal to
1482 such tax reduction applicable to the guest track handle shall be
1483 retained by the host track, one-third of which amount shall be
1484 paid as purses at the host track. These purse funds shall be
1485 disbursed in the week received if the permitholder conducts at
1486 least one live performance during that week. If the permitholder
1487 does not conduct at least one live performance during the week
1488 in which the purse funds are received, the purse funds shall be
1489 disbursed weekly during the permitholder's next race meet in an



496100

1490 amount determined by dividing the purse amount by the number of
1491 performances approved for the permitholder pursuant to its
1492 annual license, and multiplying that amount by the number of
1493 performances conducted each week. The division shall conduct
1494 audits necessary to ensure compliance with this paragraph.

1495 (f) Each greyhound racing permitholder conducting live
1496 racing shall, during the permitholder's race meet, supply kennel
1497 operators and the Division of Pari-Mutuel Wagering with a weekly
1498 report showing purses paid on live greyhound races and all
1499 greyhound intertrack and simulcast broadcasts, including both as
1500 a guest and a host together with the handle or commission
1501 calculations on which such purses were paid and the transmission
1502 costs of sending the simulcast or intertrack broadcasts, so that
1503 the kennel operators may determine statutory and contractual
1504 compliance.

1505 (g) Each greyhound racing permitholder conducting live
1506 racing shall make direct payment of purses to the greyhound
1507 owners who have filed with such permitholder appropriate federal
1508 taxpayer identification information based on the percentage
1509 amount agreed upon between the kennel operator and the greyhound
1510 owner.

1511 (h) At the request of a majority of kennel operators under
1512 contract with a greyhound racing permitholder conducting live
1513 racing, the permitholder shall make deductions from purses paid
1514 to each kennel operator electing such deduction and shall make a
1515 direct payment of such deductions to the local association of
1516 greyhound kennel operators formed by a majority of kennel
1517 operators under contract with the permitholder. The amount of
1518 the deduction shall be at least 1 percent of purses, as



496100

1519 determined by the local association of greyhound kennel
1520 operators. ~~No~~ Deductions may not be taken pursuant to this
1521 paragraph without a kennel operator's specific approval before
1522 or after May 24, 1998 ~~the effective date of this act.~~

1523 ~~(2)(3)~~ As used in ~~For the purpose of~~ this section, the term
1524 "live handle" means the handle from wagers placed at the
1525 permitholder's establishment on the live greyhound races
1526 conducted at the permitholder's establishment.

1527 Section 25. Section 550.09515, Florida Statutes, is amended
1528 to read:

1529 550.09515 Thoroughbred racing ~~horse~~ taxes; abandoned
1530 interest in a permit for nonpayment of taxes.—

1531 (1) Pari-mutuel wagering at thoroughbred horse racetracks
1532 in this state is an important business enterprise, and taxes
1533 derived therefrom constitute a part of the tax structure which
1534 funds operation of the state. Thoroughbred horse permitholders
1535 should pay their fair share of these taxes to the state. This
1536 business interest should not be taxed to such an extent as to
1537 cause any racetrack which is operated under sound business
1538 principles to be forced out of business. Due to the need to
1539 protect the public health, safety, and welfare, the gaming laws
1540 of the state provide for the thoroughbred horse industry to be
1541 highly regulated and taxed. The state recognizes that there
1542 exist identifiable differences between thoroughbred horse
1543 permitholders based upon their ability to operate under such
1544 regulation and tax system and at different periods during the
1545 year.

1546 (2) (a) The tax on handle for live thoroughbred horserace
1547 performances shall be 0.5 percent.



496100

1548 (b) For purposes of this section, the term "handle" shall
1549 have the same meaning as in s. 550.0951, and does ~~shall~~ not
1550 include handle from intertrack wagering.

1551 (3)~~(a)~~ The division shall revoke the permit of a
1552 thoroughbred rac~~ing~~ ~~horse~~ permitholder that ~~who~~ does not pay the
1553 tax due on handle for live thoroughbred horse performances for a
1554 full schedule of live races for more than 24 consecutive months
1555 ~~during any 2 consecutive state fiscal years shall be void and~~
1556 ~~shall escheat to and become the property of the state unless~~
1557 such failure to operate and pay tax on handle was the direct
1558 result of fire, strike, war, or other disaster or event beyond
1559 the ability of the permitholder to control. Financial hardship
1560 to the permitholder does ~~shall~~ not, in and of itself, constitute
1561 just cause for failure to operate and pay tax on handle. A
1562 permit revoked under this subsection is void and may not be
1563 reissued.

1564 ~~(b) In order to maximize the tax revenues to the state, the~~
1565 ~~division shall reissue an escheated thoroughbred horse permit to~~
1566 ~~a qualified applicant pursuant to the provisions of this chapter~~
1567 ~~as for the issuance of an initial permit. However, the~~
1568 ~~provisions of this chapter relating to referendum requirements~~
1569 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~
1570 ~~escheated thoroughbred horse permit. As specified in the~~
1571 ~~application and upon approval by the division of an application~~
1572 ~~for the permit, the new permitholder shall be authorized to~~
1573 ~~operate a thoroughbred horse facility anywhere in the same~~
1574 ~~county in which the escheated permit was authorized to be~~
1575 ~~operated, notwithstanding the provisions of s. 550.054(2)~~
1576 ~~relating to mileage limitations.~~



496100

1577 (4) In the event that a court of competent jurisdiction
1578 determines any of the provisions of this section to be
1579 unconstitutional, it is the intent of the Legislature that the
1580 provisions contained in this section shall be null and void and
1581 that the provisions of s. 550.0951 shall apply to all
1582 thoroughbred racing ~~horse~~ permitholders beginning on the date of
1583 such judicial determination. To this end, the Legislature
1584 declares that it would not have enacted any of the provisions of
1585 this section individually and, to that end, expressly finds them
1586 not to be severable.

1587 (5) Notwithstanding the provisions of s. 550.0951(3)(c),
1588 the tax on handle for intertrack wagering on rebroadcasts of
1589 simulcast horseraces is 2.4 percent of the handle; provided
1590 however, that if the guest track is a thoroughbred track located
1591 more than 35 miles from the host track, the host track shall pay
1592 a tax of .5 percent of the handle, and additionally the host
1593 track shall pay to the guest track 1.9 percent of the handle to
1594 be used by the guest track solely for purses. The tax shall be
1595 deposited into the Pari-mutuel Wagering Trust Fund.

1596 (6) A credit equal to the amount of contributions made by a
1597 thoroughbred racing permitholder during the taxable year
1598 directly to the Jockeys' Guild or its health and welfare fund to
1599 be used to provide health and welfare benefits for active,
1600 disabled, and retired Florida jockeys and their dependents
1601 pursuant to reasonable rules of eligibility established by the
1602 Jockeys' Guild is allowed against taxes on live handle due for a
1603 taxable year under this section. A thoroughbred racing
1604 permitholder may not receive a credit greater than an amount
1605 equal to 1 percent of its paid taxes for the previous taxable



496100

1606 year.

1607 (7) If a thoroughbred racing permitholder fails to operate
1608 all performances on its 2001-2002 license, failure to pay tax on
1609 handle for a full schedule of live races for those performances
1610 in the 2001-2002 fiscal year does not constitute failure to pay
1611 taxes on handle for a full schedule of live races in a fiscal
1612 year for the purposes of subsection (3). This subsection may not
1613 be construed as forgiving a thoroughbred racing permitholder
1614 from paying taxes on performances conducted at its facility
1615 pursuant to its 2001-2002 license other than for failure to
1616 operate all performances on its 2001-2002 license. This
1617 subsection expires July 1, 2003.

1618 Section 26. Section 550.155, Florida Statutes, is amended
1619 to read:

1620 550.155 Pari-mutuel pool within track enclosure; takeouts;
1621 breaks; penalty for purchasing part of a pari-mutuel pool for or
1622 through another in specified circumstances; penalty for
1623 accepting wagers on horse races made outside of a pari-mutuel
1624 facility.-

1625 (1) Wagering on the results of a horserace, dograce, or on
1626 the scores or points of a jai alai game and the sale of tickets
1627 or other evidences showing an interest in or a contribution to a
1628 pari-mutuel pool are allowed within the enclosure of any pari-
1629 mutuel facility licensed and conducted under this chapter but
1630 are not allowed elsewhere in this state, must be supervised by
1631 the division, and are subject to such reasonable rules that the
1632 division prescribes.

1633 (2) The permitholder's share of the takeout is that portion
1634 of the takeout that remains after the pari-mutuel tax imposed



496100

1635 upon the contributions to the pari-mutuel pool is deducted from
1636 the takeout and paid by the permitholder. The takeout is
1637 deducted from all pari-mutuel pools but may be different
1638 depending on the type of pari-mutuel pool. The permitholder
1639 shall inform the patrons, either through the official program or
1640 via the posting of signs at conspicuous locations, as to the
1641 takeout currently being applied to handle at the facility. A
1642 capital improvement proposed by a permitholder licensed under
1643 this chapter to a pari-mutuel facility existing on June 23,
1644 1981, which capital improvement requires, pursuant to any
1645 municipal or county ordinance, resolution, or regulation, the
1646 qualification or approval of the municipality or county wherein
1647 the permitholder conducts its business operations, shall receive
1648 approval unless the municipality or county is able to show that
1649 the proposed improvement presents a justifiable and immediate
1650 hazard to the health and safety of municipal or county
1651 residents, provided the permitholder pays to the municipality or
1652 county the cost of a building permit and provided the capital
1653 improvement meets the following criteria:

1654 (a) The improvement does not qualify as a development of
1655 regional impact as defined in s. 380.06; and

1656 (b) The improvement is contiguous to or within the existing
1657 pari-mutuel facility site. To be contiguous, the site of the
1658 improvement must share a sufficient common boundary with the
1659 present pari-mutuel facility to allow full and free access
1660 without crossing a public roadway, public waterway, or similar
1661 barrier.

1662 (3) After deducting the takeout and the "breaks," a pari-
1663 mutuel pool must be redistributed to the contributors.



496100

1664 (4) Redistribution of funds otherwise distributable to the
1665 contributors of a pari-mutuel pool must be a sum equal to the
1666 next lowest multiple of 10 on all races and games.

1667 (5) A distribution of a pari-mutuel pool may not be made of
1668 the odd cents of any sum otherwise distributable, which odd
1669 cents constitute the "breaks."

1670 (6) A person or corporation may not directly or indirectly
1671 purchase pari-mutuel tickets or participate in the purchase of
1672 any part of a pari-mutuel pool for another for hire or for any
1673 gratuity. A person may not purchase any part of a pari-mutuel
1674 pool through another wherein she or he gives or pays directly or
1675 indirectly such other person anything of value. Any person who
1676 violates this subsection is guilty of a misdemeanor of the
1677 second degree, punishable as provided in s. 775.082 or s.
1678 775.083.

1679 (7) A person who accepts wagers on horseraces conducted at
1680 in-state and out-of-state pari-mutuel facilities, excluding the
1681 acceptance of wagers within the enclosure of a pari-mutuel
1682 facility in this state which are accepted through such pari-
1683 mutuel facility's ontrack totalisator, commits a felony of the
1684 third degree, punishable as provided in s. 775.082 or s.
1685 775.083. Each act of accepting a wager in violation of this
1686 subsection constitutes a separate offense.

1687 Section 27. Section 550.1625, Florida Statutes, is amended
1688 to read:

1689 550.1625 Greyhound racing ~~dog racing~~; taxes.—

1690 (1) The operation of a greyhound racing ~~dog~~ track and
1691 legalized pari-mutuel betting at greyhound racing ~~dog~~ tracks in
1692 this state is a privilege and is an operation that requires



496100

1693 strict supervision and regulation in the best interests of the
1694 state. Pari-mutuel wagering at greyhound racing ~~dog~~ tracks in
1695 this state is a substantial business, and taxes derived
1696 therefrom constitute part of the tax structures of the state and
1697 the counties. The operators of greyhound racing ~~dog~~ tracks
1698 should pay their fair share of taxes to the state; at the same
1699 time, this substantial business interest should not be taxed to
1700 such an extent as to cause a track that is operated under sound
1701 business principles to be forced out of business.

1702 (2) A permitholder that conducts a greyhound race ~~dograce~~
1703 meet under this chapter must pay the daily license fee, the
1704 admission tax, ~~the breaks tax,~~ and the tax on pari-mutuel handle
1705 as provided in s. 550.0951 and is subject to all penalties and
1706 sanctions provided in s. 550.0951(6).

1707 Section 28. Section 550.1647, Florida Statutes, is
1708 repealed.

1709 Section 29. Section 550.1648, Florida Statutes, is amended
1710 to read:

1711 550.1648 Greyhound adoptions.—

1712 ~~(1)~~ A greyhound racing ~~Each dogracing~~ permitholder that
1713 conducts live racing at ~~operating~~ a greyhound racing ~~dogracing~~
1714 facility in this state shall provide for a greyhound adoption
1715 booth to be located at the facility.

1716 (1) (a) The greyhound adoption booth must be operated on
1717 weekends by personnel or volunteers from a bona fide
1718 organization that promotes or encourages the adoption of
1719 greyhounds ~~pursuant to s. 550.1647.~~ Such bona fide organization,
1720 as a condition of adoption, must provide sterilization of
1721 greyhounds by a licensed veterinarian before relinquishing



496100

1722 custody of the greyhound to the adopter. The fee for
1723 sterilization may be included in the cost of adoption. As used
1724 in this section, the term "weekend" includes the hours during
1725 which live greyhound racing is conducted on Friday, Saturday, or
1726 Sunday, and the term "bona fide organization that promotes or
1727 encourages the adoption of greyhounds" means an organization
1728 that provides evidence of compliance with chapter 496 and
1729 possesses a valid exemption from federal taxation issued by the
1730 Internal Revenue Service. Information pamphlets and application
1731 forms shall be provided to the public upon request.

1732 (b) In addition, The kennel operator or owner shall notify
1733 the permitholder that a greyhound is available for adoption and
1734 the permitholder shall provide information concerning the
1735 adoption of a greyhound in each race program and shall post
1736 adoption information at conspicuous locations throughout the
1737 greyhound racing ~~degrading~~ facility. Any greyhound that is
1738 participating in a race and that will be available for future
1739 adoption must be noted in the race program. The permitholder
1740 shall allow greyhounds to be walked through the track facility
1741 to publicize the greyhound adoption program.

1742 (2) In addition to the charity days authorized under s.
1743 550.0351, a greyhound racing permitholder may fund the greyhound
1744 adoption program by holding a charity racing day designated as
1745 "Greyhound Adopt-A-Pet Day." All profits derived from the
1746 operation of the charity day must be placed into a fund used to
1747 support activities at the racing facility which promote the
1748 adoption of greyhounds. The division may adopt rules for
1749 administering the fund. ~~Proceeds from the charity day authorized~~
1750 ~~in this subsection may not be used as a source of funds for the~~



496100

1751 ~~purposes set forth in s. 550.1647.~~

1752 (3) (a) Upon a violation of this section by a permitholder
1753 or licensee, the division may impose a penalty as provided in s.
1754 550.0251(10) and require the permitholder to take corrective
1755 action.

1756 (b) A penalty imposed under s. 550.0251(10) does not
1757 exclude a prosecution for cruelty to animals or for any other
1758 criminal act.

1759 Section 30. Section 550.1752, Florida Statutes, is created
1760 to read:

1761 550.1752 Permit reduction program.-

1762 (1) The permit reduction program is created in the Division
1763 of Pari-mutuel Wagering for the purpose of purchasing and
1764 cancelling active pari-mutuel permits. The program shall be
1765 funded from revenue share payments made by the Seminole Tribe of
1766 Florida under the compact ratified by s. 285.710(3).

1767 (2) The division shall purchase pari-mutuel permits from
1768 pari-mutuel permitholders when sufficient moneys are available
1769 for such purchases. A pari-mutuel permitholder may not submit an
1770 offer to sell a permit unless it is actively conducting pari-
1771 mutuel racing or jai alai as required by law and satisfies all
1772 applicable requirements for the permit. The division shall adopt
1773 by rule the form to be used by a pari-mutuel permitholder for an
1774 offer to sell a permit and shall establish a schedule for the
1775 consideration of offers.

1776 (3) The division shall establish the value of a pari-mutuel
1777 permit based upon the valuation of one or more independent
1778 appraisers selected by the division. The valuation of a permit
1779 must be based on the permit's fair market value and may not



496100

1780 include the value of the real estate or personal property. The
1781 division may establish a value for the permit that is lower than
1782 the amount determined by an independent appraiser but may not
1783 establish a higher value.

1784 (4) The division must accept the offer or offers that best
1785 utilize available funding; however, the division may also accept
1786 the offers that it determines are most likely to reduce the
1787 incidence of gaming in this state. The division may not accept
1788 an offer to purchase a permit or execute a contract to purchase
1789 a permit if the sum of the purchase price for the permit under
1790 the offer or the contract and the total of the purchase prices
1791 under all previously executed contracts for the purchase of
1792 permits exceeds \$20 million.

1793 (5) Following the execution of a contract between a
1794 permitholder and the state for the acquisition of a permit owned
1795 by a permitholder, and not less than 30 days after the
1796 authorization of the nonoperating budget authority pursuant to
1797 s. 216.181(12) required to pay the purchase price for such
1798 permit, the division shall certify the executed contract to the
1799 Chief Financial Officer and shall request the distribution to be
1800 paid from the General Revenue Fund to the permitholder for the
1801 closing of the purchase. The total of all such distributions for
1802 all permit purchases may not exceed \$20 million in all fiscal
1803 years. Immediately after the closing of a purchase, the division
1804 shall cancel any permit purchased under this section.

1805 (6) This section expires on July 1, 2019, unless reenacted
1806 by the Legislature.

1807 Section 31. Section 550.1753, Florida Statutes, is created
1808 to read:



496100

1809 550.1753 Thoroughbred purse and awards supplement program.—

1810 (1) The thoroughbred purse and awards supplement program is
1811 created in the division for the purpose of maintaining an active
1812 and viable live thoroughbred racing, owning, and breeding
1813 industry in this state. The program shall be funded from revenue
1814 share payments made by the Seminole Tribe of Florida under the
1815 compact ratified by s. 285.710(3).

1816 (2) Beginning July 1, 2019, after the funds paid by the
1817 Seminole Tribe of Florida to the state during each state fiscal
1818 year exceed \$20 million, and not less than 30 days after the
1819 authorization of the nonoperating budget authority pursuant to
1820 s. 216.181(12) needed to pay purse and awards supplement funds,
1821 the division shall certify to the Chief Financial Officer the
1822 amount of the purse and awards supplement funds to be
1823 distributed to each eligible thoroughbred racing permitholder
1824 pursuant to subsection (3) and shall request the distribution
1825 from the General Revenue Fund to be paid to each thoroughbred
1826 racing permitholder. The total of all such distributions for all
1827 thoroughbred racing permitholders may not exceed \$20 million in
1828 any fiscal year.

1829 (3) (a) Purse and awards supplement funds are intended to
1830 enhance the purses and awards currently available on
1831 thoroughbred horse racing in this state. Such funds also may be
1832 used both to supplement thoroughbred horse racing purses and
1833 awards and to subsidize the operating costs of and capital
1834 improvements at permitted thoroughbred horse racing facilities
1835 eligible for funding under this section, in accordance with an
1836 agreement with the association representing a majority of the
1837 thoroughbred horse owners and trainers conducting racing at each



496100

1838 such thoroughbred horse racing permitholder's facility.

1839 (b) A thoroughbred horse racing permitholder may not
1840 receive purse and awards supplements under this section unless
1841 it provides the division with a copy of an agreement between the
1842 thoroughbred horse racing permitholder and the horsemen's
1843 association representing the majority of the thoroughbred
1844 racehorse owners and trainers racing at the thoroughbred horse
1845 racing permitholder's facility for purses to be paid during its
1846 upcoming meet. Ninety percent of all purse and awards supplement
1847 funds must be devoted to purses and ten percent must be devoted
1848 to breeders', stallion, and special racing awards under this
1849 chapter.

1850 (c) The division shall apportion the purse and awards
1851 supplement funds as follows:

1852 1. The first \$10 million shall be allocated to a
1853 thoroughbred horse racing permitholder that has conducted a full
1854 schedule of live racing for 15 consecutive years after June 30,
1855 2000, has never operated at a facility in which slot machines
1856 are located, and has never held a slot machine license, as long
1857 as the thoroughbred horse racing permitholder uses the
1858 allocation for thoroughbred horse racing purses and awards and
1859 operations at the thoroughbred horse racing permitholder's
1860 facility, with at least 50 percent of such funds allocated to
1861 thoroughbred horse racing purses. If more than one thoroughbred
1862 horse racing permitholder is eligible to participate in this
1863 allocation, the funds shall be allocated on a pro rata basis
1864 based on the number of live race days to be conducted by those
1865 eligible thoroughbred horse racing permitholders pursuant to
1866 their annual racing licenses.



1867 2. The balance of the funds shall be allocated on a pro
1868 rata basis based on the number of live race days to be conducted
1869 by thoroughbred horse racing permitholders pursuant to their
1870 annual racing licenses.

1871 3. If a thoroughbred horse racing permitholder fails to
1872 conduct a live race day, the permitholder must return the unused
1873 purse and awards supplement funds allocated for that day, and
1874 the division shall reapportion the allocation of purse and
1875 awards supplement funds to the remaining race days to be
1876 conducted by that thoroughbred horse racing permitholder.

1877 (d)1. In the event a limited thoroughbred racing
1878 permitholder receives a license as a result of the conditions
1879 set forth in s. 550.01215(7), it shall be allocated in its first
1880 year of licensure a pro rata share as if it were licensed for an
1881 additional 50 percent of its licensed racing days and may apply
1882 in the next 2 state fiscal years for racing days and receive
1883 funding under this section at the additional 50 percent rate
1884 described in subparagraph (c)2. Funding under this paragraph is
1885 conditioned upon the limited thoroughbred racing permitholder
1886 applying for no more performances than are necessary to make up
1887 the deficiency in the racing levels set forth in s.
1888 550.01215(7), with funding in the following 2 years conditioned
1889 upon applying for no more than this same number of performances
1890 or the number of performances necessary to make up the
1891 deficiency in the racing levels specified above at that point,
1892 whichever is greater.

1893 2. After three years of funding at the rate set forth in
1894 this paragraph, the limited thoroughbred permitholder shall be
1895 treated as other thoroughbred permitholders applying for funding



496100

1896 under this section.

1897 3. Notwithstanding paragraph (a), funds received under this
1898 paragraph may be used both to supplement purses and to subsidize
1899 operating costs and capital improvements for the pari-mutuel
1900 facility.

1901 (e) The division shall distribute 10 percent of all purse
1902 and awards supplement funds to the Florida Thoroughbred
1903 Breeders' Association, Inc., for the payment of breeders',
1904 stallion, and special racing awards, subject to s. 550.2625(3).
1905 Supplement funds received by the association may be returned at
1906 its discretion to thoroughbred horse racing permitholders for
1907 special racing awards to be distributed by the permitholders to
1908 owners of thoroughbred horses participating in prescribed
1909 thoroughbred stakes races, nonstakes races, or both, all in
1910 accordance with a written agreement establishing the rate,
1911 procedure, and eligibility requirements for such awards for the
1912 upcoming state fiscal year, entered into by the permitholder and
1913 the Florida Thoroughbred Breeders' Association, Inc., on or
1914 before June 30 of each year.

1915 (f) The division shall adopt by rule the form to be used by
1916 a permitholder for applying for to receive purse and awards
1917 supplement funds.

1918 (4) The division may adopt rules necessary to implement
1919 this section.

1920 (5) This section expires June 30, 2036.

1921 Section 32. Subsections (4) and (5) and paragraphs (a) and
1922 (c) of subsection (7) of section 550.2415, Florida Statutes, are
1923 amended to read:

1924 550.2415 Racing of animals under certain conditions



496100

1925 prohibited; penalties; exceptions.-

1926 (4) A prosecution pursuant to this section for a violation
1927 of this section must begin within 90 days after the violation
1928 was committed. Filing Service of an administrative complaint by
1929 the division or a notice of violation by the stewards marks the
1930 commencement of administrative action.

1931 (5) The division shall adopt rules related to the testing
1932 of racing animals which must include chain of custody procedures
1933 and implement a split sample ~~split-sample~~ procedure for testing
1934 animals under this section. The split sample procedure shall
1935 require drawing of at least two samples the first of which shall
1936 be tested by the state's testing laboratory and the second of
1937 which shall be retained in a separate secure location for
1938 testing at a later date in accordance with rules adopted by the
1939 division. The division shall only authorize testing by
1940 laboratories accredited by the Racing Medication and Testing
1941 Consortium.

1942 (a) The division shall notify the owner or trainer, the
1943 stewards, and the appropriate horsemen's association of all drug
1944 test results. If a drug test result is positive, and upon
1945 request by the affected trainer or owner of the animal from
1946 which the sample was obtained, the division shall send the split
1947 sample to an approved independent laboratory for analysis. The
1948 division shall establish standards and rules for uniform
1949 enforcement and shall maintain a list of at least five approved
1950 independent laboratories for an owner or trainer to select from
1951 if a drug test result is positive.

1952 (b) If the division laboratory's findings are not confirmed
1953 by the independent laboratory, no further administrative or



496100

1954 disciplinary action under this section may be pursued.

1955 (c) If the independent laboratory confirms the division
1956 laboratory's positive result, the division may commence
1957 administrative proceedings as prescribed in this chapter and
1958 consistent with chapter 120. For purposes of this subsection,
1959 the department shall in good faith attempt to obtain a
1960 sufficient quantity of the test fluid to allow both a primary
1961 test and a secondary test to be made.

1962 (d) For the testing of a racing greyhound, if there is an
1963 insufficient quantity of the secondary (split) sample for
1964 confirmation of the division laboratory's positive result, the
1965 division may commence administrative proceedings as prescribed
1966 in this chapter and consistent with chapter 120.

1967 (e) For the testing of a racehorse, if there is an
1968 insufficient quantity of the secondary (split) sample for
1969 confirmation of the division laboratory's positive result, the
1970 division may not take further action on the matter against the
1971 owner or trainer, and any resulting license suspension must be
1972 immediately lifted.

1973 (f) The division shall require its laboratory and the
1974 independent laboratories to annually participate in an
1975 externally administered quality assurance program designed to
1976 assess testing proficiency in the detection and appropriate
1977 quantification of medications, drugs, and naturally occurring
1978 substances that may be administered to racing animals. The
1979 administrator of the quality assurance program shall report its
1980 results and findings to the division and the Department of
1981 Agriculture and Consumer Services.

1982 (7) (a) In order to protect the safety and welfare of racing



496100

1983 animals and the integrity of the races in which the animals
1984 participate, the division shall adopt rules establishing the
1985 conditions of use and maximum concentrations of medications,
1986 drugs, and naturally occurring substances identified in the
1987 Controlled Therapeutic Medication Schedule, ~~Version 2.1, revised~~
1988 ~~April 17, 2014,~~ adopted by the Association of Racing
1989 Commissioners International, Inc. Controlled therapeutic
1990 medications include only the specific medications and
1991 concentrations allowed in biological samples which have been
1992 approved by the Association of Racing Commissioners
1993 International, Inc., as controlled therapeutic medications.

1994 (c) The division rules must include a classification and
1995 penalty system for the use of drugs, medications, and other
1996 foreign substances which incorporates the Uniform Classification
1997 Guidelines for Foreign Substances, Recommended Penalty
1998 Guidelines, and the Multiple Medication Violation Penalty System
1999 adopted and a corresponding penalty schedule for violations
2000 which incorporates the Uniform Classification Guidelines for
2001 Foreign Substances, Version 8.0, revised December 2014, by the
2002 Association of Racing Commissioners International, Inc. The
2003 division shall adopt laboratory screening limits approved by the
2004 Association of Racing Commissioners International, Inc., for
2005 drugs and medications that are not included as controlled
2006 therapeutic medications, the presence of which in a sample may
2007 result in a violation of this section.

2008 Section 33. Section 550.2416, Florida Statutes, is created
2009 to read:

2010 550.2416 Reporting of racing greyhound injuries.-

2011 (1) An injury to a racing greyhound which occurs while the



2012 greyhound is located in this state must be reported on a form
2013 adopted by the division within 7 days after the date on which
2014 the injury occurred or is believed to have occurred. The
2015 division may adopt rules defining the term "injury."

2016 (2) The form shall be completed and signed under oath or
2017 affirmation by the:

2018 (a) Racetrack veterinarian or director of racing, if the
2019 injury occurred at the racetrack facility; or

2020 (b) Owner, trainer, or kennel operator who had knowledge of
2021 the injury, if the injury occurred at a location other than the
2022 racetrack facility, including during transportation.

2023 (3) The division may fine, suspend, or revoke the license
2024 of any individual who knowingly violates this section.

2025 (4) The form must include the following:

2026 (a) The greyhound's registered name, right-ear and left-ear
2027 tattoo numbers, and, if any, the microchip manufacturer and
2028 number.

2029 (b) The name, business address, and telephone number of the
2030 greyhound owner, the trainer, and the kennel operator.

2031 (c) The color, weight, and sex of the greyhound.

2032 (d) The specific type and bodily location of the injury,
2033 the cause of the injury, and the estimated recovery time from
2034 the injury.

2035 (e) If the injury occurred when the greyhound was racing:

2036 1. The racetrack where the injury occurred;

2037 2. The distance, grade, race, and post position of the
2038 greyhound when the injury occurred; and

2039 3. The weather conditions, time, and track conditions when
2040 the injury occurred.



496100

2041 (f) If the injury occurred when the greyhound was not
2042 racing:

2043 1. The location where the injury occurred, including, but
2044 not limited to, a kennel, a training facility, or a
2045 transportation vehicle; and

2046 2. The circumstances surrounding the injury.

2047 (g) Other information that the division determines is
2048 necessary to identify injuries to racing greyhounds in this
2049 state.

2050 (5) An injury form created pursuant to this section must be
2051 maintained as a public record by the division for at least 7
2052 years after the date it was received.

2053 (6) A licensee of the department who knowingly makes a
2054 false statement concerning an injury or fails to report an
2055 injury is subject to disciplinary action under this chapter or
2056 chapters 455 and 474.

2057 (7) This section does not apply to injuries to a service
2058 animal, personal pet, or greyhound that has been adopted as a
2059 pet.

2060 (8) The division shall adopt rules to implement this
2061 section.

2062 Section 34. Subsection (1) of section 550.26165, Florida
2063 Statutes, is amended to read:

2064 550.26165 Breeders' awards.—

2065 (1) The purpose of this section is to encourage the
2066 agricultural activity of breeding and training racehorses in
2067 this state. Moneys dedicated in this chapter for use as
2068 breeders' awards and stallion awards are to be used for awards
2069 to breeders of registered Florida-bred horses winning horseraces



496100

2070 and for similar awards to the owners of stallions who sired
2071 Florida-bred horses winning stakes races, if the stallions are
2072 registered as Florida stallions standing in this state. Such
2073 awards shall be given at a uniform rate to all winners of the
2074 awards, may ~~shall~~ not be greater than 20 percent of the
2075 announced gross purse, and may ~~shall~~ not be less than 15 percent
2076 of the announced gross purse if funds are available. In
2077 addition, at least ~~no less than~~ 17 percent, but not ~~not~~ more
2078 than 40 percent, as determined by the Florida Thoroughbred
2079 Breeders' Association, of the moneys dedicated in this chapter
2080 for use as breeders' awards and stallion awards for
2081 thoroughbreds shall be returned pro rata to the permitholders
2082 that generated the moneys for special racing awards to be
2083 distributed by the permitholders to owners of thoroughbred
2084 horses participating in prescribed thoroughbred stakes races,
2085 nonstakes races, or both, all in accordance with a written
2086 agreement establishing the rate, procedure, and eligibility
2087 requirements for such awards entered into by the permitholder,
2088 the Florida Thoroughbred Breeders' Association, and the Florida
2089 Horsemen's Benevolent and Protective Association, Inc., except
2090 that the plan for the distribution by any permitholder located
2091 in the area described in s. 550.615(7) ~~s. 550.615(9)~~ shall be
2092 agreed upon by that permitholder, the Florida Thoroughbred
2093 Breeders' Association, and the association representing a
2094 majority of the thoroughbred racehorse owners and trainers at
2095 that location. Awards for thoroughbred races are to be paid
2096 through the Florida Thoroughbred Breeders' Association, and
2097 awards for standardbred races are to be paid through the Florida
2098 Standardbred Breeders and Owners Association. Among other



496100

2099 sources specified in this chapter, moneys for thoroughbred
2100 breeders' awards will come from the 0.955 percent of handle for
2101 thoroughbred races conducted, received, broadcast, or simulcast
2102 under this chapter as provided in s. 550.2625(3). The moneys for
2103 quarter horse and harness breeders' awards will come from the
2104 breaks and uncashed tickets on live quarter horse and harness
2105 horse racing performances and 1 percent of handle on intertrack
2106 wagering. The funds for these breeders' awards shall be paid to
2107 the respective breeders' associations by the permitholders
2108 conducting the races.

2109 Section 35. Section 550.3345, Florida Statutes, is amended
2110 to read:

2111 550.3345 ~~Conversion of quarter horse permit to a~~ Limited
2112 thoroughbred racing permit.-

2113 (1) In recognition of the important and long-standing
2114 economic contribution of the thoroughbred horse breeding
2115 industry to this state and the state's vested interest in
2116 promoting the continued viability of this agricultural activity,
2117 the state intends to provide a limited opportunity for the
2118 conduct of live thoroughbred horse racing with the net revenues
2119 from such racing dedicated to the enhancement of thoroughbred
2120 purses and breeders', stallion, and special racing awards under
2121 this chapter; the general promotion of the thoroughbred horse
2122 breeding industry; and the care in this state of thoroughbred
2123 horses retired from racing.

2124 (2) A limited thoroughbred racing permit previously
2125 converted from ~~Notwithstanding any other provision of law, the~~
2126 ~~holder of a quarter horse racing permit pursuant to chapter~~
2127 2010-29, Laws of Florida, issued under s. 550.334 may only be



496100

2128 ~~held by, within 1 year after the effective date of this section,~~
2129 ~~apply to the division for a transfer of the quarter horse racing~~
2130 ~~permit to a not-for-profit corporation formed under state law to~~
2131 ~~serve the purposes of the state as provided in subsection (1).~~
2132 ~~The board of directors of the not-for-profit corporation must be~~
2133 ~~composed~~ comprised of 11 members, 4 of whom shall be designated
2134 by the applicant, 4 of whom shall be designated by the Florida
2135 Thoroughbred Breeders' Association, and 3 of whom shall be
2136 designated by the other 8 directors, with at least 1 of these 3
2137 members being an authorized representative of another
2138 thoroughbred racing permitholder in this state. A limited
2139 thoroughbred racing ~~The not-for-profit corporation shall submit~~
2140 ~~an application to the division for review and approval of the~~
2141 ~~transfer in accordance with s. 550.054. Upon approval of the~~
2142 ~~transfer by the division, and notwithstanding any other~~
2143 ~~provision of law to the contrary, the not-for-profit corporation~~
2144 ~~may, within 1 year after its receipt of the permit, request that~~
2145 ~~the division convert the quarter horse racing permit to a permit~~
2146 ~~authorizing the holder to conduct pari-mutuel wagering meets of~~
2147 ~~thoroughbred racing. Neither the transfer of the quarter horse~~
2148 ~~racing permit nor its conversion to a limited thoroughbred~~
2149 ~~permit shall be subject to the mileage limitation or the~~
2150 ~~ratification election as set forth under s. 550.054(2) or s.~~
2151 ~~550.0651. Upon receipt of the request for such conversion, the~~
2152 ~~division shall timely issue a converted permit. The converted~~
2153 ~~permit and the not-for-profit corporation~~ are ~~shall be~~ subject
2154 to the following requirements:

2155 (a) All net revenues derived by the not-for-profit
2156 corporation under the thoroughbred ~~horse~~ racing permit, after



2157 the funding of operating expenses and capital improvements,
2158 shall be dedicated to the enhancement of thoroughbred purses and
2159 breeders', stallion, and special racing awards under this
2160 chapter; the general promotion of the thoroughbred horse
2161 breeding industry; and the care in this state of thoroughbred
2162 horses retired from racing.

2163 (b) From December 1 through April 30, ~~no~~ live thoroughbred
2164 racing may not be conducted under the permit on any day during
2165 which another thoroughbred racing permitholder is conducting
2166 live thoroughbred racing within 125 air miles of the not-for-
2167 profit corporation's pari-mutuel facility unless the other
2168 thoroughbred racing permitholder gives its written consent.

2169 (c) After ~~the conversion of the quarter horse racing permit~~
2170 ~~and~~ the issuance of its initial license to conduct pari-mutuel
2171 wagering meets of thoroughbred racing, the not-for-profit
2172 corporation shall annually apply to the division for a license
2173 pursuant to s. 550.01215(7) ~~s. 550.5251~~.

2174 (d) Racing under the permit may take place ~~only~~ at the
2175 location for which the original quarter horse racing permit was
2176 issued, which may be leased, notwithstanding s. 550.475, by the
2177 not-for-profit corporation for that purpose; however, the not-
2178 for-profit corporation may, without the conduct of any
2179 ratification election pursuant to ~~s. 550.054(13)~~ ~~or~~ s. 550.0651,
2180 move the location of the permit to another location in the same
2181 county or counties, if a permit is situated in such a manner
2182 that it is located in more than one county, provided that such
2183 relocation is approved under the zoning and land use regulations
2184 of the applicable county or municipality.

2185 (e) A limited thoroughbred racing ~~no~~ permit may not be



496100

2186 ~~transferred converted under this section is eligible for~~
2187 ~~transfer~~ to another person or entity.

2188 (3) Unless otherwise provided in this section, ~~after~~
2189 ~~conversion~~, the permit and the not-for-profit corporation shall
2190 be treated under the laws of this state as a thoroughbred racing
2191 permit and as a thoroughbred racing permitholder, respectively,
2192 with the exception of ss. 550.054(9)(c) and (d) and s.
2193 550.09515(3).

2194 (4) Notwithstanding any other law, the holder of a limited
2195 thoroughbred racing permit under this section which is not
2196 licensed to conduct a full schedule of live racing may, at any
2197 time, apply for and be issued an operating license under this
2198 chapter to receive broadcasts of horseraces and conduct
2199 intertrack wagering on such races as a guest track.

2200 Section 36. Subsection (6) of section 550.3551, Florida
2201 Statutes, is amended to read:

2202 550.3551 Transmission of racing and jai alai information;
2203 commingling of pari-mutuel pools.—

2204 (6) (a) ~~A maximum of 20 percent of the total number of races~~
2205 ~~on which wagers are accepted by a greyhound permitholder not~~
2206 ~~located as specified in s. 550.615(6) may be received from~~
2207 ~~locations outside this state.~~ A permitholder may not conduct
2208 fewer than eight live races or games on any authorized race day
2209 except as provided in this subsection. A thoroughbred racing
2210 permitholder may not conduct fewer than eight live races on any
2211 race day without the written approval of the Florida
2212 Thoroughbred Breeders' Association and the Florida Horsemen's
2213 Benevolent and Protective Association, Inc., unless it is
2214 determined by the department that another entity represents a



496100

2215 majority of the thoroughbred racehorse owners and trainers in
2216 the state. A harness horse racing permitholder may conduct fewer
2217 than eight live races on any authorized race day, except that
2218 such permitholder must conduct a full schedule of live racing
2219 during its race meet consisting of at least eight live races per
2220 authorized race day for at least 100 days. ~~Any harness horse~~
2221 ~~permitholder that during the preceding racing season conducted a~~
2222 ~~full schedule of live racing may, at any time during its current~~
2223 ~~race meet, receive full-card broadcasts of harness horse races~~
2224 ~~conducted at harness racetracks outside this state at the~~
2225 ~~harness track of the permitholder and accept wagers on such~~
2226 ~~harness races.~~ With specific authorization from the division for
2227 special racing events, a permitholder may conduct fewer than
2228 eight live races or games when the permitholder also broadcasts
2229 out-of-state races or games. The division may not grant more
2230 than two such exceptions a year for a permitholder in any 12-
2231 month period, and those two exceptions may not be consecutive.

2232 (b) Notwithstanding any other provision of this chapter,
2233 any harness horse racing permitholder accepting broadcasts of
2234 out-of-state harness horse races when such permitholder is not
2235 conducting live races must make the out-of-state signal
2236 available to all permitholders eligible to conduct intertrack
2237 wagering and shall pay to guest tracks located as specified in
2238 ~~ss. 550.615(6) and s.~~ 550.6305(9) (d) 50 percent of the net
2239 proceeds after taxes and fees to the out-of-state host track on
2240 harness horse race wagers which they accept. A harness horse
2241 racing permitholder shall be required to pay into its purse
2242 account 50 percent of the net income retained by the
2243 permitholder on account of wagering on the out-of-state



496100

2244 broadcasts received pursuant to this subsection. Nine-tenths of
2245 a percent of all harness horse race wagering proceeds on the
2246 broadcasts received pursuant to this subsection shall be paid to
2247 the Florida Standardbred Breeders and Owners Association under
2248 the provisions of s. 550.2625(4) for the purposes provided
2249 therein.

2250 Section 37. Section 550.475, Florida Statutes, is amended
2251 to read:

2252 550.475 Lease of pari-mutuel facilities by pari-mutuel
2253 permitholders.—Holders of valid pari-mutuel permits for the
2254 conduct of any jai alai games, dogracing, or thoroughbred and
2255 standardbred horse racing in this state are entitled to lease
2256 any and all of their facilities to any other holder of a same
2257 class, valid pari-mutuel permit for jai alai games, dogracing,
2258 or thoroughbred or standardbred horse racing, when they are
2259 located within a 35-mile radius of each other, ~~and~~ and such lessee
2260 is entitled to a permit and license to operate its race meet or
2261 jai alai games at the leased premises. A permitholder may not
2262 lease facilities from a pari-mutuel permitholder that is not
2263 conducting a full schedule of live racing.

2264 Section 38. Section 550.5251, Florida Statutes, is amended
2265 to read:

2266 550.5251 Florida thoroughbred racing; certain permits;
2267 operating days.—

2268 ~~(1) Each thoroughbred permitholder shall annually, during~~
2269 ~~the period commencing December 15 of each year and ending~~
2270 ~~January 4 of the following year, file in writing with the~~
2271 ~~division its application to conduct one or more thoroughbred~~
2272 ~~racing meetings during the thoroughbred racing season commencing~~



496100

2273 ~~on the following July 1. Each application shall specify the~~
2274 ~~number and dates of all performances that the permitholder~~
2275 ~~intends to conduct during that thoroughbred racing season. On or~~
2276 ~~before March 15 of each year, the division shall issue a license~~
2277 ~~authorizing each permitholder to conduct performances on the~~
2278 ~~dates specified in its application. Up to February 28 of each~~
2279 ~~year, each permitholder may request and shall be granted changes~~
2280 ~~in its authorized performances; but thereafter, as a condition~~
2281 ~~precedent to the validity of its license and its right to retain~~
2282 ~~its permit, each permitholder must operate the full number of~~
2283 ~~days authorized on each of the dates set forth in its license.~~

2284 ~~(2) A thoroughbred racing permitholder may not begin any~~
2285 ~~race later than 7 p.m. Any thoroughbred permitholder in a county~~
2286 ~~in which the authority for cardrooms has been approved by the~~
2287 ~~board of county commissioners may operate a cardroom and, when~~
2288 ~~conducting live races during its current race meet, may receive~~
2289 ~~and rebroadcast out-of-state races after the hour of 7 p.m. on~~
2290 ~~any day during which the permitholder conducts live races.~~

2291 ~~(1)-(3)-(a)~~ Each licensed thoroughbred permitholder in this
2292 state must run an average of one race per racing day in which
2293 horses bred in this state and duly registered with the Florida
2294 Thoroughbred Breeders' Association have preference as entries
2295 over non-Florida-bred horses, unless otherwise agreed to in
2296 writing by the permitholder, the Florida Thoroughbred Breeders'
2297 Association, and the association representing a majority of the
2298 thoroughbred racehorse owners and trainers at that location. All
2299 licensed thoroughbred racetracks shall write the conditions for
2300 such races in which Florida-bred horses are preferred so as to
2301 assure that all Florida-bred horses available for racing at such



496100

2302 tracks are given full opportunity to run in the class of races
2303 for which they are qualified. The opportunity of running must be
2304 afforded to each class of horses in the proportion that the
2305 number of horses in this class bears to the total number of
2306 Florida-bred horses available. A track is not required to write
2307 conditions for a race to accommodate a class of horses for which
2308 a race would otherwise not be run at the track during its meet.

2309 (2) ~~(b)~~ Each licensed thoroughbred permitholder in this
2310 state may run one additional race per racing day composed
2311 exclusively of Arabian horses registered with the Arabian Horse
2312 Registry of America. Any licensed thoroughbred permitholder that
2313 elects to run one additional race per racing day composed
2314 exclusively of Arabian horses registered with the Arabian Horse
2315 Registry of America is not required to provide stables for the
2316 Arabian horses racing under this subsection ~~paragraph~~.

2317 (3) ~~(c)~~ Each licensed thoroughbred permitholder in this
2318 state may run up to three additional races per racing day
2319 composed exclusively of quarter horses registered with the
2320 American Quarter Horse Association.

2321 Section 39. Subsections (2), (4), (6), and (7) of section
2322 550.615, Florida Statutes, are amended, present subsections (8),
2323 (9), and (10) of that section are redesignated as subsections
2324 (6), (7), and (8), respectively, present subsection (9) of that
2325 section is amended, and a new subsection (9) is added to that
2326 section, to read:

2327 550.615 Intertrack wagering.—

2328 (2) A ~~Any~~ track or fronton licensed under this chapter
2329 which has conducted a full schedule of live racing or games for
2330 at least 5 consecutive calendar years since 2010 ~~in the~~



496100

2331 ~~preceding year conducted a full schedule of live racing is~~
2332 qualified to, at any time, receive broadcasts of any class of
2333 pari-mutuel race or game and accept wagers on such races or
2334 games conducted by any class of permitholders licensed under
2335 this chapter.

2336 (4) ~~An~~ In no event shall any intertrack wager may not be
2337 accepted on the same class of live races or games of any
2338 permitholder without the written consent of such operating
2339 permitholders conducting the same class of live races or games
2340 if the guest track is within the market area of such operating
2341 permitholder. A greyhound racing permitholder licensed under
2342 this chapter which accepts intertrack wagers on live greyhound
2343 signals is not required to obtain the written consent required
2344 by this subsection from any operating greyhound racing
2345 permitholder within its market area.

2346 ~~(6) Notwithstanding the provisions of subsection (3), in~~
2347 ~~any area of the state where there are three or more horserace~~
2348 ~~permitholders within 25 miles of each other, intertrack wagering~~
2349 ~~between permitholders in said area of the state shall only be~~
2350 ~~authorized under the following conditions: Any permitholder,~~
2351 ~~other than a thoroughbred permitholder, may accept intertrack~~
2352 ~~wagers on races or games conducted live by a permitholder of the~~
2353 ~~same class or any harness permitholder located within such area~~
2354 ~~and any harness permitholder may accept wagers on games~~
2355 ~~conducted live by any jai alai permitholder located within its~~
2356 ~~market area and from a jai alai permitholder located within the~~
2357 ~~area specified in this subsection when no jai alai permitholder~~
2358 ~~located within its market area is conducting live jai alai~~
2359 ~~performances; any greyhound or jai alai permitholder may receive~~



496100

2360 ~~broadcasts of and accept wagers on any permitholder of the other~~
2361 ~~class provided that a permitholder, other than the host track,~~
2362 ~~of such other class is not operating a contemporaneous live~~
2363 ~~performance within the market area.~~

2364 ~~(7) In any county of the state where there are only two~~
2365 ~~permits, one for dogracing and one for jai alai, no intertrack~~
2366 ~~wager may be taken during the period of time when a permitholder~~
2367 ~~is not licensed to conduct live races or games without the~~
2368 ~~written consent of the other permitholder that is conducting~~
2369 ~~live races or games. However, if neither permitholder is~~
2370 ~~conducting live races or games, either permitholder may accept~~
2371 ~~intertrack wagers on horseraces or on the same class of races or~~
2372 ~~games, or on both horseraces and the same class of races or~~
2373 ~~games as is authorized by its permit.~~

2374 ~~(7)-(9)~~ In any two contiguous counties of the state in which
2375 there are located only four active permits, one for thoroughbred
2376 horse racing, two for greyhound racing ~~dogracing~~, and one for
2377 jai alai games, an ~~no~~ intertrack wager may not be accepted on
2378 the same class of live races or games of any permitholder
2379 without the written consent of such operating permitholders
2380 conducting the same class of live races or games if the guest
2381 track is within the market area of such operating permitholder.

2382 (9) A greyhound racing permitholder that is eligible to
2383 receive broadcasts pursuant to subsection (2) and is operating
2384 pursuant to a current year operating license that specifies that
2385 no live performances will be conducted may accept wagers on live
2386 races conducted at out-of-state greyhound tracks only on the
2387 days when the permitholder receives all live races that any
2388 greyhound host track in this state makes available.



496100

2389 Section 40. Subsections (1), (4), and (5) of section
2390 550.6308, Florida Statutes, are amended to read:

2391 550.6308 Limited intertrack wagering license.—In
2392 recognition of the economic importance of the thoroughbred
2393 breeding industry to this state, its positive impact on tourism,
2394 and of the importance of a permanent thoroughbred sales facility
2395 as a key focal point for the activities of the industry, a
2396 limited license to conduct intertrack wagering is established to
2397 ensure the continued viability and public interest in
2398 thoroughbred breeding in Florida.

2399 (1) Upon application to the division on or before January
2400 31 of each year, any person that is licensed to conduct public
2401 sales of thoroughbred horses pursuant to s. 535.01 and, that has
2402 conducted at least 8 ~~15~~ days of thoroughbred horse sales at a
2403 permanent sales facility in this state for at least 3
2404 consecutive years, ~~and that has conducted at least 1 day of~~
2405 ~~nonwagering thoroughbred racing in this state, with a purse~~
2406 ~~structure of at least \$250,000 per year for 2 consecutive years~~
2407 before such application, shall be issued a license, subject to
2408 the conditions set forth in this section, to conduct intertrack
2409 wagering at such a permanent sales facility ~~during the following~~
2410 ~~periods:~~

- 2411 ~~(a) Up to 21 days in connection with thoroughbred sales;~~
2412 ~~(b) Between November 1 and May 8;~~
2413 ~~(c) Between May 9 and October 31 at such times and on such~~
2414 ~~days as any thoroughbred, jai alai, or a greyhound permitholder~~
2415 ~~in the same county is not conducting live performances; provided~~
2416 ~~that any such permitholder may waive this requirement, in whole~~
2417 ~~or in part, and allow the licensee under this section to conduct~~



496100

2418 ~~intertrack wagering during one or more of the permitholder's~~
2419 ~~live performances; and~~

2420 ~~(d) During the weekend of the Kentucky Derby, the~~
2421 ~~Preakness, the Belmont, and a Breeders' Cup Meet that is~~
2422 ~~conducted before November 1 and after May 8.~~

2423
2424 ~~Only~~ No more than one such license may be issued, and no such
2425 license may be issued for a facility located within 50 miles of
2426 any for-profit thoroughbred permitholder's track.

2427 ~~(4) Intertrack wagering under this section may be conducted~~
2428 ~~only on thoroughbred horse racing, except that intertrack~~
2429 ~~wagering may be conducted on any class of pari-mutuel race or~~
2430 ~~game conducted by any class of permitholders licensed under this~~
2431 ~~chapter if all thoroughbred, jai alai, and greyhound~~
2432 ~~permitholders in the same county as the licensee under this~~
2433 ~~section give their consent.~~

2434 ~~(4)(5)~~ The licensee shall be considered a guest track under
2435 this chapter. The licensee shall pay 2.5 percent of the total
2436 contributions to the daily pari-mutuel pool on wagers accepted
2437 at the licensee's facility on greyhound races or jai alai games
2438 to the thoroughbred permitholder that is conducting live races
2439 for purses to be paid during its current racing meet. If more
2440 than one thoroughbred permitholder is conducting live races on a
2441 day during which the licensee is conducting intertrack wagering
2442 on greyhound races or jai alai games, the licensee shall
2443 allocate these funds between the operating thoroughbred
2444 permitholders on a pro rata basis based on the total live handle
2445 at the operating permitholders' facilities.

2446 Section 41. Section 551.101, Florida Statutes, is amended



496100

2447 to read:

2448 551.101 Slot machine gaming authorized.—~~A Any licensed~~
2449 ~~eligible pari-mutuel facility located in Miami Dade County or~~
2450 ~~Broward County existing at the time of adoption of s. 23, Art. X~~
2451 ~~of the State Constitution that has conducted live racing or~~
2452 ~~games during calendar years 2002 and 2003~~ may possess slot
2453 machines and conduct slot machine gaming at the location where
2454 the pari-mutuel permitholder is authorized to conduct pari-
2455 mutuel wagering activities pursuant to such permitholder's valid
2456 pari-mutuel permit or at the location where a licensee is
2457 authorized to conduct slot machine gaming pursuant to s.
2458 551.1043 ~~provided that a majority of voters in a countywide~~
2459 ~~referendum have approved slot machines at such facility in the~~
2460 ~~respective county.~~ Notwithstanding any other ~~provision of law,~~
2461 it is not a crime for a person to participate in slot machine
2462 gaming at a pari-mutuel facility licensed to possess slot
2463 machines and conduct slot machine gaming or to participate in
2464 slot machine gaming described in this chapter.

2465 Section 42. Subsections (4), (10), and (11) of section
2466 551.102, Florida Statutes, are amended to read:

2467 551.102 Definitions.—As used in this chapter, the term:

2468 (4) "Eligible facility" means any licensed pari-mutuel
2469 facility or any facility authorized to conduct slot machine
2470 gaming pursuant to s. 551.1043, which meets the requirements of
2471 s. 551.104(2) located in Miami Dade County or Broward County
2472 ~~existing at the time of adoption of s. 23, Art. X of the State~~
2473 ~~Constitution that has conducted live racing or games during~~
2474 ~~calendar years 2002 and 2003 and has been approved by a majority~~
2475 ~~of voters in a countywide referendum to have slot machines at~~



496100

2476 ~~such facility in the respective county; any licensed pari-mutuel~~
2477 ~~facility located within a county as defined in s. 125.011,~~
2478 ~~provided such facility has conducted live racing for 2~~
2479 ~~consecutive calendar years immediately preceding its application~~
2480 ~~for a slot machine license, pays the required license fee, and~~
2481 ~~meets the other requirements of this chapter; or any licensed~~
2482 ~~pari-mutuel facility in any other county in which a majority of~~
2483 ~~voters have approved slot machines at such facilities in a~~
2484 ~~countywide referendum held pursuant to a statutory or~~
2485 ~~constitutional authorization after the effective date of this~~
2486 ~~section in the respective county, provided such facility has~~
2487 ~~conducted a full schedule of live racing for 2 consecutive~~
2488 ~~calendar years immediately preceding its application for a slot~~
2489 ~~machine license, pays the required licensed fee, and meets the~~
2490 ~~other requirements of this chapter.~~

2491 (10) "Slot machine license" means a license issued by the
2492 division authorizing a pari-mutuel permitholder or a licensee
2493 authorized pursuant to s. 551.1043 to place and operate slot
2494 machines as provided in by s. 23, Art. X of the State
2495 Constitution, the provisions of this chapter, and by division
2496 rule rules.

2497 (11) "Slot machine licensee" means a pari-mutuel
2498 permitholder or a licensee authorized pursuant to s. 551.1043
2499 which ~~who~~ holds a license issued by the division pursuant to
2500 this chapter which ~~that~~ authorizes such person to possess a slot
2501 machine ~~within facilities specified in s. 23, Art. X of the~~
2502 ~~State Constitution~~ and allows slot machine gaming.

2503 Section 43. Subsections (1) and (2), paragraph (c) of
2504 subsection (4), and paragraphs (a) and (c) of subsection (10) of



496100

2505 section 551.104, Florida Statutes, are amended to read:

2506 551.104 License to conduct slot machine gaming.—

2507 (1) Upon application, and a finding by the division, after
2508 investigation, that the application is complete and that the
2509 applicant is qualified, and payment of the initial license fee,
2510 the division may issue a license to conduct slot machine gaming
2511 in the designated slot machine gaming area of the eligible
2512 facility. Once licensed, slot machine gaming may be conducted
2513 subject to ~~the requirements of~~ this chapter and rules adopted
2514 pursuant thereto. The division may not issue a slot machine
2515 license to any pari-mutuel permitholder that includes, or
2516 previously included within its ownership group, an ultimate
2517 equitable owner that was also an ultimate equitable owner of a
2518 pari-mutuel permitholder whose permit was voluntarily or
2519 involuntarily surrendered, suspended, or revoked by the division
2520 within 10 years before the date of permitholder's filing of an
2521 application for a slot machine license.

2522 (2) An application may be approved by the division only if:

2523 (a) The facility at which the applicant seeks to operate
2524 slot machines is:

2525 1. A licensed pari-mutuel facility located in Miami-Dade
2526 County or Broward County existing at the time of adoption of s.
2527 23, Art. X of the State Constitution which conducted live racing
2528 or games during calendar years 2002 and 2003, if such
2529 permitholder pays the required license fee and meets the other
2530 requirements of this chapter, including a facility that
2531 relocates pursuant to s. 550.0555;

2532 2. A licensed pari-mutuel facility in any county in which a
2533 majority of voters have approved slot machines in a countywide



496100

2534 referendum, if such permitholder has conducted a full schedule
2535 of live racing or games as defined in s. 550.002(11) for 2
2536 consecutive calendar years immediately preceding its initial
2537 application for a slot machine license, pays the required
2538 license fee, and meets the other requirements of this chapter;

2539 3. A facility at which a licensee is authorized to conduct
2540 slot machine gaming pursuant to s. 551.1043, if such licensee
2541 pays the required license fee and meets the other requirements
2542 of this chapter; or

2543 4. A licensed pari-mutuel facility, except for a pari-
2544 mutuel facility described in subparagraph 1., located on or
2545 contiguous with property of the qualified project of a public-
2546 private partnership consummated between the permitholder and a
2547 responsible public entity in accordance with s. 255.065 in a
2548 county in which the referendum required pursuant to paragraph
2549 (b) is conducted on or after January 1, 2018, and concurrently
2550 with a general election, if such permitholder has conducted a
2551 full schedule of live racing or games as defined in s.
2552 550.002(11) for 2 consecutive calendar years immediately
2553 preceding its initial application for a slot machine license;
2554 provided that a license may be issued under this subparagraph
2555 only after a comprehensive agreement has been executed pursuant
2556 to s. 255.065(7).

2557 (b) ~~after~~ The voters of the county where the applicant's
2558 facility is located have authorized by referendum slot machines
2559 within pari-mutuel facilities in that county ~~as specified in s.~~
2560 23, Art. X of the State Constitution.

2561 (4) As a condition of licensure and to maintain continued
2562 authority for the conduct of slot machine gaming, ~~a the~~ slot



496100

2563 machine licensee shall:

2564 (c)1. If conducting live racing or games, conduct no fewer
2565 than a full schedule of live racing or games as defined in s.
2566 550.002(11). A permitholder's responsibility to conduct a full
2567 schedule ~~such number~~ of live races or games as defined in s.
2568 550.002(11) shall be reduced by the number of races or games
2569 that could not be conducted due to the direct result of fire,
2570 war, hurricane, or other disaster or event beyond the control of
2571 the permitholder. A permitholder may conduct live races or games
2572 at another pari-mutuel facility pursuant to s. 550.475 if such
2573 permitholder has operated its live races or games by lease for
2574 at least 5 consecutive years immediately prior to the
2575 permitholder's application for a slot machine license; or

2576 2. If not licensed to conduct a full schedule of live
2577 racing or games as defined in s. 550.002(11), remit for the
2578 payment of purses and awards on live races an amount equal to
2579 the lesser of \$2 million or 3 percent of its slot machine
2580 revenues from the previous state fiscal year to a slot machine
2581 licensee licensed to conduct not fewer than 160 days of
2582 thoroughbred racing. A slot machine licensee receiving funds
2583 under this subparagraph shall remit, within 10 days of receipt,
2584 10 percent of those funds to the Florida Thoroughbred Breeders'
2585 Association, Inc., for the payment of breeders', stallion, and
2586 special racing awards, subject to the fee authorized in s.
2587 550.2625(3). If no slot machine licensee is licensed for at
2588 least 160 days of live thoroughbred racing, no payments for
2589 purses are required. A slot machine licensee that meets the
2590 requirements of subsection (10) shall receive a dollar-for-
2591 dollar credit to be applied toward the payments required under



496100

2592 this subparagraph which are made pursuant to the binding
2593 agreement after the effective date of this act. This
2594 subparagraph expires July 1, 2036.

2595 (10) (a) ~~1. A~~ No slot machine license or renewal thereof may
2596 not shall be issued to an applicant holding a permit under
2597 chapter 550 to conduct pari-mutuel wagering meets of
2598 thoroughbred racing unless the applicant has on file with the
2599 division a binding written agreement between the applicant and
2600 the Florida Horsemen's Benevolent and Protective Association,
2601 Inc., governing the payment of purses on live thoroughbred races
2602 conducted at the licensee's pari-mutuel facility. In addition, a
2603 ~~no~~ slot machine license or renewal thereof may not shall be
2604 issued to such an applicant unless the applicant has on file
2605 with the division a binding written agreement between the
2606 applicant and the Florida Thoroughbred Breeders' Association,
2607 Inc., governing the payment of breeders', stallion, and special
2608 racing awards on live thoroughbred races conducted at the
2609 licensee's pari-mutuel facility. The agreement governing purses
2610 and the agreement governing awards may direct the payment of
2611 such purses and awards from revenues generated by any wagering
2612 or gaming the applicant is authorized to conduct under Florida
2613 law. All purses and awards are shall be subject to the terms of
2614 chapter 550. All sums for breeders', stallion, and special
2615 racing awards shall be remitted monthly to the Florida
2616 Thoroughbred Breeders' Association, Inc., for the payment of
2617 awards subject to the administrative fee authorized in s.
2618 550.2625(3). This paragraph does not apply to a summer
2619 thoroughbred racing permitholder.

2620 ~~2. No slot machine license or renewal thereof shall be~~



496100

2621 ~~issued to an applicant holding a permit under chapter 550 to~~
2622 ~~conduct pari-mutuel wagering meets of quarter horse racing~~
2623 ~~unless the applicant has on file with the division a binding~~
2624 ~~written agreement between the applicant and the Florida Quarter~~
2625 ~~Horse Racing Association or the association representing a~~
2626 ~~majority of the horse owners and trainers at the applicant's~~
2627 ~~eligible facility, governing the payment of purses on live~~
2628 ~~quarter horse races conducted at the licensee's pari-mutuel~~
2629 ~~facility. The agreement governing purses may direct the payment~~
2630 ~~of such purses from revenues generated by any wagering or gaming~~
2631 ~~the applicant is authorized to conduct under Florida law. All~~
2632 ~~purses shall be subject to the terms of chapter 550.~~

2633 (c)1. If an agreement required under paragraph (a) cannot
2634 be reached prior to the initial issuance of the slot machine
2635 license, either party may request arbitration or, in the case of
2636 a renewal, if an agreement required under paragraph (a) is not
2637 in place 120 days prior to the scheduled expiration date of the
2638 slot machine license, the applicant shall immediately ask the
2639 American Arbitration Association to furnish a list of 11
2640 arbitrators, each of whom shall have at least 5 years of
2641 commercial arbitration experience and no financial interest in
2642 or prior relationship with any of the parties or their
2643 affiliated or related entities or principals. Each required
2644 party to the agreement shall select a single arbitrator from the
2645 list provided by the American Arbitration Association within 10
2646 days of receipt, and the individuals so selected shall choose
2647 one additional arbitrator from the list within the next 10 days.

2648 2. If an agreement required under paragraph (a) is not in
2649 place 60 days after the request under subparagraph 1. in the



496100

2650 case of an initial slot machine license or, in the case of a
2651 renewal, 60 days prior to the scheduled expiration date of the
2652 slot machine license, the matter shall be immediately submitted
2653 to mandatory binding arbitration to resolve the disagreement
2654 between the parties. The three arbitrators selected pursuant to
2655 subparagraph 1. shall constitute the panel that shall arbitrate
2656 the dispute between the parties pursuant to the American
2657 Arbitration Association Commercial Arbitration Rules and chapter
2658 682.

2659 3. At the conclusion of the proceedings, which shall be no
2660 later than 90 days after the request under subparagraph 1. in
2661 the case of an initial slot machine license or, in the case of a
2662 renewal, 30 days prior to the scheduled expiration date of the
2663 slot machine license, the arbitration panel shall present to the
2664 parties a proposed agreement that the majority of the panel
2665 believes equitably balances the rights, interests, obligations,
2666 and reasonable expectations of the parties. The parties shall
2667 immediately enter into such agreement, which shall satisfy the
2668 requirements of paragraph (a) and permit issuance of the pending
2669 annual slot machine license or renewal. The agreement produced
2670 by the arbitration panel under this subparagraph shall be
2671 effective until the last day of the license or renewal period or
2672 until the parties enter into a different agreement. Each party
2673 shall pay its respective costs of arbitration and shall pay one-
2674 half of the costs of the arbitration panel, unless the parties
2675 otherwise agree. If the agreement produced by the arbitration
2676 panel under this subparagraph remains in place 120 days prior to
2677 the scheduled issuance of the next annual license renewal, then
2678 the arbitration process established in this paragraph will begin



496100

2679 again.

2680 4. In the event that ~~neither of the agreements required~~
2681 ~~under paragraph (a) subparagraph (a)1. or the agreement required~~
2682 ~~under subparagraph (a)2.~~ are not in place by the deadlines
2683 established in this paragraph, arbitration regarding each
2684 agreement will proceed independently, with separate lists of
2685 arbitrators, arbitration panels, arbitration proceedings, and
2686 resulting agreements.

2687 5. With respect to the agreements required under paragraph
2688 (a) governing the payment of purses, the arbitration and
2689 resulting agreement called for under this paragraph shall be
2690 limited to the payment of purses from slot machine revenues
2691 only.

2692 Section 44. Section 551.1042, Florida Statutes, is created
2693 to read:

2694 551.1042 Transfer or relocation of slot machine license
2695 prohibited.—A slot machine license issued under this chapter may
2696 not be transferred or reissued when such reissuance is in the
2697 nature of a transfer so as to permit or authorize a licensee to
2698 change the location of a slot machine facility, except through
2699 the relocation of the pari-mutuel permit pursuant to s.
2700 550.0555.

2701 Section 45. Section 551.1043, Florida Statutes, is created
2702 to read:

2703 551.1043 Slot machine license to enhance live pari-mutuel
2704 activity.—In recognition of the important and long-standing
2705 economic contribution of the pari-mutuel industry to this state
2706 and the state's vested interest in the revenue generated from
2707 that industry and in the interest of promoting the continued



2708 viability of the important statewide agricultural activities
2709 that the industry supports, the Legislature finds that it is in
2710 the state's interest to provide a limited opportunity for the
2711 establishment of two additional slot machine licenses to be
2712 awarded and renewed annually and located within Broward County
2713 or a county as defined in s. 125.011.

2714 (1) (a) Within 120 days after the effective date of this
2715 act, any person who is not a slot machine licensee may apply to
2716 the division pursuant to s. 551.104(1) for one of the two slot
2717 machine licenses created by this section to be located in
2718 Broward County or a county as defined in s. 125.011. No more
2719 than one of such licenses may be awarded in each of those
2720 counties. An applicant shall submit an application to the
2721 division which satisfies the requirements of s. 550.054(3). Any
2722 person prohibited from holding any horseracing or dogracing
2723 permit or jai alai fronton permit pursuant to s. 550.1815 is
2724 ineligible to apply for the additional slot machine license
2725 created by this section.

2726 (b) The application shall be accompanied by a nonrefundable
2727 license application fee of \$2 million. The license application
2728 fee shall be deposited into the Pari-mutuel Wagering Trust Fund
2729 of the Department of Business and Professional Regulation to be
2730 used by the division and the Department of Law Enforcement for
2731 investigations, the regulation of slot machine gaming, and the
2732 enforcement of slot machine gaming under this chapter. In the
2733 event of a successful award, the license application fee shall
2734 be credited toward the license application fee required by s.
2735 551.106.

2736 (2) If there is more than one applicant for an additional



496100

2737 slot machine license, the division shall award such license to
2738 the applicant that receives the highest score based on the
2739 following criteria:

2740 (a) The amount of slot machine revenues the applicant will
2741 agree to dedicate to the enhancement of pari-mutuel purses and
2742 breeders', stallion, and special racing or player awards to be
2743 awarded to pari-mutuel activities conducted pursuant to chapter
2744 550, in addition to those required pursuant to ss.
2745 551.104(4)(c)2. and 849.086(14)(d)2.;

2746 (b) The amount of slot machine revenues the applicant will
2747 agree to dedicate to the general promotion of the state's pari-
2748 mutuel industry;

2749 (c) The amount of slot machine revenues the applicant will
2750 agree to dedicate to care provided in this state to injured or
2751 retired animals, jockeys, or jai alai players;

2752 (d) The projected amount by which the proposed slot machine
2753 facility will increase tourism, generate jobs, provide revenue
2754 to the local economy, and provide revenue to the state. The
2755 applicant and its partners shall document their previous
2756 experience in constructing premier facilities with high-quality
2757 amenities which complement a local tourism industry;

2758 (e) The financial history of the applicant and its
2759 partners, including, but not limited to, any capital investments
2760 in slot machine gaming and pari-mutuel facilities, and its bona
2761 fide plan for future community involvement and financial
2762 investment;

2763 (f) The history of investment by the applicant and its
2764 partners in the communities in which its previous developments
2765 have been located;



496100

2766 (g) The ability to purchase and maintain a surety bond in
2767 an amount established by the division to represent the projected
2768 annual state revenues expected to be generated by the proposed
2769 slot machine facility;

2770 (h) The ability to demonstrate the financial wherewithal to
2771 adequately capitalize, develop, construct, maintain, and operate
2772 a proposed slot machine facility. The applicant must demonstrate
2773 the ability to commit at least \$100 million for hard costs
2774 related to construction and development of the facility,
2775 exclusive of the purchase price and costs associated with the
2776 acquisition of real property and any impact fees. The applicant
2777 must also demonstrate the ability to meet any projected secured
2778 and unsecured debt obligations and to complete construction
2779 within 2 years after receiving the award of the slot machine
2780 license;

2781 (i) The ability to implement a program to train and employ
2782 residents of South Florida to work at the facility and contract
2783 with local business owners for goods and services; and

2784 (j) The ability of the applicant to generate, with its
2785 partners, substantial gross gaming revenue following the award
2786 of gaming licenses through a competitive process.

2787
2788 The division shall award additional points in the evaluation of
2789 the applications for proposed projects located within a half
2790 mile of two forms of public transportation in a designated
2791 community redevelopment area or district.

2792 (3) (a) Notwithstanding the timeframes established in s.
2793 120.60, the division shall complete its evaluations at least 120
2794 days after the submission of applications and shall notice its



2795 intent to award each of the licenses within that timeframe.
2796 Within 30 days after the submission of an application, the
2797 division shall issue, if necessary, requests for additional
2798 information or notices of deficiency to the applicant, who must
2799 respond within 15 days. Failure to timely and sufficiently
2800 respond to such requests or to correct identified deficiencies
2801 is grounds for denial of the application.

2802 (b) Any protest of an intent to award a license shall be
2803 forwarded to the Division of Administrative Hearings, which
2804 shall conduct an administrative hearing on the matter before an
2805 administrative law judge at least 30 days after the notice of
2806 intent to award. The administrative law judge shall issue a
2807 proposed recommended order at least 30 days after the completion
2808 of the final hearing. The division shall issue a final order at
2809 least 15 days after receipt of the proposed recommended order.

2810 (c) Any appeal of a license denial shall be made to the
2811 First District Court of Appeal and must be accompanied by the
2812 posting of a supersedeas bond in favor of the state in an amount
2813 determined by the division to be equal to the amount of
2814 projected annual slot machine revenue expected to be generated
2815 for the state by the successful licensee which shall be payable
2816 to the state if the state prevails in the appeal.

2817 (4) The division is authorized to adopt emergency rules
2818 pursuant to s. 120.54 to implement this section. The Legislature
2819 finds that such emergency rulemaking power is necessary for the
2820 preservation of the rights and welfare of the people in order to
2821 provide additional funds to benefit the public. The Legislature
2822 further finds that the unique nature of the competitive award of
2823 the slot machine licenses under this section requires that the



496100

2824 department respond as quickly as is practicable to implement
2825 this section. Therefore, in adopting such emergency rules, the
2826 division is exempt from s. 120.54(4)(a). Emergency rules adopted
2827 under this section are exempt from s. 120.54(4)(c) and shall
2828 remain in effect until replaced by other emergency rules or by
2829 rules adopted pursuant to chapter 120.

2830 (5) A licensee authorized pursuant to this section to
2831 conduct slot machine gaming is:

2832 (a) Authorized to operate a cardroom pursuant to s.
2833 849.086, notwithstanding that the licensee does not have a pari-
2834 mutuel permit and does not have an operating license, pursuant
2835 to chapter 550;

2836 (b) Authorized to operate up to 25 house banked blackjack
2837 table games at its facility pursuant to s. 551.1044(2) and is
2838 subject to s. 551.1044(3), notwithstanding that the licensee
2839 does not have a pari-mutuel permit and does not have an
2840 operating license, pursuant to chapter 550;

2841 (c) Exempt from compliance with chapter 550; and

2842 (d) Exempt from s. 551.104(3), (4)(b) and (c)1., (5), and
2843 (10) and from s. 551.114(4).

2844 Section 46. Section 551.1044, Florida Statutes, is created
2845 to read:

2846 551.1044 House banked blackjack table games authorized.-

2847 (1) The pari-mutuel permitholder of each of the following
2848 pari-mutuel wagering facilities may operate up to 25 house
2849 banked blackjack table games at the permitholder's facility:

2850 (a) A licensed pari-mutuel facility where live racing or
2851 games were conducted during calendar years 2002 and 2003,
2852 located in Miami-Dade County or Broward County, and authorized



496100

2853 for slot machine licensure pursuant to s. 23, Art. X of the
2854 State Constitution; and

2855 (b) A licensed pari-mutuel facility where a full schedule
2856 of live horseracing has been conducted for 2 consecutive
2857 calendar years immediately preceding its initial application for
2858 a slot machine license which is located within a county as
2859 defined in s. 125.011.

2860 (2) Wagers on authorized house banked blackjack table games
2861 may not exceed \$100 for each initial two-card wager. Subsequent
2862 wagers on splits or double downs are allowed but may not exceed
2863 the initial two-card wager. Single side bets of not more than \$5
2864 are also allowed.

2865 (3) Each pari-mutuel permitholder offering house banked
2866 blackjack pursuant to this section shall pay a tax to the state
2867 of 25 percent of the blackjack operator's monthly gross
2868 receipts. All provisions of s. 849.086(14), except s.
2869 849.086(14) (a) or (b), apply to taxes owed pursuant to this
2870 section.

2871 Section 47. Subsections (1) and (2) and present subsection
2872 (4) of section 551.106, Florida Statutes, are amended,
2873 subsections (3) and (5) of that section are redesignated as new
2874 subsection (4) and subsection (6), respectively, and a new
2875 subsection (3) is added to that section, to read:

2876 551.106 License fee; tax rate; penalties.-

2877 (1) LICENSE FEE.-

2878 ~~(a)~~ Upon submission of the initial application for a slot
2879 machine license, and annually thereafter, on the anniversary
2880 date of the issuance of the initial license, the licensee must
2881 pay to the division a nonrefundable license fee of ~~\$3 million~~



496100

2882 ~~for the succeeding 12 months of licensure. In the 2010-2011~~
2883 ~~fiscal year, the licensee must pay the division a nonrefundable~~
2884 ~~license fee of \$2.5 million for the succeeding 12 months of~~
2885 ~~licensure. In the 2011-2012 fiscal year and for every fiscal~~
2886 ~~year thereafter, the licensee must pay the division a~~
2887 ~~nonrefundable license fee of \$2 million for the succeeding 12~~
2888 months of licensure. The license fee shall be deposited into the
2889 Pari-mutuel Wagering Trust Fund of the Department of Business
2890 and Professional Regulation to be used by the division and the
2891 Department of Law Enforcement for investigations, regulation of
2892 slot machine gaming, and enforcement of slot machine gaming
2893 provisions under this chapter. These payments shall be accounted
2894 for separately from taxes or fees paid pursuant to the
2895 provisions of chapter 550.

2896 ~~(b) Prior to January 1, 2007, the division shall evaluate~~
2897 ~~the license fee and shall make recommendations to the President~~
2898 ~~of the Senate and the Speaker of the House of Representatives~~
2899 ~~regarding the optimum level of slot machine license fees in~~
2900 ~~order to adequately support the slot machine regulatory program.~~

2901 (2) TAX ON SLOT MACHINE REVENUES.—

2902 (a) The tax rate on slot machine revenues at each facility
2903 is shall be 35 percent. Effective January 1, 2018, the tax rate
2904 on slot machine revenues at each facility is 30 percent.
2905 Effective July 1, 2019, the tax rate on slot machine revenues at
2906 each facility is 25 percent. If, during any state fiscal year,
2907 the aggregate amount of tax paid to the state by ~~all~~ slot
2908 machine licensees in Broward and Miami-Dade Counties which were
2909 licensed before January 1, 2017, is less than the aggregate
2910 amount of tax paid to the state by ~~all slot machine~~ licensees in



496100

2911 those counties that were licensed before January 1, 2017, in the
2912 2017-2018 ~~2008-2009~~ fiscal year, any each slot machine licensee
2913 that was licensed before January 1, 2017, that paid less in that
2914 year than it paid in the 2017-2018 fiscal year shall pay to the
2915 state within 45 days after the end of the state fiscal year a
2916 surcharge equal to ~~its pro rata share of an amount equal to the~~
2917 ~~difference between the aggregate amount of tax that it paid to~~
2918 ~~the state by all slot machine licensees in the 2017-2018 ~~2008-~~~~
2919 ~~2009~~ fiscal year and the amount of tax paid during the
2920 applicable state fiscal year. ~~Each licensee's pro rata share~~
2921 ~~shall be an amount determined by dividing the number 1 by the~~
2922 ~~number of facilities licensed to operate slot machines during~~
2923 ~~the applicable fiscal year, regardless of whether the facility~~
2924 ~~is operating such machines.~~

2925 (b) The slot machine revenue tax imposed by this section on
2926 facilities licensed pursuant to s. 551.104(2) (a)1.-3. shall be
2927 paid to the division for deposit into the Pari-mutuel Wagering
2928 Trust Fund for immediate transfer by the Chief Financial Officer
2929 for deposit into the Educational Enhancement Trust Fund of the
2930 Department of Education. Any interest earnings on the tax
2931 revenues shall also be transferred to the Educational
2932 Enhancement Trust Fund. The slot machine revenue tax imposed by
2933 this section on facilities licensed pursuant to s.
2934 551.104(2) (a)4. shall be paid to the division for deposit into
2935 the Pari-mutuel Wagering Trust Fund. The division shall transfer
2936 90 percent of such funds to be deposited by the Chief Financial
2937 Officer into the Educational Enhancement Trust Fund of the
2938 Department of Education and shall transfer 10 percent of such
2939 funds to the responsible public entity for the public-private



496100

2940 partnership of the slot machine licensee pursuant to ss.
2941 551.104(2)(a)4. and 255.065.

2942 (c)1. Funds transferred to the Educational Enhancement
2943 Trust Fund under paragraph (b) shall be used to supplement
2944 public education funding statewide. Funds transferred to a
2945 responsible public entity pursuant to paragraph (b) shall be
2946 used in accordance with s. 255.065 to finance the qualifying
2947 project of such entity and the slot machine licensee which
2948 established the licensee's eligibility for initial licensure
2949 pursuant to s. 551.104(2)(a)4.

2950 2. If necessary to comply with any covenant established
2951 pursuant to s. 1013.68(4), s. 1013.70(1), or s. 1013.737(3),
2952 funds transferred to the Educational Enhancement Trust Fund
2953 under paragraph (b) shall first be available to pay debt service
2954 on lottery bonds issued to fund school construction in the event
2955 lottery revenues are insufficient for such purpose or to satisfy
2956 debt service reserve requirements established in connection with
2957 lottery bonds. Moneys available pursuant to this subparagraph
2958 are subject to annual appropriation by the Legislature.

2959 (3) SLOT MACHINE GUARANTEE FEE; SURCHARGE.-

2960 (a) If a permitholder located within a county that has
2961 conducted a successful slot machine referendum after January 1,
2962 2012, or a holder of a slot machine license awarded pursuant to
2963 s. 551.1043 does not pay at least \$11 million in total slot
2964 machine taxes and license fees to the state in state fiscal year
2965 2018-2019, the permitholder shall pay to the state within 45
2966 days after the end of the state fiscal year a surcharge equal to
2967 the difference between the aggregate amount of slot machine
2968 taxes and license fees paid to the state in the fiscal year and



496100

2969 \$11 million, regardless of whether the permitholder or licensee
2970 operated slot machines during the fiscal year.

2971 (b) If a permitholder located within a county that has
2972 conducted a successful slot machine referendum after January 1,
2973 2012, or a holder of a slot machine license awarded pursuant to
2974 s. 551.1043 does not pay at least \$21 million in total slot
2975 machine taxes and license fees to the state in state fiscal year
2976 2019-2020 and any subsequent state fiscal year, the permitholder
2977 shall pay to the state within 45 days after the end of the state
2978 fiscal year a surcharge equal to the difference between the
2979 aggregate amount of slot machine taxes and license fees paid to
2980 the state in the fiscal year and \$21 million, regardless of
2981 whether the permitholder or licensee operated slot machines
2982 during the fiscal year.

2983 (5)~~(4)~~ TO PAY TAX; PENALTIES.—A slot machine licensee or
2984 pari-mutuel permitholder who fails to make tax and any
2985 applicable surcharge payments as required under this section is
2986 subject to an administrative penalty of up to \$10,000 for each
2987 day the tax payment is not remitted. All administrative
2988 penalties imposed and collected shall be deposited into the
2989 Pari-mutuel Wagering Trust Fund of the Department of Business
2990 and Professional Regulation. If any slot machine licensee or
2991 pari-mutuel permitholder fails to pay penalties imposed by order
2992 of the division under this subsection, the division may deny,
2993 suspend, revoke, or refuse to renew the license of the
2994 permitholder or slot machine licensee.

2995 Section 48. Subsection (2) of section 551.108, Florida
2996 Statutes, is amended to read:

2997 551.108 Prohibited relationships.—



496100

2998 (2) A manufacturer or distributor of slot machines may not
2999 enter into any contract with a slot machine licensee that
3000 provides for any revenue sharing of any kind or nature that is
3001 directly or indirectly calculated on the basis of a percentage
3002 of slot machine revenues. Any maneuver, shift, or device whereby
3003 this subsection is violated is a violation of this chapter and
3004 renders any such agreement void. This subsection does not apply
3005 to contracts related to a progressive system used in conjunction
3006 with slot machines.

3007 Section 49. Subsections (2) and (4) of section 551.114,
3008 Florida Statutes, are amended to read:

3009 551.114 Slot machine gaming areas.—

3010 (2) If such races or games are available to the slot
3011 machine licensee, the slot machine licensee shall display pari-
3012 mutuel races or games within the designated slot machine gaming
3013 areas and offer patrons within the designated slot machine
3014 gaming areas the ability to engage in pari-mutuel wagering on
3015 any live, intertrack, and simulcast races conducted or offered
3016 to patrons of the licensed facility.

3017 (4) Designated slot machine gaming areas shall ~~may~~ be
3018 located anywhere within the property described in a slot machine
3019 licensee's pari-mutuel permit ~~within the current live gaming~~
3020 ~~facility or in an existing building that must be contiguous and~~
3021 ~~connected to the live gaming facility. If a designated slot~~
3022 ~~machine gaming area is to be located in a building that is to be~~
3023 ~~constructed, that new building must be contiguous and connected~~
3024 ~~to the live gaming facility.~~

3025 Section 50. Section 551.116, Florida Statutes, is amended
3026 to read:



496100

3027 551.116 Days and hours of operation.—Slot machine gaming
3028 areas may be open 24 hours per day, 7 days a week daily
3029 throughout the year. ~~The slot machine gaming areas may be open a~~
3030 ~~cumulative amount of 18 hours per day on Monday through Friday~~
3031 ~~and 24 hours per day on Saturday and Sunday and on those~~
3032 ~~holidays specified in s. 110.117(1).~~

3033 Section 51. Subsections (1) and (3) of section 551.121,
3034 Florida Statutes, are amended to read:

3035 551.121 Prohibited activities and devices; exceptions.—

3036 (1) Complimentary or reduced-cost alcoholic beverages may
3037 ~~not~~ be served to a person ~~persons~~ playing a slot machine.

3038 ~~Alcoholic beverages served to persons playing a slot machine~~
3039 ~~shall cost at least the same amount as alcoholic beverages~~
3040 ~~served to the general public at a bar within the facility.~~

3041 (3) A slot machine licensee may ~~not~~ allow any automated
3042 teller machine or similar device designed to provide credit or
3043 dispense cash to be located within the designated slot machine
3044 gaming areas of a facility of a slot machine licensee.

3045 Section 52. Present subsections (9) through (17) of section
3046 849.086, Florida Statutes, are redesignated as subsections (10)
3047 through (18), respectively, and a new subsection (9) is added to
3048 that section, subsections (1) and (2) of that section are
3049 amended, paragraph (g) is added to subsection (4) of that
3050 section, and paragraph (b) of subsection (5), paragraphs (a),
3051 (b), and (c) of subsection (7), paragraphs (a) and (b) of
3052 subsection (8), present subsection (12), paragraphs (d) and (h)
3053 of present subsection (13), and present subsection (17) of
3054 section 849.086, Florida Statutes, are amended, to read:

3055 849.086 Cardrooms authorized.—



496100

3056 (1) LEGISLATIVE INTENT.—It is the intent of the Legislature
3057 to provide additional entertainment choices for the residents of
3058 and visitors to the state, promote tourism in the state, provide
3059 revenues to support the continuation of live pari-mutuel
3060 activity, and provide additional state revenues through the
3061 authorization of the playing of certain games in the state at
3062 facilities known as cardrooms which are to be located at
3063 licensed pari-mutuel facilities. To ensure the public confidence
3064 in the integrity of authorized cardroom operations, this act is
3065 designed to strictly regulate the facilities, persons, and
3066 procedures related to cardroom operations. Furthermore, the
3067 Legislature finds that authorized games of poker and dominoes ~~as~~
3068 ~~herein defined~~ are considered to be pari-mutuel style games and
3069 not casino gaming because the participants play against each
3070 other instead of against the house.

3071 (2) DEFINITIONS.—As used in this section:

3072 (a) "Authorized game" means a game or series of games of
3073 poker or dominoes which are played in conformance with this
3074 section ~~a nonbanking manner~~.

3075 (b) "Banking game" means a game in which the house is a
3076 participant in the game, taking on players, paying winners, and
3077 collecting from losers ~~or in which the cardroom establishes a~~
3078 ~~bank against which participants play~~. A designated player game
3079 is not a banking game.

3080 (c) "Cardroom" means a facility where authorized games are
3081 played for money or anything of value and to which the public is
3082 invited to participate in such games and charged a fee for
3083 participation by the operator of such facility. Authorized games
3084 and cardrooms do not constitute casino gaming operations if



496100

3085 conducted at an eligible facility.

3086 (d) "Cardroom management company" means any individual not
3087 an employee of the cardroom operator, any proprietorship,
3088 partnership, corporation, or other entity that enters into an
3089 agreement with a cardroom operator to manage, operate, or
3090 otherwise control the daily operation of a cardroom.

3091 (e) "Cardroom distributor" means any business that
3092 distributes cardroom paraphernalia such as card tables, betting
3093 chips, chip holders, dominoes, dominoes tables, drop boxes,
3094 banking supplies, playing cards, card shufflers, and other
3095 associated equipment to authorized cardrooms.

3096 (f) "Cardroom operator" means a licensed pari-mutuel
3097 permitholder that ~~which~~ holds a valid permit and license issued
3098 by the division pursuant to chapter 550 and which also holds a
3099 valid cardroom license issued by the division pursuant to this
3100 section which authorizes such person to operate a cardroom and
3101 to conduct authorized games in such cardroom.

3102 (g) "Designated player" means the player identified as the
3103 player in the dealer position and seated at a traditional player
3104 position in a designated player game who pays winning players
3105 and collects from losing players.

3106 (h) "Designated player game" means a game in which the
3107 players compare their cards only to the cards of the designated
3108 player or to a combination of cards held by the designated
3109 player and cards common and available for play by all players.

3110 (i) ~~(g)~~ "Division" means the Division of Pari-mutuel
3111 Wagering of the Department of Business and Professional
3112 Regulation.

3113 (j) ~~(h)~~ "Dominoes" means a game of dominoes typically played



496100

3114 with a set of 28 flat rectangular blocks, called "bones," which
3115 are marked on one side and divided into two equal parts, with
3116 zero to six dots, called "pips," in each part. The term also
3117 includes larger sets of blocks that contain a correspondingly
3118 higher number of pips. The term also means the set of blocks
3119 used to play the game.

3120 (k)~~(i)~~ "Gross receipts" means the total amount of money
3121 received by a cardroom from any person for participation in
3122 authorized games.

3123 (l)~~(j)~~ "House" means the cardroom operator and all
3124 employees of the cardroom operator.

3125 (m)~~(k)~~ "Net proceeds" means the total amount of gross
3126 receipts received by a cardroom operator from cardroom
3127 operations less direct operating expenses related to cardroom
3128 operations, including labor costs, admission taxes only if a
3129 separate admission fee is charged for entry to the cardroom
3130 facility, gross receipts taxes imposed on cardroom operators by
3131 this section, the annual cardroom license fees imposed by this
3132 section on each table operated at a cardroom, and reasonable
3133 promotional costs excluding officer and director compensation,
3134 interest on capital debt, legal fees, real estate taxes, bad
3135 debts, contributions or donations, or overhead and depreciation
3136 expenses not directly related to the operation of the cardrooms.

3137 (n)~~(l)~~ "Rake" means a set fee or percentage of the pot
3138 assessed by a cardroom operator for providing the services of a
3139 dealer, table, or location for playing the authorized game.

3140 (o)~~(m)~~ "Tournament" means a series of games that have more
3141 than one betting round involving one or more tables and where
3142 the winners or others receive a prize or cash award.



496100

3143 (4) AUTHORITY OF DIVISION.—The Division of Pari-mutuel
3144 Wagering of the Department of Business and Professional
3145 Regulation shall administer this section and regulate the
3146 operation of cardrooms under this section and the rules adopted
3147 pursuant thereto, and is hereby authorized to:

3148 (g) Establish a reasonable period to respond to requests
3149 from a licensed cardroom; provided however, the division has a
3150 maximum of 45 days to approve:

3151 1. A cardroom's internal controls or provide the cardroom
3152 with a list of deficiencies as to the internal controls.

3153 2. Rules for a new authorized game submitted by a licensed
3154 cardroom or provide the cardroom with a list of deficiencies as
3155 to those rules.

3156
3157 Not later than 10 days after the submission of revised internal
3158 controls or revised rules addressing the deficiencies identified
3159 by the division, the division must review and approve or reject
3160 the revised internal controls or revised rules.

3161 (5) LICENSE REQUIRED; APPLICATION; FEES.—No person may
3162 operate a cardroom in this state unless such person holds a
3163 valid cardroom license issued pursuant to this section.

3164 (b) After the initial cardroom license is granted, the
3165 application for the annual license renewal shall be made in
3166 conjunction with the applicant's annual application for its
3167 pari-mutuel license. ~~If a permitholder has operated a cardroom~~
3168 ~~during any of the 3 previous fiscal years and fails to include a~~
3169 ~~renewal request for the operation of the cardroom in its annual~~
3170 ~~application for license renewal, the permitholder may amend its~~
3171 ~~annual application to include operation of the cardroom. In~~



496100

3172 ~~order for a cardroom license to be renewed the applicant must~~
3173 ~~have requested, as part of its pari-mutuel annual license~~
3174 ~~application, to conduct at least 90 percent of the total number~~
3175 ~~of live performances conducted by such permitholder during~~
3176 ~~either the state fiscal year in which its initial cardroom~~
3177 ~~license was issued or the state fiscal year immediately prior~~
3178 ~~thereto if the permitholder ran at least a full schedule of live~~
3179 ~~racing or games in the prior year. If the application is for a~~
3180 ~~harness permitholder cardroom, the applicant must have requested~~
3181 ~~authorization to conduct a minimum of 140 live performances~~
3182 ~~during the state fiscal year immediately prior thereto. If more~~
3183 ~~than one permitholder is operating at a facility, each~~
3184 ~~permitholder must have applied for a license to conduct a full~~
3185 ~~schedule of live racing.~~

3186 (7) CONDITIONS FOR OPERATING A CARDROOM.—

3187 (a) A cardroom may be operated only at the location
3188 specified on the cardroom license issued by the division, and
3189 such location may only be the location at which the pari-mutuel
3190 permitholder is authorized to conduct pari-mutuel wagering
3191 activities pursuant to such permitholder's valid pari-mutuel
3192 permit or as otherwise authorized by law. ~~Cardroom operations~~
3193 ~~may not be allowed beyond the hours provided in paragraph (b)~~
3194 ~~regardless of the number of cardroom licenses issued for~~
3195 ~~permitholders operating at the pari-mutuel facility.~~

3196 (b) Any cardroom operator may operate a cardroom at the
3197 pari-mutuel facility daily throughout the year, if the
3198 permitholder meets the requirements under paragraph (5) (b). The
3199 cardroom may be open ~~a cumulative amount of 18 hours per day on~~
3200 ~~Monday through Friday and 24 hours per day on Saturday and~~



496100

3201 ~~Sunday and on the holidays specified in s. 110.117(1).~~

3202 (c) A cardroom operator must at all times employ and
3203 provide a nonplaying live dealer at ~~for~~ each table on which
3204 authorized ~~card games which traditionally use a dealer~~ are
3205 conducted, except for designated player games at the cardroom.
3206 Such dealers may not have a participatory interest in any game
3207 other than the dealing of cards and may not have an interest in
3208 the outcome of the game. The providing of such dealers by a
3209 licensee does not constitute the conducting of a banking game by
3210 the cardroom operator.

3211 (8) METHOD OF WAGERS; LIMITATION.—

3212 (a) ~~No~~ Wagering may not be conducted using money or other
3213 negotiable currency. Games may only be played utilizing a
3214 wagering system whereby all players' money is first converted by
3215 the house to tokens or chips that may ~~which shall~~ be used for
3216 wagering only at that specific cardroom.

3217 (b) The cardroom operator may limit the amount wagered in
3218 any game or series of games.

3219 (9) DESIGNATED PLAYER GAMES AUTHORIZED.—

3220 (a) A cardroom operator may offer designated player games
3221 consisting of players making wagers against the designated
3222 player. The designated player must be licensed pursuant to
3223 paragraph (6) (b). Employees of a designated player also must be
3224 licensed, and the designated player shall pay, in addition to
3225 the business occupational fee established pursuant to paragraph
3226 (6) (i), an employee occupational license fee which may not
3227 exceed \$500 per employee for any 12-month period.

3228 (b) A cardroom operator may not serve as a designated
3229 player in any game. The cardroom operator may not have a



496100

3230 financial interest in a designated player in any game. A
3231 cardroom operator may collect a rake in accordance with the rake
3232 structure posted at the table.

3233 (c) If there are multiple designated players at a table,
3234 the dealer button shall be rotated in a clockwise rotation after
3235 each hand.

3236 (d) A cardroom operator may not allow a designated player
3237 to pay an opposing player who holds a lower ranked hand.

3238 (e) A designated player may not be required by the rules of
3239 a game or by the rules of a cardroom to cover all wagers posted
3240 by the opposing players.

3241 (f) The cardroom, or any cardroom licensee, may not
3242 contract with, or receive compensation other than a posted table
3243 rake from, any player to participate in any game to serve as a
3244 designated player.

3245 (13)-(12) PROHIBITED ACTIVITIES.-

3246 (a) A ~~No~~ person licensed to operate a cardroom may not
3247 conduct any banking game or any game not specifically authorized
3248 by this section.

3249 (b) A ~~No~~ person who is younger than ~~under~~ 18 years of age
3250 may not be permitted to hold a cardroom or employee license, or
3251 to engage in any game conducted therein.

3252 (c) With the exception of mechanical card shufflers, ~~No~~
3253 electronic or mechanical devices, ~~except mechanical card~~
3254 ~~shufflers,~~ may not be used to conduct any authorized game in a
3255 cardroom.

3256 (d) ~~No~~ Cards, game components, or game implements may not
3257 be used in playing an authorized game unless they have ~~such has~~
3258 been furnished or provided to the players by the cardroom



496100

3259 operator.

3260 (14)~~(13)~~ TAXES AND OTHER PAYMENTS.—

3261 (d)1. Each ~~greyhound and jai alai~~ permitholder that
3262 operates a cardroom facility shall use at least 4 percent of
3263 such permitholder's cardroom monthly gross receipts to
3264 supplement ~~greyhound~~ purses and awards or jai alai prize money,
3265 respectively, during the permitholder's next ensuing pari-mutuel
3266 meet.

3267 2. A cardroom license or renewal thereof may not be issued
3268 to a permitholder conducting less than a full schedule of live
3269 racing or games as defined in s. 550.002(11) unless the
3270 applicant has on file with the division a binding written
3271 contract with a thoroughbred permitholder that is licensed to
3272 conduct live racing and that does not possess a slot machine
3273 license. This contract must provide that the permitholder will
3274 pay an amount equal to 4 percent of its monthly cardroom gross
3275 receipts to the thoroughbred permitholder conducting the live
3276 racing for exclusive use as purses and awards during the current
3277 or ensuing live racing meet of the thoroughbred permitholder. A
3278 thoroughbred permitholder receiving funds under this
3279 subparagraph shall remit, within 10 days of receipt, 10 percent
3280 of those funds to the Florida Thoroughbred Breeders'
3281 Association, Inc., for the payment of breeders', stallion, and
3282 special racing awards, subject to the fee authorized in s.
3283 550.2625(3). If there is not a thoroughbred permitholder that
3284 does not possess a slot machine license, payments for purses are
3285 not required, and the cardroom licensee shall retain such funds
3286 for its use ~~Each thoroughbred and harness horse racing~~
3287 ~~permitholder that operates a cardroom facility shall use at~~



496100

3288 ~~least 50 percent of such permit holder's cardroom monthly net~~
3289 ~~proceeds as follows: 47 percent to supplement purses and 3~~
3290 ~~percent to supplement breeders' awards during the permit holder's~~
3291 ~~next ensuing racing meet.~~

3292 ~~3. No cardroom license or renewal thereof shall be issued~~
3293 ~~to an applicant holding a permit under chapter 550 to conduct~~
3294 ~~pari-mutuel wagering meets of quarter horse racing unless the~~
3295 ~~applicant has on file with the division a binding written~~
3296 ~~agreement between the applicant and the Florida Quarter Horse~~
3297 ~~Racing Association or the association representing a majority of~~
3298 ~~the horse owners and trainers at the applicant's eligible~~
3299 ~~facility, governing the payment of purses on live quarter horse~~
3300 ~~races conducted at the licensee's pari-mutuel facility. The~~
3301 ~~agreement governing purses may direct the payment of such purses~~
3302 ~~from revenues generated by any wagering or gaming the applicant~~
3303 ~~is authorized to conduct under Florida law. All purses shall be~~
3304 ~~subject to the terms of chapter 550.~~

3305 (h) One-quarter of the moneys deposited into the Pari-
3306 mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by
3307 October 1 of each year, be distributed to the local government
3308 that approved the cardroom under subsection (17) ~~(16)~~; however,
3309 if two or more pari-mutuel racetracks are located within the
3310 same incorporated municipality, the cardroom funds shall be
3311 distributed to the municipality. If a pari-mutuel facility is
3312 situated in such a manner that it is located in more than one
3313 county, the site of the cardroom facility shall determine the
3314 location for purposes of disbursement of tax revenues under this
3315 paragraph. The division shall, by September 1 of each year,
3316 determine: the amount of taxes deposited into the Pari-mutuel



496100

3317 Wagering Trust Fund pursuant to this section from each cardroom
3318 licensee; the location by county of each cardroom; whether the
3319 cardroom is located in the unincorporated area of the county or
3320 within an incorporated municipality; and, the total amount to be
3321 distributed to each eligible county and municipality.

3322 ~~(18)~~ ~~(17)~~ CHANGE OF LOCATION; REFERENDUM.—

3323 ~~(a)~~ Notwithstanding ~~any provisions of~~ this section, a ne
3324 cardroom gaming license issued under this section may not shall
3325 be transferred, or reissued when such reissuance is in the
3326 nature of a transfer, so as to permit or authorize a licensee to
3327 change the location of the cardroom except through the
3328 relocation of the pari-mutuel permit pursuant to s. 550.0555 or
3329 s. 550.3345 upon proof in such form as the division may
3330 prescribe that a referendum election has been held:

3331 1. ~~If the proposed new location is within the same county~~
3332 ~~as the already licensed location, in the county where the~~
3333 ~~licensee desires to conduct cardroom gaming and that a majority~~
3334 ~~of the electors voting on the question in such election voted in~~
3335 ~~favor of the transfer of such license. However, the division~~
3336 ~~shall transfer, without requirement of a referendum election,~~
3337 ~~the cardroom license of any permit holder that relocated its~~
3338 ~~permit pursuant to s. 550.0555.~~

3339 2. ~~If the proposed new location is not within the same~~
3340 ~~county as the already licensed location, in the county where the~~
3341 ~~licensee desires to conduct cardroom gaming and that a majority~~
3342 ~~of the electors voting on that question in each such election~~
3343 ~~voted in favor of the transfer of such license.~~

3344 ~~(b) The expense of each referendum held under the~~
3345 ~~provisions of this subsection shall be borne by the licensee~~



496100

3346 ~~requesting the transfer.~~

3347 Section 53. Paragraph (c) is added to subsection (2) of
3348 section 849.0931, Florida Statutes, and subsection (14) of that
3349 section is republished, to read:

3350 849.0931 Bingo authorized; conditions for conduct;
3351 permitted uses of proceeds; limitations.—

3352 (2)

3353 (c) Veterans' organizations engaged in charitable, civic,
3354 benevolent, or scholastic works or other similar endeavors,
3355 which organizations have been in existence for 3 years or more,
3356 may conduct instant bingo in accordance with the requirements of
3357 this section using electronic tickets in lieu of or together
3358 with instant bingo paper tickets, only on the following
3359 premises:

3360 1. Property owned by the veterans' organization.

3361 2. Property owned by the veterans' organization that will
3362 benefit from the proceeds.

3363 3. Property leased for a period of not less than 1 year by
3364 a veterans' organization, providing the lease or rental
3365 agreement does not provide for the payment of a percentage of
3366 the proceeds generated at such premises to the lessor or any
3367 other party and providing the rental rate for such premises does
3368 not exceed the rental rates charged for similar premises in the
3369 same locale.

3370
3371 Electronic tickets for instant bingo must be nontransparent
3372 until the electronic ticket is opened by the player in
3373 electronic form and may only be sold or distributed in this
3374 state by veterans' organizations after the software for such



496100

3375 tickets has been independently analyzed and certified to be
3376 compliant with this section by a nationally recognized
3377 independent gaming laboratory.

3378 (14) Any organization or other person who willfully and
3379 knowingly violates any provision of this section commits a
3380 misdemeanor of the first degree, punishable as provided in s.
3381 775.082 or s. 775.083. For a second or subsequent offense, the
3382 organization or other person commits a felony of the third
3383 degree, punishable as provided in s. 775.082, s. 775.083, or s.
3384 775.084.

3385 Section 54. The Division of Pari-mutuel Wagering of the
3386 Department of Business and Professional Regulation shall revoke
3387 any permit to conduct pari-mutuel wagering if a permit holder has
3388 not conducted live events within the 24 months preceding the
3389 effective date of this act, unless the permit was issued under
3390 s. 550.3345, Florida Statutes, or the permit was issued less
3391 than 24 months preceding the effective date of this act. A
3392 permit revoked under this section may not be reissued.

3393 Section 55. The Division of Law Revision and Information is
3394 directed to replace the phrase "the effective date of this act"
3395 wherever it occurs in this act with the date the act becomes
3396 effective, in accordance with the notice received from the
3397 Secretary of the Department of Business and Professional
3398 Regulation pursuant to s. 285.710(3), Florida Statutes.

3399 Section 56. Except as otherwise expressly provided in this
3400 act, and except for this section, which shall take effect upon
3401 this act becoming a law, this act shall take effect only if the
3402 Gaming Compact between the Seminole Tribe of Florida and the
3403 State of Florida executed by the Governor and the Seminole Tribe



496100

3404 of Florida on December 7, 2015, under the Indian Gaming
3405 Regulatory Act of 1988, is amended as required by this act, and
3406 is approved or deemed approved and not voided by the United
3407 States Department of the Interior, and shall take effect on the
3408 date that notice of the effective date of the amended compact is
3409 published in the Federal Register.

3410
3411 ===== T I T L E A M E N D M E N T =====

3412 And the title is amended as follows:

3413 Delete everything before the enacting clause
3414 and insert:

3415 A bill to be entitled
3416 An act relating to gaming; amending and reordering s.
3417 24.103, F.S.; defining the term "point-of-sale
3418 terminal"; amending s. 24.105, F.S.; authorizing the
3419 Department of the Lottery to create a program that
3420 authorizes certain persons to purchase a ticket at a
3421 point-of-sale terminal; authorizing the department to
3422 adopt rules; providing requirements for the rules;
3423 amending s. 24.112, F.S.; authorizing the department,
3424 a retailer operating from one or more locations, or a
3425 vendor approved by the department to use a point-of-
3426 sale terminal to sell a lottery ticket; requiring a
3427 point-of-sale terminal to perform certain functions;
3428 specifying that the point-of-sale terminal may not
3429 reveal winning numbers; prohibiting a point-of-sale
3430 terminal from including or making use of video reels
3431 or mechanical reels or other video depictions of slot
3432 machine or casino game themes or titles for game play;



3433 prohibiting a point-of-sale terminal from being used
3434 to redeem a winning ticket; amending s. 285.710, F.S.;
3435 redefining the term "compact"; ratifying and approving
3436 a specified compact executed by the Governor and the
3437 Seminole Tribe of Florida contingent upon the adoption
3438 of specified amendments to the compact; superseding
3439 the compact approved by the Legislature in 2010,
3440 subject to certain requirements; directing the
3441 Governor to cooperate with the Tribe in seeking
3442 approval of the amended compact from the United States
3443 Secretary of the Interior; directing the Secretary of
3444 the Department of Business and Professional Regulation
3445 to provide written notice of the effective date of the
3446 compact to specified persons under certain
3447 circumstances; specifying the amendments that must be
3448 made to the compact by agreement between the Governor
3449 and the Tribe for the compact to be deemed ratified
3450 and approved; prohibiting the incorporation of
3451 specified amendments into the compact from impacting
3452 or changing the payments required to the state by the
3453 Tribe during specified payment periods; prohibiting
3454 the compact from being amended to prorate or reduce
3455 required payments to the state; requiring specified
3456 provisions of the compact relating to required
3457 payments to the state during the initial payment
3458 period be deleted; expanding the games authorized to
3459 be conducted and the counties in which such games may
3460 be offered; amending s. 285.712, F.S.; correcting a
3461 citation; creating s. 546.11, F.S.; providing a short



3462 title; creating s. 546.12, F.S.; providing legislative
3463 findings and intent; creating s. 546.13, F.S.;

3464 defining terms; creating s. 546.14, F.S.; creating the
3465 Office of Contest Amusements within the Department of
3466 Business and Professional Regulation; requiring that
3467 the office be under the supervision of a senior
3468 manager who is exempt from the Career Service System
3469 and is appointed by the secretary of the department;

3470 providing duties of the office; providing for
3471 rulemaking; creating s. 546.15, F.S.; providing
3472 licensing requirements for contest operators offering
3473 fantasy contests; providing licensing application and
3474 renewal fees; requiring the office to grant or deny a
3475 license within a specified timeframe; providing that a
3476 completed application is deemed approved 120 days
3477 after receipt by the office under certain
3478 circumstances; exempting applications for a contest
3479 operator's license from certain licensure timeframe
3480 requirements; providing requirements for the license
3481 application; providing that specified persons or
3482 entities are not eligible for licensure under certain
3483 circumstances; defining the term "convicted";
3484 authorizing the office to suspend, revoke, or deny a
3485 license under certain circumstances; creating s.
3486 546.16, F.S.; requiring a contest operator to
3487 implement specified consumer protection procedures
3488 under certain circumstances; requiring a contest
3489 operator to annually contract with a third party to
3490 perform an independent audit under certain



496100

3491 circumstances; requiring a contest operator to submit
3492 the audit results to the office by a certain date;
3493 creating s. 546.17, F.S.; requiring contest operators
3494 to keep and maintain certain records for a specified
3495 period; providing a requirement for such records;
3496 requiring that such records be available for audit and
3497 inspection; requiring the department to adopt rules;
3498 creating s. 546.18, F.S.; providing a civil penalty;
3499 providing applicability; exempting fantasy contests
3500 from certain provisions in ch. 849, F.S.; providing a
3501 directive to the Division of Law Revision and
3502 Information; amending s. 550.002, F.S.; redefining the
3503 term "full schedule of live racing or games"; amending
3504 s. 550.01215, F.S.; revising application requirements
3505 for pari-mutuel operating licenses; authorizing a
3506 greyhound racing permitholder to specify certain
3507 intentions on its application; authorizing a greyhound
3508 racing permitholder to receive an operating license to
3509 conduct pari-mutuel wagering activities at another
3510 permitholder's greyhound racing facility; authorizing
3511 a thoroughbred horse racing permitholder to elect not
3512 to conduct live racing under certain circumstances;
3513 authorizing a thoroughbred horse racing permitholder
3514 that elects not to conduct live racing to retain its
3515 permit and requiring the permitholder to specify its
3516 intention not to conduct live racing in future
3517 applications and that it is a pari-mutuel facility;
3518 authorizing such thoroughbred racing permitholder's
3519 facility to remain an eligible facility, to continue



496100

3520 to be eligible for a slot machine license, to be
3521 exempt from certain provisions of chs. 550 and 551,
3522 F.S., to be eligible as a guest track for intertrack
3523 wagering and simulcasting, and to remain eligible for
3524 a cardroom license; requiring, for a specified period,
3525 that such permitholder file with the division an
3526 irrevocable consent authorizing the use of certain
3527 contributions for specified purses and awards;
3528 exempting certain harness horse racing permitholders,
3529 quarter horse racing permitholders, and jai alai
3530 permitholders from specified live racing or live games
3531 requirements; authorizing such permitholders to
3532 specify certain intentions on their applications;
3533 authorizing certain permitholders that elect not to
3534 conduct live racing to retain their permits; providing
3535 that certain facilities of such permitholders that
3536 have been issued a slot machine license remain
3537 eligible facilities, continue to be eligible for a
3538 slot machine license, are exempt from certain
3539 provisions of ch. 551, F.S., are eligible to be guest
3540 tracks or, in certain cases, host tracks for certain
3541 purposes, and remain eligible for a cardroom license;
3542 authorizing the Division of Pari-mutuel Wagering of
3543 the Department of Business and Professional Regulation
3544 to approve changes in racing dates for permitholders
3545 under certain circumstances; providing requirements
3546 for licensure of certain jai alai permitholders;
3547 deleting a provision for conversion of certain
3548 converted permits to jai alai permits; authorizing



3549 certain limited thoroughbred racing permitholders to
3550 apply by a certain date to conduct live performances
3551 during a specified timeframe subject to certain
3552 conditions; amending s. 550.0251, F.S.; requiring the
3553 division to annually report to the Governor and the
3554 Legislature; specifying requirements for the content
3555 of the report; amending s. 550.054, F.S.; requiring
3556 the division to revoke a pari-mutuel wagering
3557 operating permit under certain circumstances;
3558 prohibiting issuance or approval of new pari-mutuel
3559 permits after a specified date; prohibiting certain
3560 revoked permits from being reissued; authorizing a
3561 permitholder to apply to the division to place a
3562 permit in inactive status; revising provisions that
3563 prohibit transfer or assignment of a pari-mutuel
3564 permit; deleting provisions authorizing a jai alai
3565 permitholder to convert such permit to conduct
3566 greyhound racing; deleting a provision requiring the
3567 division to convert such permits under certain
3568 circumstances; deleting provisions for certain
3569 converted permits; amending s. 550.0555, F.S.;
3570 authorizing specified permitholders to relocate under
3571 certain circumstances, subject to certain
3572 restrictions; deleting a provision requiring the
3573 relocation to be necessary to ensure the revenue-
3574 producing capability of the permittee without
3575 deteriorating the revenue-producing capability of any
3576 other pari-mutuel permittee within a certain distance;
3577 revising how certain distances are measured; repealing



3578 s. 550.0745, F.S., relating to the conversion of pari-
3579 mutuel permits to summer jai alai permits; amending s.
3580 550.0951, F.S.; deleting provisions for certain
3581 credits for a greyhound racing permitholder; deleting
3582 a provision requiring a specified license fee to be
3583 deposited with the Chief Financial Officer to the
3584 credit of the Pari-mutuel Wagering Trust Fund;
3585 revising the tax on handle for live greyhound racing
3586 and intertrack wagering if the host track is a
3587 greyhound racing track; amending s. 550.09512, F.S.;
3588 providing for the revocation of certain harness horse
3589 racing permits; specifying that a revoked permit may
3590 not be reissued; amending s. 550.09514, F.S.; deleting
3591 certain provisions that prohibit tax on handle until a
3592 specified amount of tax savings have resulted;
3593 revising purse requirements of a greyhound racing
3594 permitholder that conducts live racing; amending s.
3595 550.09515, F.S.; providing for the revocation of
3596 certain thoroughbred racing permits; specifying that a
3597 revoked permit may not be reissued; amending s.
3598 550.155, F.S.; specifying that a person who accepts
3599 certain wagers commits a felony of the third degree;
3600 providing penalties; amending s. 550.1625, F.S.;
3601 deleting the requirement that a greyhound racing
3602 permitholder pay the breaks tax; repealing s.
3603 550.1647, F.S., relating to unclaimed tickets and
3604 breaks held by greyhound racing permitholders;
3605 amending s. 550.1648, F.S.; revising requirements for
3606 a greyhound racing permitholder to provide a greyhound



496100

3607 adoption booth at its facility; requiring
3608 sterilization of greyhounds before adoption;
3609 authorizing the fee for such sterilization to be
3610 included in the cost of adoption; defining the term
3611 "bona fide organization that promotes or encourages
3612 the adoption of greyhounds"; creating s. 550.1752,
3613 F.S.; creating the permit reduction program within the
3614 division; providing a purpose for the program;
3615 providing for funding for the program; requiring the
3616 division to purchase pari-mutuel permits from
3617 permitholders under certain circumstances; requiring
3618 that permitholders who wish to make an offer to sell
3619 meet certain requirements; requiring the division to
3620 adopt a certain form by rule; requiring that the
3621 division establish the value of a pari-mutuel permit
3622 based on the valuation of one or more independent
3623 appraisers; authorizing the division to establish a
3624 value that is lower than the valuation of the
3625 independent appraiser; requiring the division to
3626 accept the offers that best utilize available funding;
3627 prohibiting the department from accepting an offer to
3628 purchase a permit or from executing a contract to
3629 purchase a permit under certain conditions; requiring,
3630 by a specified date, that the division certify an
3631 executed contract to the Chief Financial Officer and
3632 request a distribution to be paid to the permitholder;
3633 limiting such distributions; providing for expiration
3634 of the program; creating s. 550.1753, F.S.; creating
3635 the thoroughbred purse and awards supplement program



3636 within the division as of a specified date; providing
3637 a purpose for the program; providing for funding of
3638 the program; requiring the division, within a
3639 specified timeframe, to certify to the Chief Financial
3640 Officer the amount of the purse and awards supplement
3641 funds to be distributed to eligible thoroughbred
3642 racing permitholders and request distribution of such
3643 funds from the General Revenue Fund to such
3644 permitholders; limiting the amount of distributions in
3645 any given fiscal year; specifying intended uses of the
3646 funds; prohibiting certain thoroughbred horse racing
3647 permitholders from receiving purse and awards
3648 supplements unless they provide a copy of a certain
3649 agreement; specifying percentages of the funds that
3650 must be used for certain purposes; requiring the
3651 division to apportion purse and awards supplement
3652 funds in a specified manner; providing conditions
3653 under which certain limited thoroughbred racing
3654 permitholders may make annual application for and
3655 receive certain funds; providing that funding must be
3656 allocated on a pro rata share basis; providing that
3657 certain funding is conditioned on limited thoroughbred
3658 racing permitholders applying for a limited number of
3659 performances; providing that limited thoroughbred
3660 permitholders under the program are treated as other
3661 thoroughbred permitholders applying for funding after
3662 a certain date; authorizing such funds to be used to
3663 supplement purses and subsidize certain costs;
3664 requiring the division to distribute a specified



496100

3665 percentage of funds to a specified organization for
3666 payment of specified racing awards; authorizing
3667 certain supplemental funds to be returned to
3668 thoroughbred horse racing permitholders to allow them
3669 to distribute special racing awards under certain
3670 circumstances under terms established in a required
3671 written agreement; requiring the division to adopt a
3672 form to apply to receive supplement purse funds under
3673 the program; authorizing the division to adopt rules;
3674 providing for expiration of the program; amending s.
3675 550.2415, F.S.; revising the actions that mark the
3676 commencement of certain administrative actions;
3677 requiring the division to adopt certain rules;
3678 deleting a provision specifying the version of the
3679 Controlled Therapeutic Medication Schedule which must
3680 be used by the division to adopt certain rules;
3681 requiring the division rules to include a penalty
3682 system for the use of certain drugs, medications, and
3683 other foreign substances; requiring the classification
3684 and penalty system included in division rules to
3685 incorporate specified documents; creating s. 550.2416,
3686 F.S.; requiring injuries to racing greyhounds to be
3687 reported within a certain timeframe on a form adopted
3688 by the division; requiring such form to be completed
3689 and signed under oath or affirmation by certain
3690 individuals; providing penalties; specifying
3691 information that must be included on the form;
3692 requiring the division to maintain the forms as public
3693 records for a specified time; specifying disciplinary



496100

3694 action that may be taken against a licensee of the
3695 Department of Business and Professional Regulation who
3696 makes false statements on an injury form or who fails
3697 to report an injury; exempting injuries to certain
3698 animals from reporting requirements; requiring the
3699 division to adopt rules; amending s. 550.26165, F.S.;
3700 conforming a cross-reference; amending s. 550.3345,
3701 F.S.; deleting obsolete provisions; revising
3702 requirements for a permit previously converted from a
3703 quarter horse racing permit to a limited thoroughbred
3704 racing permit; authorizing certain holders of limited
3705 thoroughbred racing permits to apply for and be issued
3706 an operating license for a specified purpose under
3707 certain circumstances; amending s. 550.3551, F.S.;
3708 deleting a provision that limits the number of out-of-
3709 state races on which wagers are accepted by a
3710 greyhound racing permitholder; deleting a provision
3711 requiring certain permitholders to conduct a full
3712 schedule of live racing to receive certain full-card
3713 broadcasts and accept certain wagers; conforming a
3714 cross-reference; amending s. 550.475, F.S.;
3715 prohibiting a permitholder from leasing from certain
3716 pari-mutuel permitholders; amending s. 550.5251, F.S.;
3717 deleting a provision relating to requirements for
3718 thoroughbred permitholders; deleting a provision
3719 prohibiting a thoroughbred racing permitholder from
3720 beginning a race before a specified time; amending s.
3721 550.615, F.S.; revising eligibility requirements for
3722 certain pari-mutuel facilities to qualify to receive



496100

3723 certain broadcasts; providing that certain greyhound
3724 racing permitholders are not required to obtain
3725 certain written consent; deleting requirements that
3726 intertrack wagering be conducted between certain
3727 permitholders; deleting a provision prohibiting
3728 certain intertrack wagering in certain counties;
3729 specifying conditions under which greyhound racing
3730 permitholders may accept wagers; amending s. 550.6308,
3731 F.S.; revising the number of days of thoroughbred
3732 horse sales required for an applicant to obtain a
3733 limited intertrack wagering license; revising
3734 eligibility requirements for such licenses; revising
3735 requirements for such wagering; deleting provisions
3736 requiring a licensee to make certain payments to the
3737 daily pari-mutuel pool; amending s. 551.101, F.S.;
3738 revising the facilities that may possess slot machines
3739 and conduct slot machine gaming; deleting certain
3740 provisions requiring a countywide referendum to
3741 approve slot machines at certain facilities; amending
3742 s. 551.102, F.S.; revising definitions; amending s.
3743 551.104, F.S.; prohibiting the division from issuing a
3744 slot machine license to certain pari-mutuel
3745 permitholders; revising conditions of licensure and
3746 conditions for maintaining authority to conduct slot
3747 machine gaming; exempting a summer thoroughbred racing
3748 permitholder from certain purse requirements;
3749 providing applicability; providing an expiration for a
3750 provision requiring certain slot machine licensees to
3751 remit a certain amount for the payment of purses on



3752 live races; deleting a provision prohibiting the
3753 division from issuing or renewing a license for an
3754 applicant holding a permit under ch. 550, F.S., under
3755 certain circumstances; conforming provisions to
3756 changes made by the act; creating s. 551.1042, F.S.;
3757 prohibiting the transfer of a slot machine license or
3758 relocation of a slot machine facility; providing an
3759 exception; creating s. 551.1043, F.S.; providing
3760 legislative findings; authorizing two additional slot
3761 machine licenses to be awarded and renewed annually to
3762 persons located in specified counties; providing that
3763 no more than one license may be awarded in each of
3764 those counties; authorizing certain persons to apply
3765 for such licenses; providing that certain persons are
3766 ineligible to apply for the additional slot machine
3767 licenses; providing a license application fee;
3768 requiring the deposit of the fee in the Pari-mutuel
3769 Wagering Trust Fund; requiring the Division of Pari-
3770 mutuel Wagering to award the license to the applicant
3771 that best meets the selection criteria; providing
3772 selection criteria; requiring the division to complete
3773 a certain evaluation by a specified date; specifying
3774 grounds for denial of an application; providing that
3775 certain protests be forwarded to the Division of
3776 Administrative Hearings; providing requirements for
3777 appeals; authorizing the Division of Pari-mutuel
3778 Wagering to adopt certain emergency rules; authorizing
3779 the licensee of the additional slot machine license to
3780 operate a cardroom and a specified number of house



3781 banked blackjack table games at its facility under
3782 certain circumstances; providing that such licensee is
3783 subject to specified provisions of ch. 849, F.S., and
3784 exempt from specified provisions of chs. 550 and 551,
3785 F.S.; creating s. 551.1044, F.S.; authorizing
3786 blackjack table games at certain pari-mutuel
3787 facilities; specifying limits on wagers; requiring a
3788 permitholder that offers banked blackjack to pay a tax
3789 to the state; providing that such tax is subject to
3790 certain provisions of ch. 849, F.S.; amending s.
3791 551.106, F.S.; deleting obsolete provisions; revising
3792 the tax rate on slot machine revenues under certain
3793 conditions; revising the taxes to be paid to the
3794 division for deposit into the Pari-mutuel Wagering
3795 Trust Fund; requiring certain funds to be transferred
3796 into the Educational Enhancement Trust Fund and to
3797 specified entities; requiring certain permitholders
3798 and licensees to pay a slot machine guarantee fee if
3799 certain taxes and fees paid to the state during
3800 certain periods fall below a specified amount;
3801 amending s. 551.108, F.S.; providing applicability;
3802 amending s. 551.114, F.S.; revising the areas where a
3803 designated slot machine gaming area may be located;
3804 amending s. 551.116, F.S.; deleting a restriction on
3805 the number of hours per day that slot machine gaming
3806 areas may be open; amending s. 551.121, F.S.;
3807 authorizing the serving of complimentary or reduced-
3808 cost alcoholic beverages to persons playing slot
3809 machines; authorizing the location of an automated



496100

3810 teller machine or similar device within designated
3811 slot machine gaming areas; amending s. 849.086, F.S.;
3812 revising legislative intent; revising definitions;
3813 authorizing the division to establish a reasonable
3814 period to respond to certain requests from a licensed
3815 cardroom; providing that the division must approve
3816 certain requests within 45 days; requiring the
3817 division to review and approve or reject certain
3818 revised internal controls or revised rules within 10
3819 days after submission; revising certain license
3820 renewal requirements; deleting provisions relating to
3821 restrictions on hours of operation; authorizing
3822 certain cardroom operators to offer certain designated
3823 player games; requiring the designated player and
3824 employees of the designated player to be licensed;
3825 requiring the designated player to pay certain fees;
3826 prohibiting cardroom operators from serving as the
3827 designated player in a game and from having a
3828 financial interest in a designated player; authorizing
3829 a cardroom operator to collect a rake, subject to
3830 certain requirements; requiring the dealer button to
3831 be rotated under certain circumstances; prohibiting a
3832 cardroom operator from allowing a designated player to
3833 pay an opposing player under certain circumstances;
3834 prohibiting the rules of the game or of the cardroom
3835 to require a designated player to cover all wagers of
3836 opposing players; prohibiting a cardroom or cardroom
3837 licensee from contracting with or receiving certain
3838 compensation from a player to allow that player to



496100

3839 participate in any game as a designated player;
3840 revising requirements for a cardroom license to be
3841 issued or renewed; requiring a certain written
3842 agreement with a thoroughbred permitholder; providing
3843 contract requirements for the agreement; requiring a
3844 thoroughbred permitholder to remit a percentage of
3845 specified funds to the Florida Thoroughbred Breeders'
3846 Association, Inc., subject to certain requirements;
3847 revising requirements to transfer or reissue certain
3848 cardroom gaming licenses; conforming provisions to
3849 changes made by the act; amending s. 849.0931, F.S.;
3850 authorizing certain veterans' organizations engaged in
3851 charitable, civic, benevolent, or scholastic works or
3852 similar endeavors to conduct bingo using electronic
3853 tickets on specified premises; requiring that
3854 electronic tickets for instant bingo meet a certain
3855 requirement; making the sale of such tickets by
3856 veterans' organizations contingent upon certification
3857 of software by a nationally recognized independent
3858 gaming laboratory; directing the Division of Pari-
3859 mutuel Wagering to revoke certain pari-mutuel permits;
3860 specifying that the revoked permits may not be
3861 reissued; providing a directive to the Division of Law
3862 Revision and Information; providing effective dates;
3863 providing a contingent effective date.

By Senator Galvano

21-00423F-17

20178__

1 A bill to be entitled
 2 An act relating to gaming; amending and reordering s.
 3 24.103, F.S.; defining the term "point-of-sale
 4 terminal"; amending s. 24.105, F.S.; authorizing the
 5 Department of the Lottery to create a program that
 6 authorizes certain persons to purchase a ticket or
 7 game at a point-of-sale terminal; authorizing the
 8 department to adopt rules; providing requirements for
 9 the rules; amending s. 24.112, F.S.; authorizing the
 10 department, a retailer operating from one or more
 11 locations, or a vendor approved by the department to
 12 use a point-of-sale terminal to sell a lottery ticket
 13 or game; requiring a point-of-sale terminal to perform
 14 certain functions; specifying that the point-of-sale
 15 terminal may not reveal winning numbers; prohibiting a
 16 point-of-sale terminal from including or making use of
 17 video reels or mechanical reels or other video
 18 depictions of slot machine or casino game themes or
 19 titles for game play; prohibiting a point-of-sale
 20 terminal from being used to redeem a winning ticket;
 21 amending s. 285.710, F.S.; redefining the term
 22 "compact;" ratifying and approving a specified compact
 23 executed by the Governor and the Seminole Tribe of
 24 Florida contingent upon the adoption of a specified
 25 amendment to the compact; superseding the compact
 26 approved by the Legislature in 2010, subject to
 27 certain requirements; directing the Governor to
 28 cooperate with the Tribe in seeking approval of the
 29 amended compact from the United States Secretary of
 30 the Interior; directing the Secretary of the
 31 Department of Business and Professional Regulation to
 32 provide written notice of the effective date of the

Page 1 of 112

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

21-00423F-17

20178__

33 compact to specified persons under certain
 34 circumstances; specifying the provisions that must be
 35 included in the compact to be deemed ratified and
 36 approved; expanding the games authorized to be
 37 conducted and the counties in which such games may be
 38 offered; amending s. 285.712, F.S.; correcting a
 39 citation; creating s. 546.11, F.S.; providing a short
 40 title; creating s. 546.12, F.S.; providing legislative
 41 findings and intent; creating s. 546.13, F.S.;
 42 defining terms; creating s. 546.14, F.S.; creating the
 43 Office of Amusements within the Department of Business
 44 and Professional Regulation; requiring that the office
 45 be under the supervision of a senior manager who is
 46 exempt from the Career Service System and is appointed
 47 by the secretary of the department; providing duties
 48 of the office; providing for rulemaking; creating s.
 49 546.15, F.S.; providing licensing requirements for
 50 contest operators offering fantasy contests; providing
 51 licensing application and renewal fees; requiring the
 52 office to grant or deny a license within a specified
 53 timeframe; providing that a completed application is
 54 deemed approved 120 days after receipt by the office
 55 under certain circumstances; exempting applications
 56 for a contest operator's license from certain
 57 licensure timeframe requirements; providing
 58 requirements for the license application; providing
 59 that specified persons or entities are not eligible
 60 for licensure under certain circumstances; defining
 61 the term "convicted"; requiring a contest operator to

Page 2 of 112

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

21-00423F-17

20178__

62 provide evidence of a surety bond; requiring the
 63 surety bond to be kept during the term of the license
 64 and any renewal term thereafter; authorizing the
 65 office to suspend, revoke, or deny a license under
 66 certain circumstances; creating s. 546.16, F.S.;
 67 requiring a contest operator to implement specified
 68 consumer protection procedures under certain
 69 circumstances; requiring a contest operator to
 70 annually contract with a third party to perform an
 71 independent audit under certain circumstances;
 72 requiring a contest operator to submit the audit
 73 results to the office; creating s. 546.17, F.S.;
 74 requiring contest operators to keep and maintain
 75 records for a specified period; providing
 76 requirements; providing for rulemaking; requiring a
 77 contest operator to file a quarterly report with the
 78 office; creating s. 546.18, F.S.; providing a civil
 79 penalty; providing applicability; exempting fantasy
 80 contests from certain provisions in ch. 849, F.S.;
 81 providing a directive to the Division of Law Revision
 82 and Information; amending s. 550.002, F.S.; redefining
 83 the term "full schedule of live racing or games";
 84 amending s. 550.01215, F.S.; revising provisions for
 85 applications for pari-mutuel operating licenses;
 86 authorizing a greyhound racing permitholder to specify
 87 certain intentions on its application; authorizing a
 88 greyhound racing permitholder to receive an operating
 89 license to conduct pari-mutuel wagering activities at
 90 another permitholder's greyhound racing facility;

Page 3 of 112

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

21-00423F-17

20178__

91 authorizing a thoroughbred horse racing permitholder
 92 to elect not to conduct live racing under certain
 93 circumstances; authorizing a thoroughbred horse racing
 94 permitholder that elects not to conduct live racing to
 95 retain its permit and requiring the permitholder to
 96 specify its intention not to conduct live racing in
 97 future applications; authorizing such thoroughbred
 98 racing permitholder's facility to remain an eligible
 99 facility, to continue to be eligible for a slot
 100 machine license, to be exempt from certain provisions
 101 of chs. 550 and 551, to be eligible as a guest track
 102 for intertrack wagering and interstate simulcast, and
 103 to remain eligible for a cardroom license; exempting
 104 certain harness racing permitholders, quarter horse
 105 racing permitholders, and jai alai permitholders from
 106 specified live racing or live games requirements;
 107 authorizing such permitholders to specify certain
 108 intentions on their applications; authorizing the
 109 Division of Pari-mutuel Wagering of the Department of
 110 Business and Professional Regulation to approve
 111 changes in racing dates for permitholders under
 112 certain circumstances; providing requirements for
 113 licensure of certain jai alai permitholders; deleting
 114 a provision for conversion of certain converted
 115 permits to jai alai permits; amending s. 550.0251,
 116 F.S.; requiring the division to annually report to the
 117 Governor and the Legislature; specifying requirements
 118 for the content of the report; amending s. 550.054,
 119 F.S.; requiring the division to revoke a pari-mutuel

Page 4 of 112

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

21-00423F-17

20178__

120 wagering operating permit under certain circumstances;
 121 prohibiting issuance or approval of new pari-mutuel
 122 permits after a specified date; authorizing a
 123 permitholder to apply to the division to place a
 124 permit in inactive status; revising provisions that
 125 prohibit transfer or assignment of a pari-mutuel
 126 permit; deleting provisions authorizing a jai alai
 127 permitholder to convert such permit to conduct
 128 greyhound racing; deleting a provision requiring the
 129 division to convert such permits under certain
 130 circumstances; deleting provisions for certain
 131 converted permits; amending s. 550.0555, F.S.;
 132 authorizing specified permitholders to relocate their
 133 greyhound racing permits within a specified distance
 134 under certain circumstances; deleting a provision
 135 requiring the relocation to be necessary to ensure the
 136 revenue-producing capability of the permittee without
 137 deteriorating the revenue-producing capability of any
 138 other pari-mutuel permittee within a certain distance;
 139 revising how certain distances are measured; repealing
 140 s. 550.0745, F.S., relating to the conversion of pari-
 141 mutuel permits to summer jai alai permits; amending s.
 142 550.0951, F.S.; deleting provisions for certain
 143 credits for a greyhound racing permitholder; revising
 144 the tax on handle for live greyhound racing and
 145 intertrack wagering if the host track is a greyhound
 146 racing track; amending s. 550.09512, F.S.; providing
 147 for the revocation of certain harness horse racing
 148 permits; specifying that a revoked permit may not be

21-00423F-17

20178__

149 reissued; amending s. 550.09514, F.S.; deleting
 150 certain provisions that prohibit tax on handle until a
 151 specified amount of tax savings have resulted;
 152 revising purse requirements of a greyhound racing
 153 permitholder that conducts live racing; amending s.
 154 550.09515, F.S.; providing for the revocation of
 155 certain thoroughbred racing permits; specifying that a
 156 revoked permit may not be reissued; amending s.
 157 550.1625, F.S.; deleting the requirement that a
 158 greyhound racing permitholder pay the breaks tax;
 159 repealing s. 550.1647, F.S., relating to unclaimed
 160 tickets and breaks held by greyhound racing
 161 permitholders; amending s. 550.1648, F.S.; revising
 162 requirements for a greyhound racing permitholder to
 163 provide a greyhound adoption booth at its facility;
 164 requiring sterilization of greyhounds before adoption;
 165 authorizing the fee for such sterilization to be
 166 included in the cost of adoption; defining the term
 167 "bona fide organization that promotes or encourages
 168 the adoption of greyhounds"; creating s. 550.1752,
 169 F.S.; creating the permit reduction program within the
 170 division; providing a purpose for the program;
 171 providing for funding for the program up to a
 172 specified maximum amount; requiring the division to
 173 purchase pari-mutuel permits from permitholders under
 174 certain circumstances; requiring that permitholders
 175 who wish to make an offer to sell meet certain
 176 requirements; requiring the division to adopt a
 177 certain form by rule; requiring that the division

21-00423F-17

20178__

178 establish the value of a pari-mutuel permit based on
 179 the valuation of one or more independent appraisers;
 180 authorizing the division to establish a value that is
 181 lower than the valuation of the independent appraiser;
 182 requiring the division to accept the offers that best
 183 utilize available funding; requiring the division to
 184 cancel permits that it purchases through the program;
 185 providing for expiration of the program; creating s.
 186 550.1753, F.S.; creating the thoroughbred purse
 187 supplement program within the division; providing a
 188 purpose for the program; providing for funding for the
 189 program; requiring the division to adopt a certain
 190 form by rule; requiring the division to apportion
 191 purse supplement funds in a certain manner; requiring
 192 a thoroughbred permitholder to return any unused
 193 portion of a purse supplement fund under certain
 194 circumstances; authorizing rulemaking; providing for
 195 expiration of the program; creating s. 550.2416, F.S.;
 196 requiring injuries to racing greyhounds to be reported
 197 within a certain timeframe on a form adopted by the
 198 division; requiring such form to be completed and
 199 signed under oath or affirmation by certain
 200 individuals; providing penalties; specifying
 201 information that must be included on the form;
 202 requiring the division to maintain the forms as public
 203 records for a specified time; specifying disciplinary
 204 action that may be taken against a licensee of the
 205 Department of Business and Professional Regulation who
 206 makes false statements on an injury form or who fails

Page 7 of 112

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

21-00423F-17

20178__

207 to report an injury; exempting injuries to certain
 208 animals from reporting requirements; requiring the
 209 division to adopt rules; amending s. 550.26165, F.S.;
 210 conforming a cross-reference; amending s. 550.3345,
 211 F.S.; deleting obsolete provisions; revising
 212 requirements for a permit previously converted from a
 213 quarter horse racing permit to a limited thoroughbred
 214 racing permit; amending s. 550.3551, F.S.; deleting a
 215 provision that limits the number of out-of-state races
 216 on which wagers are accepted by a greyhound racing
 217 permitholder; deleting a provision prohibiting a
 218 permitholder from conducting fewer than eight live
 219 races or games under certain circumstances; deleting a
 220 provision requiring certain permitholders to conduct a
 221 full schedule of live racing to receive certain full-
 222 card broadcasts and accept certain wagers; conforming
 223 a cross-reference; amending s. 550.475, F.S.;
 224 prohibiting a permitholder from leasing from certain
 225 pari-mutuel permitholders; amending s. 550.5251, F.S.;
 226 deleting a provision relating to requirements for
 227 thoroughbred permitholders; amending s. 550.615, F.S.;
 228 revising eligibility requirements for certain pari-
 229 mutuel facilities to qualify to receive certain
 230 broadcasts; providing that certain greyhound racing
 231 permitholders are not required to obtain certain
 232 written consent; deleting requirements that intertrack
 233 wagering be conducted between certain permitholders;
 234 deleting a provision prohibiting certain intertrack
 235 wagering in certain counties; specifying conditions

Page 8 of 112

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

21-00423F-17

20178__

236 under which greyhound racing permitholders may accept
 237 wagers; amending s. 550.6308, F.S.; revising the
 238 number of days of thoroughbred horse sales required
 239 for an applicant to obtain a limited intertrack
 240 wagering license; revising eligibility requirements
 241 for such licenses; revising requirements for such
 242 wagering; deleting provisions requiring a licensee to
 243 make certain payments to the daily pari-mutuel pool;
 244 amending s. 551.101, F.S.; revising the facilities
 245 that may possess slot machines and conduct slot
 246 machine gaming; deleting certain provisions requiring
 247 a countywide referendum to approve slot machines at
 248 certain facilities; amending s. 551.102, F.S.;
 249 revising definitions; amending s. 551.104, F.S.;
 250 prohibiting the division from issuing a slot machine
 251 license to certain pari-mutuel permitholders; revising
 252 conditions of licensure and conditions for maintaining
 253 authority to conduct slot machine gaming; exempting a
 254 summer thoroughbred racing permitholder from certain
 255 purse requirements; providing applicability; deleting
 256 a provision prohibiting the division from issuing or
 257 renewing a license for an applicant holding a permit
 258 under ch. 550, F.S., under certain circumstances;
 259 providing an expiration for a provision requiring
 260 certain slot machine licensees to remit a certain
 261 amount for the payment of purses on live races;
 262 conforming provisions to changes made by the act;
 263 creating s. 551.1042, F.S.; prohibiting the transfer
 264 of a slot machine license or relocation of a slot

Page 9 of 112

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

21-00423F-17

20178__

265 machine facility; creating s. 551.1043, F.S.;

266 providing legislative findings; authorizing two
 267 additional slot machine licenses to be awarded and
 268 renewed annually to persons located in specified
 269 counties; providing that no more than one license may
 270 be awarded in each of those counties; authorizing
 271 certain persons to apply for such licenses; providing
 272 that certain persons are ineligible to apply for the
 273 additional slot machine licenses; providing a license
 274 application fee; requiring the deposit of the fee in
 275 the Pari-mutuel Wagering Trust Fund; requiring the
 276 Division of Pari-mutuel Wagering to award the license
 277 to the applicant that best meets the selection
 278 criteria; providing selection criteria; requiring the
 279 division to complete a certain evaluation by a
 280 specified date; specifying grounds for denial of an
 281 application; providing that certain protests be
 282 forwarded to the Division of Administrative Hearings;
 283 providing requirements for appeals; authorizing the
 284 Division of Pari-mutuel Wagering to adopt certain
 285 emergency rules; authorizing the licensee of the
 286 additional slot machine license to operate a cardroom
 287 and a specified number of house banked blackjack table
 288 games at its facility under certain circumstances;
 289 providing that such licensee is subject to specified
 290 provisions of ch. 849, F.S., and exempt from specified
 291 provisions of chs. 550 and 551, F.S.; creating s.
 292 551.1044, F.S.; authorizing blackjack table games at
 293 certain pari-mutuel facilities; specifying limits on

Page 10 of 112

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

21-00423F-17

20178__

294 wagers; requiring a permitholder that offers banked
 295 blackjack to pay a tax to the state; providing that
 296 such tax is subject to certain provisions of ch. 849,
 297 F.S.; amending s. 551.106, F.S.; deleting obsolete
 298 provisions; revising the tax rate on slot machine
 299 revenues under certain conditions; revising the taxes
 300 to be paid to the division for deposit into the Pari-
 301 mutuel Wagering Trust Fund; requiring certain funds to
 302 be transferred into the Educational Enhancement Trust
 303 Fund and to specified entities; amending s. 551.108,
 304 F.S.; providing applicability; amending s. 551.114,
 305 F.S.; revising the areas where a designated slot
 306 machine gaming area may be located; amending s.
 307 551.116, F.S.; deleting a restriction on the number of
 308 hours per day that slot machine gaming areas may be
 309 open; amending s. 551.121, F.S.; authorizing the
 310 serving of complimentary or reduced-cost alcoholic
 311 beverages to persons playing slot machines;
 312 authorizing the location of an automated teller
 313 machine or similar device within designated slot
 314 machine gaming areas; amending s. 849.086, F.S.;
 315 amending legislative intent; revising definitions;
 316 deleting certain license renewal requirements;
 317 deleting provisions relating to restrictions on hours
 318 of operation; authorizing certain cardroom operators
 319 to offer certain designated player games; requiring
 320 the designated player to be licensed; prohibiting
 321 cardroom operators from serving as the designated
 322 player in a game and from having a financial interest

Page 11 of 112

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

21-00423F-17

20178__

323 in a designated player; authorizing a cardroom
 324 operator to collect a rake, subject to certain
 325 requirements; requiring the dealer button to be
 326 rotated under certain circumstances; prohibiting a
 327 cardroom operator from allowing a designated player to
 328 pay an opposing player under certain circumstances;
 329 providing elements of a designated player game;
 330 revising requirements for a cardroom license to be
 331 issued or renewed; requiring a certain written
 332 agreement with a thoroughbred permitholder; providing
 333 contract requirements for the agreement; conforming
 334 provisions to changes made by the act; directing the
 335 Division of Pari-mutuel Wagering to revoke certain
 336 pari-mutuel permits; specifying that the revoked
 337 permits may not be reissued; providing a directive to
 338 the Division of Law Revision and Information;
 339 providing effective dates; providing a contingent
 340 effective date.

341
 342 Be It Enacted by the Legislature of the State of Florida:

343
 344 Section 1. Section 24.103, Florida Statutes, is reordered
 345 and amended to read:

346 24.103 Definitions.—As used in this act, the term:

347 (1) "Department" means the Department of the Lottery.

348 ~~(6)(2)~~ "Secretary" means the secretary of the department.

349 (3) "Person" means any individual, firm, association, joint
 350 adventure, partnership, estate, trust, syndicate, fiduciary,
 351 corporation, or other group or combination and includes an shall

Page 12 of 112

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

21-00423F-17

20178__

352 ~~include any~~ agency or political subdivision of the state.

353 (4) "Point-of-sale terminal" means an electronic device
 354 used to process credit card, debit card, or other similar charge
 355 card payments at retail locations which is supported by networks
 356 that enable verification, payment, transfer of funds, and
 357 logging of transactions.

358 ~~(2)(4)~~ "Major procurement" means a procurement for a
 359 contract for the printing of tickets for use in any lottery
 360 game, consultation services for the startup of the lottery, any
 361 goods or services involving the official recording for lottery
 362 game play purposes of a player's selections in any lottery game
 363 involving player selections, any goods or services involving the
 364 receiving of a player's selection directly from a player in any
 365 lottery game involving player selections, any goods or services
 366 involving the drawing, determination, or generation of winners
 367 in any lottery game, the security report services provided for
 368 in this act, or any goods and services relating to marketing and
 369 promotion which exceed a value of \$25,000.

370 (5) "Retailer" means a person who sells lottery tickets on
 371 behalf of the department pursuant to a contract.

372 ~~(7)(6)~~ "Vendor" means a person who provides or proposes to
 373 provide goods or services to the department, but does not
 374 include an employee of the department, a retailer, or a state
 375 agency.

376 Section 2. Present subsections (19) and (20) of section
 377 24.105, Florida Statutes, are redesignated as subsections (20)
 378 and (21), respectively, and a new subsection (19) is added to
 379 that section, to read:

380 24.105 Powers and duties of department.—The department

Page 13 of 112

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

21-00423F-17

20178__

381 shall:

382 (19) Have the authority to create a program that allows a
 383 person who is at least 18 years of age to purchase a lottery
 384 ticket or game at a point-of-sale terminal. The department may
 385 adopt rules to administer the program. Such rules shall include,
 386 but are not limited to, the following:

387 (a) Limiting the dollar amount of lottery tickets or games
 388 that a person may purchase at point-of-sale terminals;

389 (b) Creating a process to enable a customer to restrict or
 390 prevent his or her own access to lottery tickets or games; and

391 (c) Ensuring that the program is administered in a manner
 392 that does not breach the exclusivity provisions of any Indian
 393 gaming compact to which this state is a party.

394 Section 3. Section 24.112, Florida Statutes, is amended to
 395 read:

396 24.112 Retailers of lottery tickets; ~~authorization of~~
 397 ~~vending machines; point-of-sale terminals to dispense lottery~~
 398 ~~tickets.—~~

399 (1) The department shall adopt ~~promulgate~~ rules specifying
 400 the terms and conditions for contracting with retailers who will
 401 best serve the public interest and promote the sale of lottery
 402 tickets.

403 (2) In the selection of retailers, the department shall
 404 consider factors such as financial responsibility, integrity,
 405 reputation, accessibility of the place of business or activity
 406 to the public, security of the premises, the sufficiency of
 407 existing retailers to serve the public convenience, and the
 408 projected volume of the sales for the lottery game involved. In
 409 the consideration of these factors, the department may require

Page 14 of 112

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

21-00423F-17

20178__

410 the information it deems necessary of any person applying for
 411 authority to act as a retailer. However, the department may not
 412 establish a limitation upon the number of retailers and shall
 413 make every effort to allow small business participation as
 414 retailers. It is the intent of the Legislature that retailer
 415 selections be based on business considerations and the public
 416 convenience and that retailers be selected without regard to
 417 political affiliation.

418 (3) The department may ~~shall~~ not contract with any person
 419 as a retailer who:

420 (a) Is less than 18 years of age.

421 (b) Is engaged exclusively in the business of selling
 422 lottery tickets; however, this paragraph may ~~shall~~ not preclude
 423 the department from selling lottery tickets.

424 (c) Has been convicted of, or entered a plea of guilty or
 425 nolo contendere to, a felony committed in the preceding 10
 426 years, regardless of adjudication, unless the department
 427 determines that:

428 1. The person has been pardoned or the person's civil
 429 rights have been restored;

430 2. Subsequent to such conviction or entry of plea the
 431 person has engaged in the kind of law-abiding commerce and good
 432 citizenship that would reflect well upon the integrity of the
 433 lottery; or

434 3. If the person is a firm, association, partnership,
 435 trust, corporation, or other entity, the person has terminated
 436 its relationship with the individual whose actions directly
 437 contributed to the person's conviction or entry of plea.

438 (4) The department shall issue a certificate of authority

Page 15 of 112

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

21-00423F-17

20178__

439 to each person with whom it contracts as a retailer for purposes
 440 of display pursuant to subsection (6). The issuance of the
 441 certificate may ~~shall~~ not confer upon the retailer any right
 442 apart from that specifically granted in the contract. The
 443 authority to act as a retailer may ~~shall~~ not be assignable or
 444 transferable.

445 (5) A ~~Any~~ contract executed by the department pursuant to
 446 this section shall specify the reasons for any suspension or
 447 termination of the contract by the department, including, but
 448 not limited to:

449 (a) Commission of a violation of this act or rule adopted
 450 pursuant thereto.

451 (b) Failure to accurately account for lottery tickets,
 452 revenues, or prizes as required by the department.

453 (c) Commission of any fraud, deceit, or misrepresentation.

454 (d) Insufficient sale of tickets.

455 (e) Conduct prejudicial to public confidence in the
 456 lottery.

457 (f) Any material change in any matter considered by the
 458 department in executing the contract with the retailer.

459 (6) Each ~~Every~~ retailer shall post and keep conspicuously
 460 displayed in a location on the premises accessible to the public
 461 its certificate of authority and, with respect to each game, a
 462 statement supplied by the department of the estimated odds of
 463 winning a ~~some~~ prize for the game.

464 (7) A ~~No~~ contract with a retailer may not ~~shall~~ authorize
 465 the sale of lottery tickets at more than one location, and a
 466 retailer may sell lottery tickets only at the location stated on
 467 the certificate of authority.

Page 16 of 112

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

21-00423F-17

20178__

468 (8) With respect to any retailer whose rental payments for
 469 premises are contractually computed, in whole or in part, on the
 470 basis of a percentage of retail sales, and where such
 471 computation of retail sales is not explicitly defined to include
 472 sales of tickets in a state-operated lottery, the compensation
 473 received by the retailer from the department shall be deemed to
 474 be the amount of the retail sale for the purposes of such
 475 contractual compensation.

476 (9) (a) The department may require each ~~every~~ retailer to
 477 post an appropriate bond as determined by the department, using
 478 an insurance company acceptable to the department, in an amount
 479 not to exceed twice the average lottery ticket sales of the
 480 retailer for the period within which the retailer is required to
 481 remit lottery funds to the department. For the first 90 days of
 482 sales of a new retailer, the amount of the bond may not exceed
 483 twice the average estimated lottery ticket sales for the period
 484 within which the retailer is required to remit lottery funds to
 485 the department. This paragraph does ~~shall~~ not apply to lottery
 486 tickets that ~~which~~ are prepaid by the retailer.

487 (b) In lieu of such bond, the department may purchase
 488 blanket bonds covering all or selected retailers or may allow a
 489 retailer to deposit and maintain with the Chief Financial
 490 Officer securities that are interest bearing or accruing and
 491 that, with the exception of those specified in subparagraphs 1.
 492 and 2., are rated in one of the four highest classifications by
 493 an established nationally recognized investment rating service.
 494 Securities eligible under this paragraph shall be limited to:

495 1. Certificates of deposit issued by solvent banks or
 496 savings associations organized and existing under the laws of

Page 17 of 112

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

21-00423F-17

20178__

497 this state or under the laws of the United States and having
 498 their principal place of business in this state.

499 2. United States bonds, notes, and bills for which the full
 500 faith and credit of the government of the United States is
 501 pledged for the payment of principal and interest.

502 3. General obligation bonds and notes of any political
 503 subdivision of the state.

504 4. Corporate bonds of any corporation that is not an
 505 affiliate or subsidiary of the depositor.

506
 507 Such securities shall be held in trust and shall have at all
 508 times a market value at least equal to an amount required by the
 509 department.

510 (10) Each ~~Every~~ contract entered into by the department
 511 pursuant to this section shall contain a provision for payment
 512 of liquidated damages to the department for any breach of
 513 contract by the retailer.

514 (11) The department shall establish procedures by which
 515 each retailer shall account for all tickets sold by the retailer
 516 and account for all funds received by the retailer from such
 517 sales. The contract with each retailer shall include provisions
 518 relating to the sale of tickets, payment of moneys to the
 519 department, reports, service charges, and interest and
 520 penalties, if necessary, as the department shall deem
 521 appropriate.

522 (12) ~~No~~ Payment by a retailer to the department for tickets
 523 may not ~~shall~~ be in cash. All such payments shall be in the form
 524 of a check, bank draft, electronic fund transfer, or other
 525 financial instrument authorized by the secretary.

Page 18 of 112

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

21-00423F-17

20178__

526 (13) Each retailer shall provide accessibility for disabled
 527 persons on habitable grade levels. This subsection does not
 528 apply to a retail location ~~that which~~ has an entrance door
 529 threshold more than 12 inches above ground level. As used in
 530 ~~herein and for purposes of~~ this subsection ~~only~~, the term
 531 "accessibility for disabled persons on habitable grade levels"
 532 means that retailers shall provide ramps, platforms, aisles and
 533 pathway widths, turnaround areas, and parking spaces to the
 534 extent these are required for the retailer's premises by the
 535 particular jurisdiction where the retailer is located.
 536 Accessibility shall be required to only one point of sale of
 537 lottery tickets for each lottery retailer location. The
 538 requirements of this subsection shall be deemed to have been met
 539 if, in lieu of the foregoing, disabled persons can purchase
 540 tickets from the retail location by means of a drive-up window,
 541 provided the hours of access at the drive-up window are not less
 542 than those provided at any other entrance at that lottery
 543 retailer location. Inspections for compliance with this
 544 subsection shall be performed by those enforcement authorities
 545 responsible for enforcement pursuant to s. 553.80 in accordance
 546 with procedures established by those authorities. Those
 547 enforcement authorities shall provide to the Department of the
 548 Lottery a certification of noncompliance for any lottery
 549 retailer not meeting such requirements.

550 (14) The secretary may, after filing with the Department of
 551 State his or her manual signature certified by the secretary
 552 under oath, execute or cause to be executed contracts between
 553 the department and retailers by means of engraving, imprinting,
 554 stamping, or other facsimile signature.

Page 19 of 112

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

21-00423F-17

20178__

555 (15) A vending machine may be used to dispense online
 556 lottery tickets, instant lottery tickets, or both online and
 557 instant lottery tickets.

558 (a) The vending machine must:

559 1. Dispense a lottery ticket after a purchaser inserts a
 560 coin or currency in the machine.

561 2. Be capable of being electronically deactivated for a
 562 period of 5 minutes or more.

563 3. Be designed to prevent its use for any purpose other
 564 than dispensing a lottery ticket.

565 (b) In order to be authorized to use a vending machine to
 566 dispense lottery tickets, a retailer must:

567 1. Locate the vending machine in the retailer's direct line
 568 of sight to ensure that purchases are only made by persons at
 569 least 18 years of age.

570 2. Ensure that at least one employee is on duty when the
 571 vending machine is available for use. However, if the retailer
 572 has previously violated s. 24.1055, at least two employees must
 573 be on duty when the vending machine is available for use.

574 (c) A vending machine that dispenses a lottery ticket may
 575 dispense change to a purchaser but may not be used to redeem any
 576 type of winning lottery ticket.

577 (d) The vending machine, or any machine or device linked to
 578 the vending machine, may not include or make use of video reels
 579 or mechanical reels or other video depictions of slot machine or
 580 casino game themes or titles for game play. This does not
 581 preclude the use of casino game themes or titles on such tickets
 582 or signage or advertising displays on the machines.

583 (16) The department, a retailer operating from one or more

Page 20 of 112

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

21-00423F-17

20178__

584 locations, or a vendor approved by the department may use a
 585 point-of-sale terminal to facilitate the sale of a lottery
 586 ticket or game.

587 (a) A point-of-sale terminal must:

588 1. Dispense a paper lottery ticket with numbers selected by
 589 the purchaser or selected randomly by the machine after the
 590 purchaser uses a credit card, debit card, or other similar
 591 charge card issued by a bank, savings association, credit union,
 592 or charge card company or issued by a retailer pursuant to part
 593 II of chapter 520 for payment;

594 2. Recognize a valid driver license or use another age
 595 verification process approved by the department to ensure that
 596 only persons at least 18 years of age may purchase a lottery
 597 ticket or game;

598 3. Process a lottery transaction through a platform that is
 599 certified or otherwise approved by the department; and

600 4. Be in compliance with all applicable department
 601 requirements related to the lottery ticket or game offered for
 602 sale.

603 (b) A point-of-sale terminal does not reveal winning
 604 numbers, which are selected at a subsequent time and different
 605 location through a drawing by the state lottery.

606 (c) A point-of-sale terminal, or any machine or device
 607 linked to the point-of-sale terminal, may not include or make
 608 use of video reels or mechanical reels or other video depictions
 609 of slot machine or casino game themes or titles for game play.
 610 This does not preclude the use of casino game themes or titles
 611 on a lottery ticket or game or on the signage or advertising
 612 displays on the terminal.

Page 21 of 112

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

21-00423F-17

20178__

613 (d) A point-of-sale terminal may not be used to redeem a
 614 winning ticket.

615 Section 4. Effective upon becoming a law, paragraph (a) of
 616 subsection (1) and subsection (3) of section 285.710, Florida
 617 Statutes, are amended, present subsections (4) through (14) of
 618 that section are redesignated as subsections (5) through (15),
 619 respectively, and a new subsection (4) is added to that section,
 620 to read:

621 285.710 Compact authorization.—

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

623 (a) "Compact" means the Gaming Compact between the Seminole
 624 Tribe of Florida and the State of Florida, ~~executed on April 7,~~
 625 ~~2010.~~

626 (3) ~~(a) A~~ The gaming compact between the Seminole Tribe of
 627 Florida and the State of Florida, executed by the Governor and
 628 the Tribe on April 7, 2010, was ~~is~~ ratified and approved by
 629 chapter 2010-29, Laws of Florida. ~~The Governor shall cooperate~~
 630 with the Tribe in seeking approval of the compact from the
 631 United States Secretary of the Interior.

632 (b) The Gaming Compact between the Seminole Tribe of
 633 Florida and the State of Florida, which was executed by the
 634 Governor and the Tribe on December 7, 2015, shall be deemed
 635 ratified and approved only if amended as specified in subsection
 636 (4).

637 (c) Upon approval or deemed approval by the United States
 638 Department of Interior and publication in the Federal Register,
 639 the amended Gaming Compact supersedes the gaming compact
 640 ratified and approved by chapter 2010-29, Laws of Florida. The
 641 Governor shall cooperate with the Tribe in seeking approval of

Page 22 of 112

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

21-00423F-17

20178__

642 the amended Gaming Compact from the United States Secretary of
 643 the Interior. The Secretary of the Department of Business and
 644 Professional Regulation is directed to notify in writing the
 645 Governor, the President of the Senate, the Speaker of the House
 646 of Representatives, and the Division of Law Revision and
 647 Information of the effective date of the compact, amended as
 648 required by this act, which has been published in the Federal
 649 Register by the Department of the Interior within 5 days after
 650 such publication.

651 (4) The compact executed on December 7, 2015, shall be
 652 amended by an agreement between the Governor and the Tribe to:

653 (a) Become effective after it is approved as a tribal-state
 654 compact within the meaning of the Indian Gaming Regulatory Act
 655 by action of the United States Secretary of the Interior or by
 656 operation of law under 25 U.S.C. s. 2710(d)(8), and upon
 657 publication of a notice of approval in the Federal Register
 658 under 25 U.S.C. s. 2710(d)(8)(D).

659 (b) Require that the State of Florida and the Tribe
 660 dismiss, with prejudice, any and all pending motions for
 661 rehearing or any pending appeals arising from State of Florida
 662 v. Seminole Tribe of Florida (Consolidated Case No. 4:15cv516-
 663 RH/CAS; United States District Court in and for the Northern
 664 District of Florida); and

665 (c) Incorporate the following exceptions to the exclusivity
 666 provided to the Tribe under the gaming compact executed on
 667 December 7, 2015:

668 1. Point-of-sale lottery ticket sales are permitted in
 669 accordance with chapter 24, Florida Statutes, as amended by this
 670 act;

Page 23 of 112

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

21-00423F-17

20178__

671 2. Fantasy contests conducted in accordance with ss.
 672 546.11-546.18, as created by this act;

673 3. Slot machines operated in accordance with chapter 551,
 674 Florida Statutes, as amended by this act;

675 4. The game of blackjack conducted at cardrooms, in
 676 accordance with chapter 849, Florida Statutes, as amended by
 677 this act;

678 5. Designated player games of poker conducted at cardrooms
 679 in accordance with chapter 849, Florida Statutes, as amended by
 680 this act, and in compliance with Rule Chapter 61D-11, Florida
 681 Administrative Code;

682 6. Those activities claimed to be violations of the gaming
 683 compact between the Seminole Tribe of Florida and the State of
 684 Florida, executed by the Governor and the Tribe on April 7,
 685 2010, in the legal actions consolidated and heard in State of
 686 Florida v. Seminole Tribe of Florida (Consolidated Case No.
 687 4:15cv516-RH/CAS; United States District Court in and for the
 688 Northern District of Florida); and

689 7. All activities authorized and conducted pursuant to
 690 Florida law, as amended by this act.

691 The incorporation of all such provisions shall not impact or
 692 change the payments required to the State under Part XI. of the
 693 compact.

694 Section 5. Subsection (14) of section 285.710, Florida
 695 Statutes, as amended by this act, is amended to read:

696 285.710 Compact authorization.—

697 (14) For the purpose of satisfying the requirement in 25
 698 U.S.C. s. 2710(d)(1)(B) that the gaming activities authorized
 699

Page 24 of 112

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

21-00423F-17

20178__

700 under an Indian gaming compact must be permitted in the state
 701 for any purpose by any person, organization, or entity, the
 702 following class III games or other games specified in this
 703 section are hereby authorized to be conducted by the Tribe
 704 pursuant to the compact:

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

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

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

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

711 ~~(e)~~ Raffles and drawings.

712 Section 6. Subsection (4) of section 285.712, Florida
 713 Statutes, is amended to read:

714 285.712 Tribal-state gaming compacts.—

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

720 Section 7. Section 546.11, Florida Statutes, is created to
 721 read:

722 546.11 Short title.—Sections 546.11-546.18 may be cited as
 723 the “Fantasy Contest Amusement Act.”

724 Section 8. Section 546.12, Florida Statutes, is created to
 725 read:

726 546.12. Legislative intent.—It is the intent of the
 727 Legislature to ensure public confidence in the integrity of
 728 fantasy contests and fantasy contest operators. This act is

21-00423F-17

20178__

729 designed to strictly regulate the operators of fantasy contests
 730 and individuals who participate in such contests and to adopt
 731 consumer protections related to fantasy contests. Furthermore,
 732 the Legislature finds that fantasy contests, as that term is
 733 defined in s. 546.13, involve the skill of contest participants.

734 Section 9. Section 546.13, Florida Statutes, is created to
 735 read:

736 546.13 Definitions.—As used in ss. 546.11-546.18, the term:

737 (1) “Confidential information” means information related to
 738 the playing of fantasy contests by contest participants which is
 739 obtained solely as a result of a person’s employment with, or
 740 work as an agent of, a contest operator.

741 (2) “Contest operator” means a person or entity that offers
 742 fantasy contests for a cash prize to members of the public.

743 (3) “Contest participant” means a person who pays an entry
 744 fee for the ability to participate in a fantasy contest offered
 745 by a contest operator.

746 (4) “Entry fee” means the cash or cash equivalent amount
 747 that is required to be paid by a person to a contest operator to
 748 participate in a fantasy contest.

749 (5) “Fantasy contest” means a fantasy or simulation sports
 750 game or contest offered by a contest operator or a noncommercial
 751 contest operator in which a contest participant manages a
 752 fantasy or simulation sports team composed of athletes from an
 753 amateur or professional sports organization and which meets the
 754 following conditions:

755 (a) All prizes and awards offered to winning contest
 756 participants are established and made known to the contest
 757 participants in advance of the game or contest and their value

21-00423F-17

20178__

758 is not determined by the number of contest participants or the
 759 amount of any fees paid by those contest participants.

760 (b) All winning outcomes reflect the relative knowledge and
 761 skill of the contest participants and are determined
 762 predominantly by accumulated statistical results of the
 763 performance of the athletes participating in multiple real-world
 764 sporting or other events. However, a winning outcome may not be
 765 based:

766 1. On the score, point spread, or any performance or
 767 performances of a single real-world team or any combination of
 768 such teams;

769 2. Solely on any single performance of an individual
 770 athlete in a single real-world sporting or other event; or

771 3. On a live pari-mutuel event, as the term "pari-mutuel"
 772 is defined in s. 550.002.

773 (6) "Noncommercial contest operator" means a person who
 774 organizes and conducts a fantasy contest in which contest
 775 participants are charged entry fees for the right to
 776 participate; entry fees are collected, maintained, and
 777 distributed by the same person; and all entry fees are returned
 778 to the contest participants in the form of prizes.

779 (7) "Office" means the Office of Amusements created in s.
 780 546.14.

781 Section 10. Section 546.14, Florida Statutes is created to
 782 read:

783 546.14 Office of amusements.-

784 (1) The Office of Amusements is created within the
 785 Department of Business and Professional Regulation. The office
 786 shall operate under the supervision of a senior manager exempt

21-00423F-17

20178__

787 under s. 110.205 in the Senior Management Service appointed by
 788 the Secretary of Business and Professional Regulation.

789 (2) The duties of the office include, but are not limited
 790 to, administering and enforcing this act and any rules adopted
 791 pursuant to this act and any other duties authorized by the
 792 secretary. The office may work with department personnel as
 793 needed to assist in fulfilling its duties.

794 (3) The office may:

795 (a) Conduct investigations and monitor the operation and
 796 play of fantasy contests.

797 (b) Review the books, accounts, and records of any current
 798 or former contest operator.

799 (c) Suspend or revoke any license, after a hearing, for any
 800 violation of state law or rule.

801 (d) Take testimony, issue summons and subpoenas for any
 802 witness, and issue subpoenas duces tecum in connection with any
 803 matter within its jurisdiction.

804 (e) Monitor and ensure the proper collection and
 805 safeguarding of entry fees and the payment of contest prizes in
 806 accordance with consumer protection procedures adopted pursuant
 807 to s. 546.16.

808 (4) The office may adopt rules to implement and administer
 809 this act.

810 Section 11. Section 546.15, Florida Statutes, is created to
 811 read:

812 546.15 Licensing.-

813 (1) A contest operator that offers fantasy contests for
 814 play by persons in this state must be licensed by the office to
 815 conduct fantasy contests within this state. The initial license

21-00423F-17 20178__

816 application fee is \$500,000, and the annual license renewal fee
 817 is \$100,000; however, the respective fees may not exceed 10
 818 percent of the amount of entry fees collected by a contest
 819 operator from the operation of fantasy contests in this state,
 820 less the amount of cash or cash equivalents paid to contest
 821 participants. The office shall require the contest operator to
 822 provide written evidence of the proposed amount of entry fees
 823 and cash or cash equivalents to be paid to contest participants
 824 during the annual license period. Before renewing a license, the
 825 contest operator shall provide written evidence to the office of
 826 the actual entry fees collected and cash or cash equivalents
 827 paid to contest participants during the previous period of
 828 licensure. The contest operator shall remit to the office any
 829 difference in license fee which results from the difference
 830 between the proposed amount of entry fees and cash or cash
 831 equivalents paid to contest participants and the actual amounts
 832 collected and paid.

833 (2) The office shall grant or deny a completed application
 834 within 120 days after receipt. A completed application that is
 835 not acted upon by the office within 120 days after receipt is
 836 deemed approved, and the office shall issue the license.
 837 Applications for a contest operator's license are exempt from
 838 the 90-day licensure timeframe imposed in s. 120.60(1).

839 (3) The application must include:
 840 (a) The full name of the applicant.
 841 (b) If the applicant is a corporation, the name of the
 842 state in which the applicant is incorporated and the names and
 843 addresses of the officers, directors, and shareholders who hold
 844 5 percent or more equity.

21-00423F-17 20178__

845 (c) If the applicant is a business entity other than a
 846 corporation, the names and addresses of the principals,
 847 partners, or shareholders who hold 5 percent or more equity.
 848 (d) The names and addresses of the ultimate equitable
 849 owners of the corporation or other business entity, if different
 850 from those provided under paragraphs (b) and (c), unless the
 851 securities of the corporation or entity are registered pursuant
 852 to s. 12 of the Securities Exchange Act of 1934, 15 U.S.C. ss.
 853 78a-78kk, and:

854 1. The corporation or entity files with the United States
 855 Securities and Exchange Commission the reports required by s. 13
 856 of that act; or

857 2. The securities of the corporation or entity are
 858 regularly traded on an established securities market in the
 859 United States.

860 (e) The estimated number of fantasy contests to be
 861 conducted by the applicant annually.

862 (f) A statement of the assets and liabilities of the
 863 applicant.

864 (g) If required by the office, the names and addresses of
 865 the officers and directors of any debtor of the applicant and of
 866 stockholders who hold more than 10 percent of the stock of the
 867 debtor.

868 (h) For each individual listed in the application as an
 869 officer or director, a complete set of fingerprints taken by an
 870 authorized law enforcement officer. The office shall submit such
 871 fingerprints to the Federal Bureau of Investigation for national
 872 processing. A foreign national shall submit such documents as
 873 necessary to allow the office to conduct criminal history

21-00423F-17

20178__

874 records checks in the individual's home country. The applicant
 875 must pay the full cost of processing fingerprints and required
 876 documentation. The office also may charge a \$2 handling fee for
 877 each set of fingerprints submitted.

878 (4) A person or entity is not eligible for licensure as a
 879 contest operator or for licensure renewal if the person or an
 880 officer or director of the entity is determined by the office,
 881 after investigation, not to be of good moral character or is
 882 found to have been convicted of a felony in this state, any
 883 offense in another jurisdiction which would be considered a
 884 felony if committed in this state, or a felony under the laws of
 885 the United States. As used in this subsection, the term
 886 "convicted" means having been found guilty, with or without
 887 adjudication of guilt, as a result of a jury verdict, nonjury
 888 trial, or entry of a plea of guilty or nolo contendere.

889 (5) The contest operator shall provide evidence of a surety
 890 bond in the amount of \$1 million, payable to the state,
 891 furnished by a corporate surety authorized to do business. The
 892 surety bond shall be kept in full force and effect by the
 893 contest operator during the term of the license and any renewal
 894 thereof. The office shall adopt by rule the form required for
 895 such surety bond.

896 (6) The office may suspend, revoke, or deny the license of
 897 a contest operator who fails to comply with this act or rules
 898 adopted pursuant thereto.

899 Section 12. Section 546.16, Florida Statutes, is created to
 900 read:

901 546.16 Consumer protection.—

902 (1) A contest operator that charges an entry fee to contest

21-00423F-17

20178__

903 participants shall implement procedures for fantasy contests
 904 which:

905 (a) Prevent employees of the contest operator, and
 906 relatives living in the same household as such employees, from
 907 competing in a fantasy contest in which a cash prize is awarded.

908 (b) Prohibit the contest operator from being a contest
 909 participant in a fantasy contest that he or she offers.

910 (c) Prevent employees or agents of the contest operator
 911 from sharing with a third party confidential information that
 912 could affect fantasy contest play until the information has been
 913 made publicly available.

914 (d) Verify that contest participants are 18 years of age or
 915 older.

916 (e) Restrict an individual who is a player, a game
 917 official, or another participant in a real-world game or
 918 competition from participating in a fantasy contest that is
 919 determined, in whole or in part, on the performance of that
 920 individual, the individual's real-world team, or the accumulated
 921 statistical results of the sport or competition in which he or
 922 she is a player, game official, or other participant.

923 (f) Allow individuals to restrict or prevent their own
 924 access to such a fantasy contest and take reasonable steps to
 925 prevent those individuals from entering a fantasy contest.

926 (g) Limit the number of entries a single contest
 927 participant may submit to each fantasy contest and take
 928 reasonable steps to prevent participants from submitting more
 929 than the allowable number of entries.

930 (h) Segregate contest participants' funds from operational
 931 funds and maintain a reserve in the form of cash, cash

21-00423F-17 20178__

932 equivalents, an irrevocable letter of credit, a bond, or a
 933 combination thereof in the total amount of deposits in contest
 934 participants' accounts for the benefit and protection of
 935 authorized contest participants' funds held in fantasy contest
 936 accounts.

937 (2) A contest operator that offers fantasy contests in this
 938 state which require contest participants to pay an entry fee
 939 shall annually contract with a third party to perform an
 940 independent audit, consistent with the standards established by
 941 the Public Company Accounting Oversight Board, to ensure
 942 compliance with this act. The contest operator shall submit the
 943 results of the independent audit to the office.

944 Section 13. Section 546.17, Florida Statutes is created to
 945 read:

946 546.17 Records and reports.-

947 (1) Each contest operator shall keep and maintain daily
 948 records of its operations and shall maintain such records for at
 949 least 3 years. The records must sufficiently detail all
 950 financial transactions to determine compliance with the
 951 requirements of this section and must be available for audit and
 952 inspection by the office or other law enforcement agencies
 953 during the contest operator's regular business hours. The office
 954 shall adopt rules to implement this subsection.

955 (2) Each contest operator shall file quarterly with the
 956 office a report that includes the required records and any
 957 additional information deemed necessary by the office. The
 958 report shall be submitted on forms prescribed by the office and
 959 is deemed public records once filed.

960 Section 14. Section 546.18, Florida Statutes, is created to

21-00423F-17 20178__

961 read:

962 546.18 Penalties; applicability; exemption.-

963 (1) (a) A contest operator, or an employee or agent thereof,
 964 who violates this act is subject to a civil penalty, not to
 965 exceed \$5,000 for each violation and not to exceed \$100,000 in
 966 the aggregate, which shall accrue to the state. An action to
 967 recover such penalties may be brought by the office or the
 968 Department of Legal Affairs in the circuit courts in the name
 969 and on behalf of the state.

970 (b) The penalty provisions established in this subsection
 971 do not apply to a contest operator who applies for a license
 972 within 90 days after the effective date of this section and
 973 receives a license within 240 days after the effective date of
 974 this section.

975 (2) Fantasy contests conducted by a contest operator or
 976 noncommercial contest operator in accordance with this act are
 977 not subject to s. 849.01, s. 849.08, s. 849.09, s. 849.11, s.
 978 849.14, or s. 849.25.

979 Section 15. The Division of Law Revision and Information is
 980 directed to replace the phrase "the effective date of this
 981 section" wherever it occurs in s. 546.18, Florida Statutes, with
 982 the date that section becomes effective. This section is
 983 effective upon becoming a law.

984 Section 16. Subsection (11) of section 550.002, Florida
 985 Statutes, is amended to read:

986 550.002 Definitions.-As used in this chapter, the term:

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

988 1. For a greyhound racing permitholder or jai alai
 989 permitholder, the conduct of a combination of at least 100 live

21-00423F-17 20178__

990 ~~evening or matinee performances during the preceding year.~~ 7 for
 991 a ~~permitholder who has a converted permit or filed an~~
 992 ~~application on or before June 1, 1990, for a converted permit,~~
 993 ~~the conduct of a combination of at least 100 live evening and~~
 994 ~~matinee wagering performances during either of the 2 preceding~~
 995 ~~years.~~
 996 2. For a jai alai permitholder ~~that who~~ does not possess a
 997 ~~operate slot machine license machines~~ in its pari-mutuel
 998 facility, ~~who~~ has conducted at least 100 live performances per
 999 year for at least 10 years after December 31, 1992, and has had
 1000 ~~whose~~ handle on live jai alai games conducted at its pari-mutuel
 1001 facility which was ~~has been~~ less than \$4 million per state
 1002 fiscal year for at least 2 consecutive years after June 30,
 1003 1992, the conduct of ~~a combination of~~ at least 40 live ~~evening~~
 1004 ~~or matinee~~ performances during the preceding year.7
 1005 3. For a jai alai permitholder that possesses a who
 1006 ~~operates slot machine license machines~~ in its pari-mutuel
 1007 facility, the conduct of ~~a combination of~~ at least 150
 1008 performances during the preceding year.7
 1009 4. For a summer jai alai permitholder that does not possess
 1010 a slot machine license, the conduct of at least 58 live
 1011 performances during the preceding year, unless the permitholder
 1012 meets the requirements of subparagraph 2.
 1013 5. For a harness horse racing permitholder, the conduct of
 1014 at least 100 live regular wagering performances during the
 1015 preceding year.7
 1016 6. For a quarter horse racing permitholder at its facility,
 1017 unless an alternative schedule of at least 20 live regular
 1018 wagering performances each year is agreed upon by the

21-00423F-17 20178__

1019 permitholder and either the Florida Quarter Horse Racing
 1020 Association or the ~~horsemen~~ horsemen's association representing
 1021 the majority of the quarter horse owners and trainers at the
 1022 facility and filed ~~with the division along~~ with its annual
 1023 operating license date application.7
 1024 a. In the 2010-2011 fiscal year, the conduct of at least 20
 1025 regular wagering performances.7
 1026 b. In the 2011-2012 and 2012-2013 fiscal years, the conduct
 1027 of at least 30 live regular wagering performances.7 ~~and~~
 1028 c. For every fiscal year after the 2012-2013 fiscal year,
 1029 the conduct of at least 40 live regular wagering performances.7
 1030 7. For a quarter horse racing permitholder leasing another
 1031 licensed racetrack, the conduct of 160 events at the leased
 1032 facility during the preceding year.7 ~~and~~
 1033 8. For a thoroughbred racing permitholder, the conduct of
 1034 at least 40 live regular wagering performances during the
 1035 preceding year.
 1036 (b) For a permitholder which is restricted by statute to
 1037 certain operating periods within the year when other members of
 1038 its same class of permit are authorized to operate throughout
 1039 the year, the specified number of live performances which
 1040 constitute a full schedule of live racing or games shall be
 1041 adjusted pro rata in accordance with the relationship between
 1042 its authorized operating period and the full calendar year and
 1043 the resulting specified number of live performances shall
 1044 constitute the full schedule of live games for such permitholder
 1045 and all other permitholders of the same class within 100 air
 1046 miles of such permitholder. A live performance must consist of
 1047 no fewer than eight races or games conducted live for each of a

21-00423F-17

20178__

1048 minimum of three performances each week at the permitholder's
1049 licensed facility under a single admission charge.

1050 Section 17. Subsections (1), (3), and (6) of section
1051 550.01215, Florida Statutes, are amended to read:

1052 550.01215 License application; periods of operation; bond,
1053 conversion of permit.—

1054 (1) Each permitholder shall annually, during the period
1055 between December 15 and January 4, file in writing with the
1056 division its application for an operating a license to conduct
1057 pari-mutuel wagering during the next fiscal year, including
1058 intertrack and simulcast race wagering for greyhound racing
1059 permitholders, jai alai permitholders, harness horse racing
1060 permitholders, quarter horse racing permitholders, and
1061 thoroughbred horse racing permitholders that do not ~~to~~ conduct
1062 live performances during the next state fiseal year. Each
1063 application for live performances must ~~shall~~ specify the number,
1064 dates, and starting times of all live performances that which
1065 the permitholder intends to conduct. It must ~~shall~~ also specify
1066 which performances will be conducted as charity or scholarship
1067 performances.

1068 (a) In addition, Each application for an operating a
1069 license also must ~~shall~~ include:—

1070 1. For each permitholder, whether the permitholder intends
1071 to accept wagers on broadcast events.

1072 2. For each permitholder that elects which elects to
1073 operate a cardroom, the dates and periods of operation the
1074 permitholder intends to operate the cardroom. ~~or~~

1075 3. For each thoroughbred racing permitholder that which
1076 elects to receive or rebroadcast out-of-state races after 7

Page 37 of 112

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

21-00423F-17

20178__

1077 p.m., the dates for all performances which the permitholder
1078 intends to conduct.

1079 (b) A greyhound racing permitholder that conducted a full
1080 schedule of live racing for a period of at least 10 consecutive
1081 state fiscal years after the 1996-1997 state fiscal year, or
1082 that converted its permit to a permit to conduct greyhound
1083 racing after the 1996-1997 state fiscal year, may specify in its
1084 application for an operating license that it does not intend to
1085 conduct live racing, or that it intends to conduct less than a
1086 full schedule of live racing, in the next state fiscal year. A
1087 greyhound racing permitholder may receive an operating license
1088 to conduct pari-mutuel wagering activities at another
1089 permitholder's greyhound racing facility pursuant to s. 550.475.

1090 (c)1. A thoroughbred horse racing permitholder that has
1091 conducted live racing for at least 5 years and has had an
1092 average annual handle of less than \$5 million on the conduct of
1093 live racing in the last 2 state fiscal years may elect not to
1094 conduct live racing, if such election is made within 30 days
1095 after the effective date of this act. A thoroughbred horse
1096 racing permitholder that made such election may retain such
1097 permit and must specify in future applications for an operating
1098 license that it does not intend to conduct live racing.

1099 2. If a thoroughbred horse racing permitholder made such
1100 election and if such permitholder held a slot machine license
1101 when such election was made, the facility where such permit is
1102 located:

1103 a. Remains an eligible facility pursuant to s. 551.102(4),
1104 and continues to be eligible for a slot machine license;

1105 b. Is exempt from ss. 550.5251, 550.334(8), 551.104(3) and

Page 38 of 112

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

21-00423F-17

20178__

1106 (4) (c), and 551.114(2) and (4);

1107 c. Is eligible, but not required, to be a guest track for
 1108 purposes of intertrack wagering and interstate simulcast; and
 1109 d. Remains eligible for a cardroom license, notwithstanding
 1110 any requirement for the conduct of live racing pursuant to s.
 1111 849.086.

1112 3. A thoroughbred horse racing permitholder that makes such
 1113 election shall comply with all contracts regarding contributions
 1114 by such permitholder to thoroughbred horse purse supplements or
 1115 breeders' awards entered into before the effective date of this
 1116 act. This subparagraph expires December 31, 2020.

1117 (d) Any harness racing permitholder and any quarter horse
 1118 racing permitholder that has held an operating license for at
 1119 least 5 years and a cardroom license for at least 2 years is
 1120 exempt from the live racing requirements of this subsection and
 1121 may specify in its annual application for an operating license
 1122 that it does not intend to conduct live racing, or that it
 1123 intends to conduct less than a full schedule of live racing, in
 1124 the next state fiscal year.

1125 (e) A jai alai permitholder that has held an operating
 1126 license for at least 5 years is exempt from the live jai alai
 1127 requirements of this subsection and may specify in its annual
 1128 application for an operating license that it does not intend to
 1129 conduct live jai alai, or that it intends to conduct less than a
 1130 full schedule of live jai alai, in the next state fiscal year.

1131 (f) Permitholders may ~~shall be entitled to~~ amend their
 1132 applications through February 28.

1133 (3) The division shall issue each license no later than
 1134 March 15. Each permitholder shall operate all performances at

21-00423F-17

20178__

1135 the date and time specified on its license. The division shall
 1136 have the authority to approve minor changes in racing dates
 1137 after a license has been issued. The division may approve
 1138 changes in racing dates after a license has been issued when
 1139 there is no objection from any operating permitholder located
 1140 within 50 miles of the permitholder requesting the changes in
 1141 operating dates. In the event of an objection, the division
 1142 shall approve or disapprove the change in operating dates based
 1143 upon the impact on operating permitholders located within 50
 1144 miles of the permitholder requesting the change in operating
 1145 dates. In making the determination to change racing dates, the
 1146 division shall take into consideration the impact of such
 1147 changes on state revenues. Notwithstanding any other provision
 1148 of law, and for the 2017-2018 fiscal year only, the division may
 1149 approve changes in racing dates for permitholders if the request
 1150 for such changes is received before August 31, 2017.

1151 (6) A summer jai alai permitholder may apply for an
 1152 operating license to operate a jai alai fronton only during the
 1153 summer season beginning May 1 and ending November 30 of each
 1154 year on such dates as may be selected by the permitholder. Such
 1155 permitholder is subject to the same taxes, rules, and provisions
 1156 of this chapter which apply to the operation of winter jai alai
 1157 frontons. A summer jai alai permitholder is not eligible for
 1158 licensure to conduct a cardroom or operate a slot machine
 1159 facility. A summer jai alai permitholder and a winter jai alai
 1160 permitholder may not operate on the same days or in competition
 1161 with each other. This subsection does not prevent a summer jai
 1162 alai licensee from leasing the facilities of a winter jai alai
 1163 licensee for the operation of a summer meet ~~Any permit which was~~

21-00423F-17

20178__

1164 ~~converted from a jai alai permit to a greyhound permit may be~~
 1165 ~~converted to a jai alai permit at any time if the permit holder~~
 1166 ~~never conducted greyhound racing or if the permit holder has not~~
 1167 ~~conducted greyhound racing for a period of 12 consecutive~~
 1168 ~~months.~~

1169 Section 18. Subsection (1) of section 550.0251, Florida
 1170 Statutes, is amended to read:

1171 550.0251 The powers and duties of the Division of Pari-
 1172 mutuel Wagering of the Department of Business and Professional
 1173 Regulation.—The division shall administer this chapter and
 1174 regulate the pari-mutuel industry under this chapter and the
 1175 rules adopted pursuant thereto, and:

1176 (1) The division shall make an annual report for the prior
 1177 fiscal year to the Governor, the President of the Senate, and
 1178 the Speaker of the House of Representatives. The report shall
 1179 include, at a minimum:

1180 (a) Recent events in the gaming industry, including pending
 1181 litigation involving permitholders; pending permitholder,
 1182 facility, cardroom, slot, or operating license applications; and
 1183 new and pending rules.

1184 (b) Actions of the department relating to the
 1185 implementation and administration of this chapter, and chapters
 1186 551 and 849.

1187 (c) The state revenues and expenses associated with each
 1188 form of authorized gaming. Revenues and expenses associated with
 1189 pari-mutuel wagering must be further delineated by the class of
 1190 license.

1191 (d) The performance of each pari-mutuel wagering licensee,
 1192 cardroom licensee, and slot machine licensee.

21-00423F-17

20178__

1193 (e) A summary of disciplinary actions taken by the
 1194 department.

1195 (f) Any suggestions to more effectively achieve showing its
 1196 own actions, receipts derived under the provisions of this
 1197 chapter, the practical effects of the application of this
 1198 chapter, and any suggestions it may approve for the more
 1199 effectual accomplishments of the purposes of this chapter.

1200 Section 19. Paragraph (b) of subsection (9) of section
 1201 550.054, Florida Statutes, is amended, and paragraphs (c)
 1202 through (g) are added to that subsection, and paragraph (a) of
 1203 subsection (11) and subsections (13) and (14) of that section
 1204 are amended, to read:

1205 550.054 Application for permit to conduct pari-mutuel
 1206 wagering.—

1207 (9)

1208 (b) The division may revoke or suspend any permit or
 1209 license issued under this chapter upon a the willful violation
 1210 by the permitholder or licensee of any provision of this
 1211 chapter, chapter 551, chapter 849, or rules of any rule adopted
 1212 pursuant thereto under this chapter. With the exception of the
 1213 revocation of permits required in paragraphs (c), (d), (f), and
 1214 (g), in lieu of suspending or revoking a permit or license, the
 1215 division may, in lieu of suspending or revoking a permit or
 1216 license, impose a civil penalty against the permitholder or
 1217 licensee for a violation of this chapter, chapter 551, chapter
 1218 849, or rules adopted pursuant thereto any rule adopted by the
 1219 division. The penalty so imposed may not exceed \$1,000 for each
 1220 count or separate offense. All penalties imposed and collected
 1221 must be deposited with the Chief Financial Officer to the credit

21-00423F-17

20178__

1222 of the General Revenue Fund.

1223 (c) Unless a failure to obtain an operating license and to
 1224 operate was the direct result of fire, strike, war, or other
 1225 disaster or event beyond the permitholder's control, the
 1226 division shall revoke the permit of any permitholder that has
 1227 not obtained an operating license in accordance with s.
 1228 550.01215 for a period of more than 24 consecutive months after
 1229 June 30, 2012. The division shall revoke the permit upon
 1230 adequate notice to the permitholder. Financial hardship to the
 1231 permitholder does not, in and of itself, constitute just cause
 1232 for failure to operate.

1233 (d) The division shall revoke the permit of any
 1234 permitholder that fails to make payments that are due pursuant
 1235 to s. 550.0951 for more than 24 consecutive months unless such
 1236 failure to pay the tax due on handle was the direct result of
 1237 fire, strike, war, or other disaster or event beyond the
 1238 permitholder's control. Financial hardship to the permitholder
 1239 does not, in and of itself, constitute just cause for failure to
 1240 pay tax on handle.

1241 (e) Notwithstanding any other law, a new permit to conduct
 1242 pari-mutuel wagering may not be approved or issued 30 days after
 1243 the effective date of this act.

1244 (f) A permit revoked under this subsection is void and may
 1245 not be reissued.

1246 (g) A permitholder may apply to the division to place the
 1247 permit into inactive status for a period of 12 months pursuant
 1248 to division rule. The division, upon good cause shown by the
 1249 permitholder, may renew inactive status for a period of up to 12
 1250 months, but a permit may not be in inactive status for a period

Page 43 of 112

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

21-00423F-17

20178__

1251 of more than 24 consecutive months. Holders of permits in
 1252 inactive status are not eligible for licensure for pari-mutuel
 1253 wagering, slot machines, or cardrooms.

1254 (11) (a) A permit granted under this chapter may not be
 1255 transferred or assigned except upon written approval by the
 1256 division pursuant to s. 550.1815, ~~except that the holder of any~~
 1257 ~~permit that has been converted to a jai-alai permit may lease or~~
 1258 ~~build anywhere within the county in which its permit is located.~~

1259 (13) ~~(a)~~ Notwithstanding any provision ~~provisions~~ of this
 1260 chapter ~~or chapter 551, a pari-mutuel no thoroughbred horse~~
 1261 ~~raeing~~ permit or license issued under this chapter or chapter
 1262 551 may not shall be transferred, or reissued when such
 1263 reissuance is in the nature of a transfer so as to permit or
 1264 authorize a licensee to change the location of a pari-mutuel
 1265 facility, cardroom, or slot machine facility. thoroughbred horse
 1266 ~~racetrack except upon proof in such form as the division may~~
 1267 ~~prescribe that a referendum election has been held:~~

1268 1. ~~If the proposed new location is within the same county~~
 1269 ~~as the already licensed location, in the county where the~~
 1270 ~~licensee desires to conduct the race meeting and that a majority~~
 1271 ~~of the electors voting on that question in such election voted~~
 1272 ~~in favor of the transfer of such license.~~

1273 2. ~~If the proposed new location is not within the same~~
 1274 ~~county as the already licensed location, in the county where the~~
 1275 ~~licensee desires to conduct the race meeting and in the county~~
 1276 ~~where the licensee is already licensed to conduct the race~~
 1277 ~~meeting and that a majority of the electors voting on that~~
 1278 ~~question in each such election voted in favor of the transfer of~~
 1279 ~~such license.~~

Page 44 of 112

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

21-00423F-17

20178__

1280 ~~(b) Each referendum held under the provisions of this~~
 1281 ~~subsection shall be held in accordance with the electoral~~
 1282 ~~procedures for ratification of permits, as provided in s.~~
 1283 ~~550.0651. The expense of each such referendum shall be borne by~~
 1284 ~~the licensee requesting the transfer.~~

1285 ~~(14) (a) Any holder of a permit to conduct jai alai may~~
 1286 ~~apply to the division to convert such permit to a permit to~~
 1287 ~~conduct greyhound racing in lieu of jai alai if:~~

1288 ~~1. Such permit is located in a county in which the division~~
 1289 ~~has issued only two pari-mutuel permits pursuant to this~~
 1290 ~~section;~~

1291 ~~2. Such permit was not previously converted from any other~~
 1292 ~~class of permit; and~~

1293 ~~3. The holder of the permit has not conducted jai alai~~
 1294 ~~games during a period of 10 years immediately preceding his or~~
 1295 ~~her application for conversion under this subsection.~~

1296 ~~(b) The division, upon application from the holder of a jai~~
 1297 ~~alai permit meeting all conditions of this section, shall~~
 1298 ~~convert the permit and shall issue to the permit holder a permit~~
 1299 ~~to conduct greyhound racing. A permit holder of a permit~~
 1300 ~~converted under this section shall be required to apply for and~~
 1301 ~~conduct a full schedule of live racing each fiscal year to be~~
 1302 ~~eligible for any tax credit provided by this chapter. The holder~~
 1303 ~~of a permit converted pursuant to this subsection or any holder~~
 1304 ~~of a permit to conduct greyhound racing located in a county in~~
 1305 ~~which it is the only permit issued pursuant to this section who~~
 1306 ~~operates at a leased facility pursuant to s. 550.475 may move~~
 1307 ~~the location for which the permit has been issued to another~~
 1308 ~~location within a 30-mile radius of the location fixed in the~~

Page 45 of 112

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

21-00423F-17

20178__

1309 ~~permit issued in that county, provided the move does not cross~~
 1310 ~~the county boundary and such location is approved under the~~
 1311 ~~zoning regulations of the county or municipality in which the~~
 1312 ~~permit is located, and upon such relocation may use the permit~~
 1313 ~~for the conduct of pari mutuel wagering and the operation of a~~
 1314 ~~cardroom. The provisions of s. 550.6305(9) (d) and (f) shall~~
 1315 ~~apply to any permit converted under this subsection and shall~~
 1316 ~~continue to apply to any permit which was previously included~~
 1317 ~~under and subject to such provisions before a conversion~~
 1318 ~~pursuant to this section occurred.~~

1319 ~~Section 20. Subsection (2) of section 550.0555, Florida~~
 1320 ~~Statutes, is amended to read:~~

1321 ~~550.0555 Permitholder Greyhound dogracing permits;~~
 1322 ~~relocation within a county; conditions.-~~

1323 ~~(2) The following permitholders are Any holder of a valid~~
 1324 ~~outstanding permit for greyhound dogracing in a county in which~~
 1325 ~~there is only one dogracing permit issued, as well as any holder~~
 1326 ~~of a valid outstanding permit for jai alai in a county where~~
 1327 ~~only one jai alai permit is issued, is authorized, without the~~
 1328 ~~necessity of an additional county referendum required under s.~~
 1329 ~~550.0651, to move the location for which the permit has been~~
 1330 ~~issued to another location within a 30-mile radius of the~~
 1331 ~~location fixed in the permit issued in that county, provided the~~
 1332 ~~move does not cross the county boundary, that such relocation is~~
 1333 ~~approved under the zoning regulations of the county or~~
 1334 ~~municipality in which the permit is to be located as a planned~~
 1335 ~~development use, consistent with the comprehensive plan, and~~
 1336 ~~that such move is approved by the department after it is~~
 1337 ~~determined that the new location is at least 10 miles from an~~

Page 46 of 112

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

21-00423F-17

20178__

1338 existing pari-mutuel facility and, if within a county with three
 1339 or more pari-mutuel permits, is at least 10 miles from the
 1340 waters of the Atlantic Ocean;

1341 (a) Any holder of a valid outstanding greyhound racing
 1342 permit that was previously converted from a jai alai permit;

1343 (b) Any holder of a valid outstanding greyhound racing
 1344 permit in a county in which there is only one greyhound racing
 1345 permit issued; and

1346 (c) Any holder of a valid outstanding jai alai permit in a
 1347 county in which there is only one jai alai permit issued. at a
 1348 proceeding pursuant to chapter 120 in the county affected that
 1349 the move is necessary to ensure the revenue producing capability
 1350 of the permittee without deteriorating the revenue producing
 1351 capability of any other pari-mutuel permittee within 50 miles;
 1352

1353 The distances ~~distance~~ shall be measured on a straight line from
 1354 the nearest property line of one racing plant or jai alai
 1355 fronton to the nearest property line of the other and the
 1356 nearest mean high tide line of the Atlantic Ocean.

1357 Section 21. Section 550.0745, Florida Statutes, is
 1358 repealed.

1359 Section 22. Section 550.0951, Florida Statutes, is amended
 1360 to read:

1361 550.0951 Payment of daily license fee and taxes;
 1362 penalties.-

1363 (1)(a) DAILY LICENSE FEE.-Each person engaged in the
 1364 business of conducting race meetings or jai alai games under
 1365 this chapter, hereinafter referred to as the "permitholder,"
 1366 "licensee," or "permittee," shall pay to the division, for the

Page 47 of 112

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

21-00423F-17

20178__

1367 ~~use of the division,~~ a daily license fee on each live or
 1368 simulcast pari-mutuel event of \$100 for each horserace, ~~and~~ \$80
 1369 for each greyhound race, ~~dogracc~~ and \$40 for each jai alai game,
 1370 ~~any of which is~~ conducted at a racetrack or fronton licensed
 1371 under this chapter. ~~A~~ In addition to the tax exemption specified
 1372 ~~in s. 550.09514(1) of \$360,000 or \$500,000 per greyhound~~
 1373 ~~permitholder per state fiscal year, each greyhound permitholder~~
 1374 ~~shall receive in the current state fiscal year a tax credit~~
 1375 ~~equal to the number of live greyhound races conducted in the~~
 1376 ~~previous state fiscal year times the daily license fee specified~~
 1377 ~~for each dograce in this subsection applicable for the previous~~
 1378 ~~state fiscal year. This tax credit and the exemption in s.~~
 1379 ~~550.09514(1) shall be applicable to any tax imposed by this~~
 1380 ~~chapter or the daily license fees imposed by this chapter except~~
 1381 ~~during any charity or scholarship performances conducted~~
 1382 ~~pursuant to s. 550.0351. Each permitholder may not be required~~
 1383 ~~to shall pay daily license fees in excess of not to exceed \$500~~
 1384 ~~per day on any simulcast races or games on which such~~
 1385 ~~permitholder accepts wagers, regardless of the number of out-of-~~
 1386 ~~state events taken or the number of out-of-state locations from~~
 1387 ~~which such events are taken. This license fee shall be deposited~~
 1388 ~~with the Chief Financial Officer to the credit of the Pari-~~
 1389 ~~mutuel Wagering Trust Fund.~~

1390 ~~(b) Each permitholder that cannot utilize the full amount~~
 1391 ~~of the exemption of \$360,000 or \$500,000 provided in s.~~
 1392 ~~550.09514(1) or the daily license fee credit provided in this~~
 1393 ~~section may, after notifying the division in writing, elect once~~
 1394 ~~per state fiscal year on a form provided by the division to~~
 1395 ~~transfer such exemption or credit or any portion thereof to any~~

Page 48 of 112

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

21-00423F-17

20178__

1396 ~~greyhound permitholder which acts as a host track to such~~
 1397 ~~permitholder for the purpose of intertrack wagering. Once an~~
 1398 ~~election to transfer such exemption or credit is filed with the~~
 1399 ~~division, it shall not be rescinded. The division shall~~
 1400 ~~disapprove the transfer when the amount of the exemption or~~
 1401 ~~credit or portion thereof is unavailable to the transferring~~
 1402 ~~permitholder or when the permitholder who is entitled to~~
 1403 ~~transfer the exemption or credit or who is entitled to receive~~
 1404 ~~the exemption or credit owes taxes to the state pursuant to a~~
 1405 ~~deficiency letter or administrative complaint issued by the~~
 1406 ~~division. Upon approval of the transfer by the division, the~~
 1407 ~~transferred tax exemption or credit shall be effective for the~~
 1408 ~~first performance of the next payment period as specified in~~
 1409 ~~subsection (5). The exemption or credit transferred to such host~~
 1410 ~~track may be applied by such host track against any taxes~~
 1411 ~~imposed by this chapter or daily license fees imposed by this~~
 1412 ~~chapter. The greyhound permitholder host track to which such~~
 1413 ~~exemption or credit is transferred shall reimburse such~~
 1414 ~~permitholder the exact monetary value of such transferred~~
 1415 ~~exemption or credit as actually applied against the taxes and~~
 1416 ~~daily license fees of the host track. The division shall ensure~~
 1417 ~~that all transfers of exemption or credit are made in accordance~~
 1418 ~~with this subsection and shall have the authority to adopt rules~~
 1419 ~~to ensure the implementation of this section.~~

(2) ADMISSION TAX.—

1421 (a) An admission tax equal to 15 percent of the admission
 1422 charge for entrance to the permitholder's facility and
 1423 grandstand area, or 10 cents, whichever is greater, is imposed
 1424 on each person attending a horserace, greyhound race dograce, or

Page 49 of 112

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

21-00423F-17

20178__

1425 jai alai game. The permitholder is ~~shall be~~ responsible for
 1426 collecting the admission tax.

1427 (b) ~~The~~ ~~No~~ admission tax imposed under this chapter and ~~or~~
 1428 chapter 212 may not ~~shall~~ be imposed on any free passes or
 1429 complimentary cards issued to persons for which there is no cost
 1430 to the person for admission to pari-mutuel events.

1431 (c) A permitholder may issue tax-free passes to its
 1432 officers, officials, and employees and to ~~or~~ other persons
 1433 actually engaged in working at the racetrack, including
 1434 accredited media ~~press~~ representatives such as reporters and
 1435 editors, and may also issue tax-free passes to other
 1436 permitholders for the use of their officers and officials. The
 1437 permitholder shall file with the division a list of all persons
 1438 to whom tax-free passes are issued under this paragraph.

1439 (3) TAX ON HANDLE.—Each permitholder shall pay a tax on
 1440 contributions to pari-mutuel pools, the aggregate of which is
 1441 hereinafter referred to as "handle," on races or games conducted
 1442 by the permitholder. The tax is imposed daily and is based on
 1443 the total contributions to all pari-mutuel pools conducted
 1444 during the daily performance. If a permitholder conducts more
 1445 than one performance daily, the tax is imposed on each
 1446 performance separately.

1447 (a) The tax on handle for quarter horse racing is 1.0
 1448 percent of the handle.

1449 (b)1. The tax on handle for greyhound racing dograce is
 1450 1.28 ~~5.5~~ percent of the handle, ~~except that for live charity~~
 1451 ~~performances held pursuant to s. 550.0351, and for intertrack~~
 1452 ~~wagering on such charity performances at a guest greyhound track~~
 1453 ~~within the market area of the host, the tax is 7.6 percent of~~

Page 50 of 112

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

21-00423F-17

20178__

1454 ~~the handle.~~

1455 2. The tax on handle for jai alai is 7.1 percent of the
1456 handle.

1457 (c)1. The tax on handle for intertrack wagering is:

1458 a. If the host track is a horse track, 2.0 percent of the
1459 handle.

1460 b. If the host track is a harness horse racetrack track,
1461 3.3 percent of the handle.

1462 c. If the host track is a greyhound racing harness track,
1463 1.28 ~~5.5~~ percent of the handle, to be remitted by the guest
1464 track. if the host track is a dog track, and

1465 d. If the host track is a jai alai fronton, 7.1 percent of
1466 the handle if the host track is a jai alai fronton.

1467 e. The tax on handle for intertrack wagering is 0.5
1468 percent. If the host track and the guest track are thoroughbred
1469 racing permitholders or if the guest track is located outside
1470 the market area of a the host track that is not a greyhound
1471 racing track and within the market area of a thoroughbred racing
1472 permitholder currently conducting a live race meet, 0.5 percent
1473 of the handle.

1474 f. The tax on handle For intertrack wagering on
1475 rebroadcasts of simulcast thoroughbred horseraces, ~~is~~ 2.4
1476 percent of the handle and ~~1.5 percent of the handle~~ for
1477 intertrack wagering on rebroadcasts of simulcast harness
1478 horseraces, 1.5 percent of the handle.

1479 2. The tax shall be deposited into the Pari-mutuel Wagering
1480 Trust Fund.

1481 3.2. The tax on handle for intertrack wagers accepted by
1482 any greyhound racing ~~dog~~ track located in an area of the state

Page 51 of 112

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

21-00423F-17

20178__

1483 in which there are only three permitholders, all of which are
1484 greyhound racing permitholders, located in three contiguous
1485 counties, from any greyhound racing permitholder also located
1486 within such area or any greyhound racing dog track or jai alai
1487 fronton located as specified in s. 550.615(7) ~~s. 550.615(6) or~~
1488 ~~(9)~~, on races or games received from any jai alai the same class
1489 ~~of~~ permitholder located within the same market area is 1.28 ~~3.9~~
1490 percent of the handle if the host facility is a greyhound racing
1491 permitholder. ~~and~~ If the host facility is a jai alai
1492 permitholder, the tax is rate shall be 6.1 percent of the handle
1493 until except that it shall be 2.3 percent on handle at such time
1494 as the total tax on intertrack handle paid to the division by
1495 the permitholder during the current state fiscal year exceeds
1496 the total ~~tax on intertrack handle~~ paid to the division by the
1497 permitholder during the 1992-1993 state fiscal year, in which
1498 case the tax is 2.3 percent of the handle.

1499 (d) Notwithstanding any other provision of this chapter, in
1500 order to protect the Florida jai alai industry, effective July
1501 1, 2000, a jai alai permitholder may not be taxed on live handle
1502 at a rate higher than 2 percent.

1503 (4) BREAKS TAX.—Effective October 1, 1996, each
1504 permitholder conducting jai alai performances shall pay a tax
1505 equal to the breaks. As used in this subsection, the term
1506 "breaks" means the money that remains in each pari-mutuel pool
1507 after funds are The "breaks" represents that portion of each
1508 ~~pari-mutuel pool which is not~~ redistributed to the contributors
1509 and commissions are ~~or~~ withheld by the permitholder ~~as~~
1510 commission.

1511 (5) PAYMENT AND DISPOSITION OF FEES AND TAXES.—Payments

Page 52 of 112

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

21-00423F-17

20178__

1512 imposed by this section shall be paid to the division. The
 1513 division shall deposit such payments ~~these sums~~ with the Chief
 1514 Financial Officer, to the credit of the Pari-mutuel Wagering
 1515 Trust Fund, hereby established. The permitholder shall remit to
 1516 the division payment for the daily license fee, the admission
 1517 tax, the tax on handle, and the breaks tax. Such payments must
 1518 ~~shall~~ be remitted by 3 p.m. on Wednesday of each week for taxes
 1519 imposed and collected for the preceding week ending on Sunday.
 1520 Beginning on July 1, 2012, such payments must ~~shall~~ be remitted
 1521 by 3 p.m. on the 5th day of each calendar month for taxes
 1522 imposed and collected for the preceding calendar month. If the
 1523 5th day of the calendar month falls on a weekend, payments must
 1524 ~~shall~~ be remitted by 3 p.m. the first Monday following the
 1525 weekend. Permitholders shall file a report under oath by the 5th
 1526 day of each calendar month for all taxes remitted during the
 1527 preceding calendar month. Such payments must ~~shall~~ be
 1528 accompanied by a report under oath showing the total of all
 1529 admissions, the pari-mutuel wagering activities for the
 1530 preceding calendar month, and any such other information ~~as may~~
 1531 ~~be~~ prescribed by the division.

(6) PENALTIES.—

1532 (a) The failure of any permitholder to make payments as
 1533 prescribed in subsection (5) is a violation of this section, and
 1534 the ~~permitholder may be subjected by the division~~ may impose ~~to~~
 1535 a civil penalty against the permitholder of up to \$1,000 for
 1536 each day the tax payment is not remitted. All penalties imposed
 1537 and collected shall be deposited in the General Revenue Fund. If
 1538 a permitholder fails to pay penalties imposed by order of the
 1539 division under this subsection, the division may suspend or
 1540

Page 53 of 112

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

21-00423F-17

20178__

1541 revoke the license of the permitholder, cancel the permit of the
 1542 permitholder, or deny issuance of any further license or permit
 1543 to the permitholder.

1544 (b) In addition to the civil penalty prescribed in
 1545 paragraph (a), any willful or wanton failure by any permitholder
 1546 to make payments of the daily license fee, admission tax, tax on
 1547 handle, or breaks tax constitutes sufficient grounds for the
 1548 division to suspend or revoke the license of the permitholder,
 1549 to cancel the permit of the permitholder, or to deny issuance of
 1550 any further license or permit to the permitholder.

1551 Section 23. Section 550.09512, Florida Statutes, is amended
 1552 to read:

1553 550.09512 Harness horse racing taxes; abandoned interest in
 1554 a permit for nonpayment of taxes.—

1555 (1) Pari-mutuel wagering at harness horse racetracks in
 1556 this state is an important business enterprise, and taxes
 1557 derived therefrom constitute a part of the tax structure which
 1558 funds operation of the state. Harness horse racing permitholders
 1559 should pay their fair share of these taxes to the state. This
 1560 business interest should not be taxed to such an extent as to
 1561 cause any racetrack which is operated under sound business
 1562 principles to be forced out of business. Due to the need to
 1563 protect the public health, safety, and welfare, the gaming laws
 1564 of the state provide for the harness horse racing industry to be
 1565 highly regulated and taxed. The state recognizes that there
 1566 exist identifiable differences between harness horse racing
 1567 permitholders based upon their ability to operate under such
 1568 regulation and tax system.

1569 (2) (a) The tax on handle for live harness horse racing

Page 54 of 112

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

21-00423F-17

20178__

1570 performances is 0.5 percent of handle per performance.

1571 (b) For purposes of this section, the term "handle" shall
1572 have the same meaning as in s. 550.0951, and shall not include
1573 handle from intertrack wagering.

1574 (3) ~~(a)~~ The division shall revoke the permit of a harness
1575 horse racing permitholder that who does not pay the tax due on
1576 handle for live harness horse racing performances for a full
1577 schedule of live races for more than 24 consecutive months
1578 ~~during any 2 consecutive state fiscal years shall be void and~~
1579 ~~shall escheat to and become the property of the state unless~~
1580 such failure to operate and pay tax on handle was the direct
1581 result of fire, strike, war, or other disaster or event beyond
1582 the ability of the permitholder to control. Financial hardship
1583 to the permitholder does ~~shall~~ not, in and of itself, constitute
1584 just cause for failure to operate and pay tax on handle. A
1585 permit revoked under this subsection is void and may not be
1586 reissued.

1587 ~~(b) In order to maximize the tax revenues to the state, the~~
1588 ~~division shall reissue an escheated harness horse permit to a~~
1589 ~~qualified applicant pursuant to the provisions of this chapter~~
1590 ~~as for the issuance of an initial permit. However, the~~
1591 ~~provisions of this chapter relating to referendum requirements~~
1592 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~
1593 ~~escheated harness horse permit. As specified in the application~~
1594 ~~and upon approval by the division of an application for the~~
1595 ~~permit, the new permitholder shall be authorized to operate a~~
1596 ~~harness horse facility anywhere in the same county in which the~~
1597 ~~escheated permit was authorized to be operated, notwithstanding~~
1598 ~~the provisions of s. 550.054(2) relating to mileage limitations.~~

Page 55 of 112

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

21-00423F-17

20178__

1599 (4) In the event that a court of competent jurisdiction
1600 determines any of the provisions of this section to be
1601 unconstitutional, it is the intent of the Legislature that the
1602 provisions contained in this section shall be null and void and
1603 that the provisions of s. 550.0951 shall apply to all harness
1604 horse racing permitholders beginning on the date of such
1605 judicial determination. To this end, the Legislature declares
1606 that it would not have enacted any of the provisions of this
1607 section individually and, to that end, expressly finds them not
1608 to be severable.

1609 Section 24. Section 550.09514, Florida Statutes, is amended
1610 to read:

1611 550.09514 Greyhound racing ~~de~~racing taxes; purse
1612 requirements.-

1613 ~~(1) Wagering on greyhound racing is subject to a tax on~~
1614 ~~handle for live greyhound racing as specified in s. 550.0951(3).~~
1615 ~~However, each permitholder shall pay no tax on handle until such~~
1616 ~~time as this subsection has resulted in a tax savings per state~~
1617 ~~fiscal year of \$360,000. Thereafter, each permitholder shall pay~~
1618 ~~the tax as specified in s. 550.0951(3) on all handle for the~~
1619 ~~remainder of the permitholder's current race meet. For the three~~
1620 ~~permitholders that conducted a full schedule of live racing in~~
1621 ~~1995, and are closest to another state that authorizes greyhound~~
1622 ~~pari-mutuel wagering, the maximum tax savings per state fiscal~~
1623 ~~year shall be \$500,000. The provisions of this subsection~~
1624 ~~relating to tax exemptions shall not apply to any charity or~~
1625 ~~scholarship performances conducted pursuant to s. 550.0351.~~

1626 (1)(2)(a) The division shall determine for each greyhound
1627 racing permitholder the annual purse percentage rate of live

Page 56 of 112

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

21-00423F-17

20178__

1628 handle for the state fiscal year 1993-1994 by dividing total
 1629 purses paid on live handle by the permitholder, exclusive of
 1630 payments made from outside sources, during the 1993-1994 state
 1631 fiscal year by the permitholder's live handle for the 1993-1994
 1632 state fiscal year. A greyhound racing ~~Each~~ permitholder
 1633 conducting live racing during a fiscal year shall pay as purses
 1634 for such live races conducted during its current race meet a
 1635 percentage of its live handle not less than the percentage
 1636 determined under this paragraph, exclusive of payments made by
 1637 outside sources, for its 1993-1994 state fiscal year.

1638 (b) Except as otherwise set forth herein, in addition to
 1639 the minimum purse percentage required by paragraph (a), each
 1640 greyhound racing permitholder conducting live racing during a
 1641 fiscal year shall pay as purses an annual amount of \$60 for each
 1642 live race conducted equal to 75 percent of the daily license
 1643 fees paid by the greyhound racing each permitholder in for the
 1644 preceding 1994-1995 fiscal year. ~~These~~ This purse supplement
 1645 ~~shall be disbursed weekly during the permitholder's race meet in~~
 1646 ~~an amount determined by dividing the annual purse supplement by~~
 1647 ~~the number of performances approved for the permitholder~~
 1648 ~~pursuant to its annual license and multiplying that amount by~~
 1649 ~~the number of performances conducted each week. For the~~
 1650 ~~greyhound permitholders in the county where there are two~~
 1651 ~~greyhound permitholders located as specified in s. 550.615(6),~~
 1652 ~~such permitholders shall pay in the aggregate an amount equal to~~
 1653 ~~75 percent of the daily license fees paid by such permitholders~~
 1654 ~~for the 1994-1995 fiscal year. These permitholders shall be~~
 1655 ~~jointly and severally liable for such purse payments. The~~
 1656 ~~additional purses provided by this paragraph must be used~~

Page 57 of 112

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

21-00423F-17

20178__

1657 exclusively for purses other than stakes and disbursed weekly
 1658 during the permitholder's race meet. The division shall conduct
 1659 audits necessary to ensure compliance with this section.

1660 (c)1. Each greyhound racing permitholder, when conducting
 1661 at least three live performances during any week, shall pay
 1662 purses in that week on wagers it accepts as a guest track on
 1663 intertrack and simulcast greyhound races at the same rate as it
 1664 pays on live races. Each greyhound racing permitholder, when
 1665 conducting at least three live performances during any week,
 1666 shall pay purses in that week, at the same rate as it pays on
 1667 live races, on wagers accepted on greyhound races at a guest
 1668 track ~~that which~~ is not conducting live racing and is located
 1669 within the same market area as the greyhound racing permitholder
 1670 conducting at least three live performances during any week.

1671 2. Each host greyhound racing permitholder shall pay purses
 1672 on its simulcast and intertrack broadcasts of greyhound races to
 1673 guest facilities that are located outside its market area in an
 1674 amount equal to one quarter of an amount determined by
 1675 subtracting the transmission costs of sending the simulcast or
 1676 intertrack broadcasts from an amount determined by adding the
 1677 fees received for greyhound simulcast races plus 3 percent of
 1678 the greyhound intertrack handle at guest facilities that are
 1679 located outside the market area of the host and that paid
 1680 contractual fees to the host for such broadcasts of greyhound
 1681 races.

1682 (d) The division shall require sufficient documentation
 1683 from each greyhound racing permitholder regarding purses paid on
 1684 live racing to assure that the annual purse percentage rates
 1685 paid by each greyhound racing permitholder conducting on the

Page 58 of 112

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

21-00423F-17

20178__

1686 live races are not reduced below those paid during the 1993-1994
 1687 state fiscal year. The division shall require sufficient
 1688 documentation from each greyhound racing permitholder to assure
 1689 that the purses paid by each permitholder on the greyhound
 1690 intertrack and simulcast broadcasts are in compliance with the
 1691 requirements of paragraph (c).

1692 (e) In addition to the purse requirements of paragraphs
 1693 (a)-(c), each greyhound racing permitholder conducting live
 1694 aces shall pay as purses an amount equal to one-third of the
 1695 amount of the tax reduction on live and simulcast handle
 1696 applicable to such permitholder as a result of the reductions in
 1697 tax rates provided by s. 6, chapter 2000-354, Laws of Florida
 1698 ~~this act through the amendments to s. 550.0951(3)~~. With respect
 1699 to intertrack wagering when the host and guest tracks are
 1700 greyhound racing permitholders not within the same market area,
 1701 an amount equal to the tax reduction applicable to the guest
 1702 track handle as a result of the reduction in tax rate provided
 1703 by s. 6, chapter 2000-354, Laws of Florida, ~~this act through the~~
 1704 ~~amendment to s. 550.0951(3)~~ shall be distributed to the guest
 1705 track, one-third of which amount shall be paid as purses at the
 1706 guest track. However, if the guest track is a greyhound racing
 1707 permitholder within the market area of the host or if the guest
 1708 track is not a greyhound racing permitholder, an amount equal to
 1709 such tax reduction applicable to the guest track handle shall be
 1710 retained by the host track, one-third of which amount shall be
 1711 paid as purses at the host track. These purse funds shall be
 1712 disbursed in the week received if the permitholder conducts at
 1713 least one live performance during that week. If the permitholder
 1714 does not conduct at least one live performance during the week

Page 59 of 112

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

21-00423F-17

20178__

1715 in which the purse funds are received, the purse funds shall be
 1716 disbursed weekly during the permitholder's next race meet in an
 1717 amount determined by dividing the purse amount by the number of
 1718 performances approved for the permitholder pursuant to its
 1719 annual license, and multiplying that amount by the number of
 1720 performances conducted each week. The division shall conduct
 1721 audits necessary to ensure compliance with this paragraph.

1722 (f) Each greyhound racing permitholder conducting live
 1723 racing shall, during the permitholder's race meet, supply kennel
 1724 operators and the Division of Pari-Mutuel Wagering with a weekly
 1725 report showing purses paid on live greyhound races and all
 1726 greyhound intertrack and simulcast broadcasts, including both as
 1727 a guest and a host together with the handle or commission
 1728 calculations on which such purses were paid and the transmission
 1729 costs of sending the simulcast or intertrack broadcasts, so that
 1730 the kennel operators may determine statutory and contractual
 1731 compliance.

1732 (g) Each greyhound racing permitholder conducting live
 1733 racing shall make direct payment of purses to the greyhound
 1734 owners who have filed with such permitholder appropriate federal
 1735 taxpayer identification information based on the percentage
 1736 amount agreed upon between the kennel operator and the greyhound
 1737 owner.

1738 (h) At the request of a majority of kennel operators under
 1739 contract with a greyhound racing permitholder conducting live
 1740 racing, the permitholder shall make deductions from purses paid
 1741 to each kennel operator electing such deduction and shall make a
 1742 direct payment of such deductions to the local association of
 1743 greyhound kennel operators formed by a majority of kennel

Page 60 of 112

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

21-00423F-17

20178__

1744 operators under contract with the permit holder. The amount of
 1745 the deduction shall be at least 1 percent of purses, as
 1746 determined by the local association of greyhound kennel
 1747 operators. ~~No~~ Deductions may not be taken pursuant to this
 1748 paragraph without a kennel operator's specific approval before
 1749 or after May 24, 1998 ~~the effective date of this act.~~

1750 ~~(2)(3) As used in For the purpose of~~ this section, the term
 1751 "live handle" means the handle from wagers placed at the
 1752 permit holder's establishment on the live greyhound races
 1753 conducted at the permit holder's establishment.

1754 Section 25. Section 550.09515, Florida Statutes, is amended
 1755 to read:

1756 550.09515 Thoroughbred racing horse taxes; abandoned
 1757 interest in a permit for nonpayment of taxes.—

1758 (1) Pari-mutuel wagering at thoroughbred horse racetracks
 1759 in this state is an important business enterprise, and taxes
 1760 derived therefrom constitute a part of the tax structure which
 1761 funds operation of the state. Thoroughbred horse permit holders
 1762 should pay their fair share of these taxes to the state. This
 1763 business interest should not be taxed to such an extent as to
 1764 cause any racetrack which is operated under sound business
 1765 principles to be forced out of business. Due to the need to
 1766 protect the public health, safety, and welfare, the gaming laws
 1767 of the state provide for the thoroughbred horse industry to be
 1768 highly regulated and taxed. The state recognizes that there
 1769 exist identifiable differences between thoroughbred horse
 1770 permit holders based upon their ability to operate under such
 1771 regulation and tax system and at different periods during the
 1772 year.

Page 61 of 112

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

21-00423F-17

20178__

1773 (2) (a) The tax on handle for live thoroughbred horserace
 1774 performances shall be 0.5 percent.

1775 (b) For purposes of this section, the term "handle" shall
 1776 have the same meaning as in s. 550.0951, and shall not include
 1777 handle from intertrack wagering.

1778 ~~(3)(a) The division shall revoke the~~ permit of a
 1779 thoroughbred racing horse permit holder ~~that who~~ does not pay the
 1780 tax due on handle for live thoroughbred horse performances for a
 1781 full schedule of live races for more than 24 consecutive months
 1782 ~~during any 2 consecutive state fiscal years shall be void and~~
 1783 ~~shall escheat to and become the property of the state unless~~
 1784 such failure to operate and pay tax on handle was the direct
 1785 result of fire, strike, war, or other disaster or event beyond
 1786 the ability of the permit holder to control. Financial hardship
 1787 to the permit holder does ~~shall~~ not, in and of itself, constitute
 1788 just cause for failure to operate and pay tax on handle. A
 1789 permit revoked under this subsection is void and may not be
 1790 reissued.

1791 ~~(b) In order to maximize the tax revenues to the state, the~~
 1792 ~~division shall reissue an escheated thoroughbred horse permit to~~
 1793 ~~a qualified applicant pursuant to the provisions of this chapter~~
 1794 ~~as for the issuance of an initial permit. However, the~~
 1795 ~~provisions of this chapter relating to referendum requirements~~
 1796 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~
 1797 ~~escheated thoroughbred horse permit. As specified in the~~
 1798 ~~application and upon approval by the division of an application~~
 1799 ~~for the permit, the new permit holder shall be authorized to~~
 1800 ~~operate a thoroughbred horse facility anywhere in the same~~
 1801 ~~county in which the escheated permit was authorized to be~~

Page 62 of 112

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

21-00423F-17

20178__

1802 ~~operated, notwithstanding the provisions of s. 550.054(2)~~
 1803 ~~relating to mileage limitations.~~

1804 (4) In the event that a court of competent jurisdiction
 1805 determines any of the provisions of this section to be
 1806 unconstitutional, it is the intent of the Legislature that the
 1807 provisions contained in this section shall be null and void and
 1808 that the provisions of s. 550.0951 shall apply to all
 1809 thoroughbred racing ~~horse~~ permitholders beginning on the date of
 1810 such judicial determination. To this end, the Legislature
 1811 declares that it would not have enacted any of the provisions of
 1812 this section individually and, to that end, expressly finds them
 1813 not to be severable.

1814 (5) Notwithstanding the provisions of s. 550.0951(3)(c),
 1815 the tax on handle for intertrack wagering on rebroadcasts of
 1816 simulcast horseraces is 2.4 percent of the handle; provided
 1817 however, that if the guest track is a thoroughbred track located
 1818 more than 35 miles from the host track, the host track shall pay
 1819 a tax of .5 percent of the handle, and additionally the host
 1820 track shall pay to the guest track 1.9 percent of the handle to
 1821 be used by the guest track solely for purses. The tax shall be
 1822 deposited into the Pari-mutuel Wagering Trust Fund.

1823 (6) A credit equal to the amount of contributions made by a
 1824 thoroughbred racing permitholder during the taxable year
 1825 directly to the Jockeys' Guild or its health and welfare fund to
 1826 be used to provide health and welfare benefits for active,
 1827 disabled, and retired Florida jockeys and their dependents
 1828 pursuant to reasonable rules of eligibility established by the
 1829 Jockeys' Guild is allowed against taxes on live handle due for a
 1830 taxable year under this section. A thoroughbred racing

Page 63 of 112

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

21-00423F-17

20178__

1831 permitholder may not receive a credit greater than an amount
 1832 equal to 1 percent of its paid taxes for the previous taxable
 1833 year.

1834 (7) If a thoroughbred racing permitholder fails to operate
 1835 all performances on its 2001-2002 license, failure to pay tax on
 1836 handle for a full schedule of live races for those performances
 1837 in the 2001-2002 fiscal year does not constitute failure to pay
 1838 taxes on handle for a full schedule of live races in a fiscal
 1839 year for the purposes of subsection (3). This subsection may not
 1840 be construed as forgiving a thoroughbred racing permitholder
 1841 from paying taxes on performances conducted at its facility
 1842 pursuant to its 2001-2002 license other than for failure to
 1843 operate all performances on its 2001-2002 license. This
 1844 subsection expires July 1, 2003.

1845 Section 26. Section 550.1625, Florida Statutes, is amended
 1846 to read:

1847 550.1625 Greyhound racing ~~dog~~ racing; taxes.-

1848 (1) The operation of a greyhound racing ~~dog~~ track and
 1849 legalized pari-mutuel betting at greyhound racing ~~dog~~ tracks in
 1850 this state is a privilege and is an operation that requires
 1851 strict supervision and regulation in the best interests of the
 1852 state. Pari-mutuel wagering at greyhound racing ~~dog~~ tracks in
 1853 this state is a substantial business, and taxes derived
 1854 therefrom constitute part of the tax structures of the state and
 1855 the counties. The operators of greyhound racing ~~dog~~ tracks
 1856 should pay their fair share of taxes to the state; at the same
 1857 time, this substantial business interest should not be taxed to
 1858 such an extent as to cause a track that is operated under sound
 1859 business principles to be forced out of business.

Page 64 of 112

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

21-00423F-17

20178__

1860 (2) A permit holder that conducts a greyhound race ~~degrade~~
 1861 meet under this chapter must pay the daily license fee, the
 1862 admission tax, ~~the break tax,~~ and the tax on pari-mutuel handle
 1863 as provided in s. 550.0951 and is subject to all penalties and
 1864 sanctions provided in s. 550.0951(6).

1865 Section 27. Section 550.1647, Florida Statutes, is
 1866 repealed.

1867 Section 28. Section 550.1648, Florida Statutes, is amended
 1868 to read:

1869 550.1648 Greyhound adoptions.—

1870 ~~(1) A greyhound racing~~ Each dog racing permit holder that
 1871 conducts live racing at ~~operating a greyhound racing~~ ~~dog racing~~
 1872 facility in this state shall provide for a greyhound adoption
 1873 booth to be located at the facility.

1874 (1) (a) The greyhound adoption booth must be operated on
 1875 weekends by personnel or volunteers from a bona fide
 1876 organization that promotes or encourages the adoption of
 1877 greyhounds ~~pursuant to s. 550.1647.~~ Such bona fide organization,
 1878 as a condition of adoption, must provide sterilization of
 1879 greyhounds by a licensed veterinarian before relinquishing
 1880 custody of the greyhound to the adopter. The fee for
 1881 sterilization may be included in the cost of adoption. As used
 1882 in this section, the term "weekend" includes the hours during
 1883 which live greyhound racing is conducted on Friday, Saturday, or
 1884 Sunday, and the term "bona fide organization that promotes or
 1885 encourages the adoption of greyhounds" means an organization
 1886 that provides evidence of compliance with chapter 496 and
 1887 possesses a valid exemption from federal taxation issued by the
 1888 Internal Revenue Service. Information pamphlets and application

Page 65 of 112

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

21-00423F-17

20178__

1889 forms shall be provided to the public upon request.

1890 (b) ~~In addition,~~ The kennel operator or owner shall notify
 1891 the permit holder that a greyhound is available for adoption and
 1892 the permit holder shall provide information concerning the
 1893 adoption of a greyhound in each race program and shall post
 1894 adoption information at conspicuous locations throughout the
 1895 greyhound racing ~~dog racing~~ facility. Any greyhound that is
 1896 participating in a race and that will be available for future
 1897 adoption must be noted in the race program. The permit holder
 1898 shall allow greyhounds to be walked through the track facility
 1899 to publicize the greyhound adoption program.

1900 (2) In addition to the charity days authorized under s.
 1901 550.0351, a greyhound racing permit holder may fund the greyhound
 1902 adoption program by holding a charity racing day designated as
 1903 "Greyhound Adopt-A-Pet Day." All profits derived from the
 1904 operation of the charity day must be placed into a fund used to
 1905 support activities at the racing facility which promote the
 1906 adoption of greyhounds. The division may adopt rules for
 1907 administering the fund. ~~Proceeds from the charity day authorized~~
 1908 ~~in this subsection may not be used as a source of funds for the~~
 1909 ~~purposes set forth in s. 550.1647.~~

1910 (3) (a) Upon a violation of this section by a permit holder
 1911 or licensee, the division may impose a penalty as provided in s.
 1912 550.0251(10) and require the permit holder to take corrective
 1913 action.

1914 (b) A penalty imposed under s. 550.0251(10) does not
 1915 exclude a prosecution for cruelty to animals or for any other
 1916 criminal act.

1917 Section 29. Section 550.1752, Florida Statutes, is created

Page 66 of 112

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

21-00423F-17

20178__

1918 to read:

1919 550.1752 Permit reduction program.-

1920 (1) The permit reduction program is created in the Division
 1921 of Pari-mutuel Wagering for the purpose of purchasing and
 1922 cancelling active pari-mutuel permits. The program shall be
 1923 funded from revenue share payments made by the Seminole Tribe of
 1924 Florida under the compact ratified by s. 285.710(3) and received
 1925 by the state after October 31, 2015. Compact payments payable
 1926 for the program shall be calculated on a monthly basis until
 1927 such time as the division determines that sufficient funds are
 1928 available to fund the program. The total funding allocated to
 1929 the program may not exceed \$20 million.

1930 (2) The division shall purchase pari-mutuel permits from
 1931 pari-mutuel permitholders when sufficient moneys are available
 1932 for such purchases. A pari-mutuel permitholder may not submit an
 1933 offer to sell a permit unless it is actively conducting pari-
 1934 mutuel racing or jai alai as required by law and satisfies all
 1935 applicable requirements for the permit. The division shall adopt
 1936 by rule the form to be used by a pari-mutuel permitholder for an
 1937 offer to sell a permit and shall establish a schedule for the
 1938 consideration of offers.

1939 (3) The division shall establish the value of a pari-mutuel
 1940 permit based upon the valuation of one or more independent
 1941 appraisers selected by the division. The valuation of a permit
 1942 must be based on the permit's fair market value and may not
 1943 include the value of the real estate or personal property. The
 1944 division may establish a value for the permit that is lower than
 1945 the amount determined by an independent appraiser but may not
 1946 establish a higher value.

Page 67 of 112

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

21-00423F-17

20178__

1947 (4) The division must accept the offer or offers that best
 1948 utilize available funding; however, the division may also accept
 1949 the offers that it determines are most likely to reduce the
 1950 incidence of gaming in this state.

1951 (5) The division shall cancel any permit purchased under
 1952 this section.

1953 (6) This section expires on July 1, 2019, unless reenacted
 1954 by the Legislature.

1955 Section 30. Section 550.1753, Florida Statutes, is created
 1956 to read:

1957 550.1753 Thoroughbred purse supplement program.-

1958 (1) Effective July 1, 2019, the thoroughbred purse
 1959 supplement program is created in the Division of Pari-mutuel
 1960 Wagering for the purpose of maintaining an active and viable
 1961 live thoroughbred racing, owning, and breeding industry in the
 1962 state. The program shall be funded from revenue share payments
 1963 made by the Seminole Tribe of Florida under the compact ratified
 1964 by s. 285.710(3) and received by the state after July 1, 2019.
 1965 Compact payments payable for the program shall be calculated on
 1966 a monthly basis until such time as the division determines that
 1967 sufficient funds are available to fund the program. The total
 1968 annual funding allocated to the program is \$20 million.

1969 (2) The division shall adopt by rule the form to be used by
 1970 a pari-mutuel permitholder for applying to receive purse
 1971 assistance from the program to be used to supplement purses for
 1972 its live racing meet.

1973 (3) The division shall distribute the purse supplement
 1974 funds on a pro rata basis based upon the number of live race
 1975 days to be conducted by each thoroughbred permitholder pursuant

Page 68 of 112

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

21-00423F-17 20178__

1976 to its annual racing license.

1977 (4) If a thoroughbred permitholder fails to conduct a live

1978 race day, the thoroughbred permitholder must return the unused

1979 purse supplement fund allocated for that day, and the division

1980 shall reapportion the allocation of purse supplement funds to

1981 the remaining race days to be conducted during the state fiscal

1982 year by that thoroughbred permitholder.

1983 (5) The division may adopt rules necessary to implement

1984 this section.

1985 (6) This section expires June 30, 2036.

1986 Section 31. Section 550.2416, Florida Statutes, is created

1987 to read:

1988 550.2416 Reporting of racing greyhound injuries.—

1989 (1) An injury to a racing greyhound which occurs while the

1990 greyhound is located in this state must be reported on a form

1991 adopted by the division within 7 days after the date on which

1992 the injury occurred or is believed to have occurred. The

1993 division may adopt rules defining the term "injury."

1994 (2) The form shall be completed and signed under oath or

1995 affirmation by the:

1996 (a) Racetrack veterinarian or director of racing, if the

1997 injury occurred at the racetrack facility; or

1998 (b) Owner, trainer, or kennel operator who had knowledge of

1999 the injury, if the injury occurred at a location other than the

2000 racetrack facility, including during transportation.

2001 (3) The division may fine, suspend, or revoke the license

2002 of any individual who knowingly violates this section.

2003 (4) The form must include the following:

2004 (a) The greyhound's registered name, right-ear and left-ear

21-00423F-17 20178__

2005 tattoo numbers, and, if any, the microchip manufacturer and

2006 number.

2007 (b) The name, business address, and telephone number of the

2008 greyhound owner, the trainer, and the kennel operator.

2009 (c) The color, weight, and sex of the greyhound.

2010 (d) The specific type and bodily location of the injury,

2011 the cause of the injury, and the estimated recovery time from

2012 the injury.

2013 (e) If the injury occurred when the greyhound was racing:

2014 1. The racetrack where the injury occurred;

2015 2. The distance, grade, race, and post position of the

2016 greyhound when the injury occurred; and

2017 3. The weather conditions, time, and track conditions when

2018 the injury occurred.

2019 (f) If the injury occurred when the greyhound was not

2020 racing:

2021 1. The location where the injury occurred, including, but

2022 not limited to, a kennel, a training facility, or a

2023 transportation vehicle; and

2024 2. The circumstances surrounding the injury.

2025 (g) Other information that the division determines is

2026 necessary to identify injuries to racing greyhounds in this

2027 state.

2028 (5) An injury form created pursuant to this section must be

2029 maintained as a public record by the division for at least 7

2030 years after the date it was received.

2031 (6) A licensee of the department who knowingly makes a

2032 false statement concerning an injury or fails to report an

2033 injury is subject to disciplinary action under this chapter or

21-00423F-17

20178__

2034 chapters 455 and 474.

2035 (7) This section does not apply to injuries to a service
 2036 animal, personal pet, or greyhound that has been adopted as a
 2037 pet.

2038 (8) The division shall adopt rules to implement this
 2039 section.

2040 Section 32. Subsection (1) of section 550.26165, Florida
 2041 Statutes, is amended to read:

2042 550.26165 Breeders' awards.—

2043 (1) The purpose of this section is to encourage the
 2044 agricultural activity of breeding and training racehorses in
 2045 this state. Moneys dedicated in this chapter for use as
 2046 breeders' awards and stallion awards are to be used for awards
 2047 to breeders of registered Florida-bred horses winning horseraces
 2048 and for similar awards to the owners of stallions who sired
 2049 Florida-bred horses winning stakes races, if the stallions are
 2050 registered as Florida stallions standing in this state. Such
 2051 awards shall be given at a uniform rate to all winners of the
 2052 awards, may shall not be greater than 20 percent of the
 2053 announced gross purse, and may shall not be less than 15 percent
 2054 of the announced gross purse if funds are available. In
 2055 addition, at least no less than 17 percent, but not ~~not~~ more
 2056 than 40 percent, as determined by the Florida Thoroughbred
 2057 Breeders' Association, of the moneys dedicated in this chapter
 2058 for use as breeders' awards and stallion awards for
 2059 thoroughbreds shall be returned pro rata to the permitholders
 2060 that generated the moneys for special racing awards to be
 2061 distributed by the permitholders to owners of thoroughbred
 2062 horses participating in prescribed thoroughbred stakes races,

Page 71 of 112

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

21-00423F-17

20178__

2063 nonstakes races, or both, all in accordance with a written
 2064 agreement establishing the rate, procedure, and eligibility
 2065 requirements for such awards entered into by the permitholder,
 2066 the Florida Thoroughbred Breeders' Association, and the Florida
 2067 Horsemen's Benevolent and Protective Association, Inc., except
 2068 that the plan for the distribution by any permitholder located
 2069 in the area described in s. 550.615(7) ~~s. 550.615(9)~~ shall be
 2070 agreed upon by that permitholder, the Florida Thoroughbred
 2071 Breeders' Association, and the association representing a
 2072 majority of the thoroughbred racehorse owners and trainers at
 2073 that location. Awards for thoroughbred races are to be paid
 2074 through the Florida Thoroughbred Breeders' Association, and
 2075 awards for standardbred races are to be paid through the Florida
 2076 Standardbred Breeders and Owners Association. Among other
 2077 sources specified in this chapter, moneys for thoroughbred
 2078 breeders' awards will come from the 0.955 percent of handle for
 2079 thoroughbred races conducted, received, broadcast, or simulcast
 2080 under this chapter as provided in s. 550.2625(3). The moneys for
 2081 quarter horse and harness breeders' awards will come from the
 2082 breaks and uncashed tickets on live quarter horse and harness
 2083 horse racing performances and 1 percent of handle on intertrack
 2084 wagering. The funds for these breeders' awards shall be paid to
 2085 the respective breeders' associations by the permitholders
 2086 conducting the races.

2087 Section 33. Section 550.3345, Florida Statutes, is amended
 2088 to read:

2089 550.3345 ~~Conversion of quarter horse permit to a~~ Limited
 2090 thoroughbred racing permit.—

2091 (1) In recognition of the important and long-standing

Page 72 of 112

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

21-00423F-17

20178__

2092 economic contribution of the thoroughbred horse breeding
 2093 industry to this state and the state's vested interest in
 2094 promoting the continued viability of this agricultural activity,
 2095 the state intends to provide a limited opportunity for the
 2096 conduct of live thoroughbred horse racing with the net revenues
 2097 from such racing dedicated to the enhancement of thoroughbred
 2098 purses and breeders', stallion, and special racing awards under
 2099 this chapter; the general promotion of the thoroughbred horse
 2100 breeding industry; and the care in this state of thoroughbred
 2101 horses retired from racing.

2102 (2) A limited thoroughbred racing permit previously
 2103 converted from Notwithstanding any other provision of law, the
 2104 holder of a quarter horse racing permit pursuant to chapter
 2105 2010-29, Laws of Florida, issued under s. 550.334 may only be
 2106 held by, within 1 year after the effective date of this section,
 2107 apply to the division for a transfer of the quarter horse racing
 2108 permit to a not-for-profit corporation formed under state law to
 2109 serve the purposes of the state as provided in subsection (1).
 2110 The board of directors of the not-for-profit corporation must be
 2111 composed ~~comprised~~ of 11 members, 4 of whom shall be designated
 2112 by the applicant, 4 of whom shall be designated by the Florida
 2113 Thoroughbred Breeders' Association, and 3 of whom shall be
 2114 designated by the other 8 directors, with at least 1 of these 3
 2115 members being an authorized representative of another
 2116 thoroughbred racing permitholder in this state. A limited
 2117 thoroughbred racing ~~The not-for-profit corporation shall submit~~
 2118 ~~an application to the division for review and approval of the~~
 2119 ~~transfer in accordance with s. 550.054. Upon approval of the~~
 2120 ~~transfer by the division, and notwithstanding any other~~

Page 73 of 112

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

21-00423F-17

20178__

2121 ~~provision of law to the contrary, the not-for-profit corporation~~
 2122 ~~may, within 1 year after its receipt of the permit, request that~~
 2123 ~~the division convert the quarter horse racing permit to a permit~~
 2124 ~~authorizing the holder to conduct pari-mutuel wagering meets of~~
 2125 ~~thoroughbred racing. Neither the transfer of the quarter horse~~
 2126 ~~racing permit nor its conversion to a limited thoroughbred~~
 2127 ~~permit shall be subject to the mileage limitation or the~~
 2128 ~~ratification election as set forth under s. 550.054(2) or s.~~
 2129 ~~550.0651. Upon receipt of the request for such conversion, the~~
 2130 ~~division shall timely issue a converted permit. The converted~~
 2131 ~~permit and the not-for-profit corporation are shall be subject~~
 2132 ~~to the following requirements:~~

2133 (a) All net revenues derived by the not-for-profit
 2134 corporation under the thoroughbred ~~horse~~ racing permit, after
 2135 the funding of operating expenses and capital improvements,
 2136 shall be dedicated to the enhancement of thoroughbred purses and
 2137 breeders', stallion, and special racing awards under this
 2138 chapter; the general promotion of the thoroughbred horse
 2139 breeding industry; and the care in this state of thoroughbred
 2140 horses retired from racing.

2141 (b) From December 1 through April 30, ~~no~~ live thoroughbred
 2142 racing may not be conducted under the permit on any day during
 2143 which another thoroughbred racing permitholder is conducting
 2144 live thoroughbred racing within 125 air miles of the not-for-
 2145 profit corporation's pari-mutuel facility unless the other
 2146 thoroughbred racing permitholder gives its written consent.

2147 (c) ~~After the conversion of the quarter horse racing permit~~
 2148 ~~and the issuance of its initial license to conduct pari-mutuel~~
 2149 ~~wagering meets of thoroughbred racing, the not-for-profit~~

Page 74 of 112

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

21-00423F-17

20178__

2150 corporation shall annually apply to the division for a license
2151 pursuant to s. 550.5251.

2152 (d) Racing under the permit may take place only at the
2153 location for which the original quarter horse racing permit was
2154 issued, which may be leased by the not-for-profit corporation
2155 for that purpose; however, the not-for-profit corporation may,
2156 without the conduct of any ratification election pursuant to s.
2157 550.054(13) or s. 550.0651, move the location of the permit to
2158 another location in the same county or counties, if a permit is
2159 situated in such a manner that it is located in more than one
2160 county, provided that such relocation is approved under the
2161 zoning and land use regulations of the applicable county or
2162 municipality.

2163 (e) A limited thoroughbred racing ~~no~~ permit may not be
2164 transferred ~~converted under this section is eligible for~~
2165 ~~transfer~~ to another person or entity.

2166 (3) Unless otherwise provided in this section, ~~after~~
2167 ~~conversion~~, the permit and the not-for-profit corporation shall
2168 be treated under the laws of this state as a thoroughbred racing
2169 permit and as a thoroughbred racing permitholder, respectively,
2170 with the exception of ss. 550.054(9) (c) and (d) and s.
2171 550.09515(3).

2172 Section 34. Subsection (6) of section 550.3551, Florida
2173 Statutes, is amended to read:

2174 550.3551 Transmission of racing and jai alai information;
2175 commingling of pari-mutuel pools.-

2176 (6) (a) ~~A maximum of 20 percent of the total number of races~~
2177 ~~on which wagers are accepted by a greyhound permitholder not~~
2178 ~~located as specified in s. 550.615(6) may be received from~~

Page 75 of 112

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

21-00423F-17

20178__

2179 ~~locations outside this state. A permitholder may not conduct~~
2180 ~~fewer than eight live races or games on any authorized race day~~
2181 ~~except as provided in this subsection.~~ A thoroughbred racing
2182 permitholder may not conduct fewer than eight live races on any
2183 race day without the written approval of the Florida
2184 Thoroughbred Breeders' Association and the Florida Horsemen's
2185 Benevolent and Protective Association, Inc., unless it is
2186 determined by the department that another entity represents a
2187 majority of the thoroughbred racehorse owners and trainers in
2188 the state. A harness horse racing permitholder may conduct fewer
2189 than eight live races on any authorized race day, except that
2190 such permitholder must conduct a full schedule of live racing
2191 during its race meet consisting of at least eight live races per
2192 authorized race day for at least 100 days. ~~Any harness horse~~
2193 ~~permitholder that during the preceding racing season conducted a~~
2194 ~~full schedule of live racing may, at any time during its current~~
2195 ~~race meet, receive full-card broadcasts of harness horse races~~
2196 ~~conducted at harness racetracks outside this state at the~~
2197 ~~harness track of the permitholder and accept wagers on such~~
2198 ~~harness races.~~ With specific authorization from the division for
2199 special racing events, a permitholder may conduct fewer than
2200 eight live races or games when the permitholder also broadcasts
2201 out-of-state races or games. The division may not grant more
2202 than two such exceptions a year for a permitholder in any 12-
2203 month period, and those two exceptions may not be consecutive.

2204 (b) Notwithstanding any other provision of this chapter,
2205 any harness horse racing permitholder accepting broadcasts of
2206 out-of-state harness horse races when such permitholder is not
2207 conducting live races must make the out-of-state signal

Page 76 of 112

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

21-00423F-17

20178__

2208 available to all permitholders eligible to conduct intertrack
 2209 wagering and shall pay to guest tracks located as specified in
 2210 s. 550.6305(9)(d) ~~ss. 550.615(6) and 550.6305(9)(d)~~ 50 percent
 2211 of the net proceeds after taxes and fees to the out-of-state
 2212 host track on harness horse race wagers which they accept. A
 2213 harness horse racing permitholder shall be required to pay into
 2214 its purse account 50 percent of the net income retained by the
 2215 permitholder on account of wagering on the out-of-state
 2216 broadcasts received pursuant to this subsection. Nine-tenths of
 2217 a percent of all harness horse race wagering proceeds on the
 2218 broadcasts received pursuant to this subsection shall be paid to
 2219 the Florida Standardbred Breeders and Owners Association under
 2220 the provisions of s. 550.2625(4) for the purposes provided
 2221 therein.

2222 Section 35. Section 550.475, Florida Statutes, is amended
 2223 to read:

2224 550.475 Lease of pari-mutuel facilities by pari-mutuel
 2225 permitholders.—Holders of valid pari-mutuel permits for the
 2226 conduct of any jai alai games, dogracing, or thoroughbred and
 2227 standardbred horse racing in this state are entitled to lease
 2228 any and all of their facilities to any other holder of a same
 2229 class, valid pari-mutuel permit for jai alai games, dogracing,
 2230 or thoroughbred or standardbred horse racing, when they are
 2231 located within a 35-mile radius of each other, ~~and~~ and such lessee
 2232 is entitled to a permit and license to operate its race meet or
 2233 jai alai games at the leased premises. A permitholder may not
 2234 lease facilities from a pari-mutuel permitholder that is not
 2235 conducting a full schedule of live racing.

2236 Section 36. Subsection (1) of section 550.5251, Florida

Page 77 of 112

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

21-00423F-17

20178__

2237 Statutes, is amended, and present subsections (2) and (3) of
 2238 that section are redesignated as subsections (1) and (2),
 2239 respectively, to read:

2240 550.5251 Florida thoroughbred racing; certain permits;
 2241 operating days.—

2242 ~~(1) Each thoroughbred permitholder shall annually, during~~
 2243 ~~the period commencing December 15 of each year and ending~~
 2244 ~~January 4 of the following year, file in writing with the~~
 2245 ~~division its application to conduct one or more thoroughbred~~
 2246 ~~racing meetings during the thoroughbred racing season commencing~~
 2247 ~~on the following July 1. Each application shall specify the~~
 2248 ~~number and dates of all performances that the permitholder~~
 2249 ~~intends to conduct during that thoroughbred racing season. On or~~
 2250 ~~before March 15 of each year, the division shall issue a license~~
 2251 ~~authorizing each permitholder to conduct performances on the~~
 2252 ~~dates specified in its application. Up to February 28 of each~~
 2253 ~~year, each permitholder may request and shall be granted changes~~
 2254 ~~in its authorized performances; but thereafter, as a condition~~
 2255 ~~precedent to the validity of its license and its right to retain~~
 2256 ~~its permit, each permitholder must operate the full number of~~
 2257 ~~days authorized on each of the dates set forth in its license.~~

2258 Section 37. Subsections (2), (4), (6), and (7) of section
 2259 550.615, Florida Statutes, are amended, present subsections (8),
 2260 (9), and (10) of that section are redesignated as subsections
 2261 (6), (7), and (8), respectively, present subsection (9) of that
 2262 section is amended, and a new subsection (9) is added to that
 2263 section, to read:

2264 550.615 Intertrack wagering.—

2265 (2) A Any track or fronton licensed under this chapter

Page 78 of 112

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

21-00423F-17

20178__

2266 which has conducted a full schedule of live racing or games for
 2267 at least 5 consecutive calendar years since 2010 in the
 2268 preceding year conducted a full schedule of live racing is
 2269 qualified to, at any time, receive broadcasts of any class of
 2270 pari-mutuel race or game and accept wagers on such races or
 2271 games conducted by any class of permitholders licensed under
 2272 this chapter.

2273 (4) An ~~In no event shall any~~ intertrack wager may not be
 2274 accepted on the same class of live races or games of any
 2275 permitholder without the written consent of such operating
 2276 permitholders conducting the same class of live races or games
 2277 if the guest track is within the market area of such operating
 2278 permitholder. A greyhound racing permitholder licensed under
 2279 this chapter which accepts intertrack wagers on live greyhound
 2280 signals is not required to obtain the written consent required
 2281 by this subsection from any operating greyhound racing
 2282 permitholder within its market area.

2283 ~~(6) Notwithstanding the provisions of subsection (3), in~~
 2284 ~~any area of the state where there are three or more horserace~~
 2285 ~~permitholders within 25 miles of each other, intertrack wagering~~
 2286 ~~between permitholders in said area of the state shall only be~~
 2287 ~~authorized under the following conditions: Any permitholder,~~
 2288 ~~other than a thoroughbred permitholder, may accept intertrack~~
 2289 ~~wagers on races or games conducted live by a permitholder of the~~
 2290 ~~same class or any harness permitholder located within such area~~
 2291 ~~and any harness permitholder may accept wagers on games~~
 2292 ~~conducted live by any jai alai permitholder located within its~~
 2293 ~~market area and from a jai alai permitholder located within the~~
 2294 ~~area specified in this subsection when no jai alai permitholder~~

Page 79 of 112

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

21-00423F-17

20178__

2295 ~~located within its market area is conducting live jai alai~~
 2296 ~~performances; any greyhound or jai alai permitholder may receive~~
 2297 ~~broadcasts of and accept wagers on any permitholder of the other~~
 2298 ~~class provided that a permitholder, other than the host track,~~
 2299 ~~of such other class is not operating a contemporaneous live~~
 2300 ~~performance within the market area.~~

2301 ~~(7) In any county of the state where there are only two~~
 2302 ~~permits, one for dogracing and one for jai alai, no intertrack~~
 2303 ~~wager may be taken during the period of time when a permitholder~~
 2304 ~~is not licensed to conduct live races or games without the~~
 2305 ~~written consent of the other permitholder that is conducting~~
 2306 ~~live races or games. However, if neither permitholder is~~
 2307 ~~conducting live races or games, either permitholder may accept~~
 2308 ~~intertrack wagers on horseraces or on the same class of races or~~
 2309 ~~games, or on both horseraces and the same class of races or~~
 2310 ~~games as is authorized by its permit.~~

2311 ~~(7)(9) In any two contiguous counties of the state in which~~
 2312 ~~there are located only four active permits, one for thoroughbred~~
 2313 ~~horse racing, two for greyhound racing dogracing, and one for~~
 2314 ~~jai alai games, an~~ no intertrack wager may not be accepted on
 2315 the same class of live races or games of any permitholder
 2316 without the written consent of such operating permitholders
 2317 conducting the same class of live races or games if the guest
 2318 track is within the market area of such operating permitholder.

2319 (9) A greyhound racing permitholder that is eligible to
 2320 receive broadcasts pursuant to subsection (2) and is operating
 2321 pursuant to a current year operating license that specifies that
 2322 no live performances will be conducted may accept wagers on live
 2323 races conducted at out-of-state greyhound tracks only on the

Page 80 of 112

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

21-00423F-17

20178__

2324 days when the permitholder receives all live races that any
 2325 greyhound host track in this state makes available.

2326 Section 38. Subsections (1), (4), and (5) of section
 2327 550.6308, Florida Statutes, are amended to read:

2328 550.6308 Limited intertrack wagering license.—In
 2329 recognition of the economic importance of the thoroughbred
 2330 breeding industry to this state, its positive impact on tourism,
 2331 and of the importance of a permanent thoroughbred sales facility
 2332 as a key focal point for the activities of the industry, a
 2333 limited license to conduct intertrack wagering is established to
 2334 ensure the continued viability and public interest in
 2335 thoroughbred breeding in Florida.

2336 (1) Upon application to the division on or before January
 2337 31 of each year, any person that is licensed to conduct public
 2338 sales of thoroughbred horses pursuant to s. 535.01 and, that has
 2339 conducted at least 8 15 days of thoroughbred horse sales at a
 2340 permanent sales facility in this state for at least 3
 2341 consecutive years, ~~and that has conducted at least 1 day of~~
 2342 ~~nonwagering thoroughbred racing in this state, with a purse~~
 2343 ~~structure of at least \$250,000 per year for 2 consecutive years~~
 2344 before such application, shall be issued a license, subject to
 2345 the conditions set forth in this section, to conduct intertrack
 2346 wagering at such a permanent sales facility ~~during the following~~
 2347 ~~periods:~~

2348 ~~(a) Up to 21 days in connection with thoroughbred sales;~~

2349 ~~(b) Between November 1 and May 8;~~

2350 ~~(c) Between May 9 and October 31 at such times and on such~~
 2351 ~~days as any thoroughbred, jai alai, or a greyhound permitholder~~
 2352 ~~in the same county is not conducting live performances; provided~~

Page 81 of 112

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

21-00423F-17

20178__

2353 ~~that any such permitholder may waive this requirement, in whole~~
 2354 ~~or in part, and allow the licensee under this section to conduct~~
 2355 ~~intertrack wagering during one or more of the permitholder's~~
 2356 ~~live performances; and~~

2357 ~~(d) During the weekend of the Kentucky Derby, the~~
 2358 ~~Preakness, the Belmont, and a Breeders' Cup Meet that is~~
 2359 ~~conducted before November 1 and after May 8.~~

2360
 2361 Only No more than one such license may be issued, and no such
 2362 license may be issued for a facility located within 50 miles of
 2363 any for-profit thoroughbred permitholder's track.

2364 ~~(4) Intertrack wagering under this section may be conducted~~
 2365 ~~only on thoroughbred horse racing, except that intertrack~~
 2366 ~~wagering may be conducted on any class of pari-mutuel race or~~
 2367 ~~game conducted by any class of permitholders licensed under this~~
 2368 ~~chapter if all thoroughbred, jai alai, and greyhound~~
 2369 ~~permitholders in the same county as the licensee under this~~
 2370 ~~section give their consent.~~

2371 (4)(5) The licensee shall be considered a guest track under
 2372 this chapter. The licensee shall pay 2.5 percent of the total
 2373 contributions to the daily pari-mutuel pool on wagers accepted
 2374 at the licensee's facility on greyhound races or jai alai games
 2375 to the thoroughbred permitholder that is conducting live races
 2376 for purses to be paid during its current racing meet. If more
 2377 than one thoroughbred permitholder is conducting live races on a
 2378 day during which the licensee is conducting intertrack wagering
 2379 on greyhound races or jai alai games, the licensee shall
 2380 allocate these funds between the operating thoroughbred
 2381 permitholders on a pro rata basis based on the total live handle

Page 82 of 112

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

21-00423F-17

20178__

2382 ~~at the operating permitholders' facilities.~~

2383 Section 39. Section 551.101, Florida Statutes, is amended
2384 to read:

2385 551.101 Slot machine gaming authorized.—~~A~~ Any licensed
2386 ~~eligible pari-mutuel facility located in Miami Dade County or~~
2387 ~~Broward County existing at the time of adoption of s. 23, Art. X~~
2388 ~~of the State Constitution that has conducted live racing or~~
2389 ~~games during calendar years 2002 and 2003~~ may possess slot
2390 machines and conduct slot machine gaming at the location where
2391 the pari-mutuel permitholder is authorized to conduct pari-
2392 mutuel wagering activities pursuant to such permitholder's valid
2393 pari-mutuel permit or at the location where a licensee is
2394 authorized to conduct slot machine gaming pursuant to s.
2395 551.1043 ~~provided that a majority of voters in a countywide~~
2396 ~~referendum have approved slot machines at such facility in the~~
2397 ~~respective county.~~ Notwithstanding any other ~~provision of law,~~
2398 it is not a crime for a person to participate in slot machine
2399 gaming at a pari-mutuel facility licensed to possess slot
2400 machines and conduct slot machine gaming or to participate in
2401 slot machine gaming described in this chapter.

2402 Section 40. Subsections (4), (10), and (11) of section
2403 551.102, Florida Statutes, are amended to read:

2404 551.102 Definitions.—As used in this chapter, the term:

2405 (4) "Eligible facility" means any licensed pari-mutuel
2406 facility or any facility authorized to conduct slot machine
2407 gaming pursuant to s. 551.1043, which meets the requirements of
2408 s. 551.104(2) located in Miami Dade County or Broward County
2409 ~~existing at the time of adoption of s. 23, Art. X of the State~~
2410 ~~Constitution that has conducted live racing or games during~~

Page 83 of 112

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

21-00423F-17

20178__

2411 ~~calendar years 2002 and 2003 and has been approved by a majority~~
2412 ~~of voters in a countywide referendum to have slot machines at~~
2413 ~~such facility in the respective county; any licensed pari-mutuel~~
2414 ~~facility located within a county as defined in s. 125.011,~~
2415 ~~provided such facility has conducted live racing for 2~~
2416 ~~consecutive calendar years immediately preceding its application~~
2417 ~~for a slot machine license, pays the required license fee, and~~
2418 ~~meets the other requirements of this chapter; or any licensed~~
2419 ~~pari-mutuel facility in any other county in which a majority of~~
2420 ~~voters have approved slot machines at such facilities in a~~
2421 ~~countywide referendum held pursuant to a statutory or~~
2422 ~~constitutional authorization after the effective date of this~~
2423 ~~section in the respective county, provided such facility has~~
2424 ~~conducted a full schedule of live racing for 2 consecutive~~
2425 ~~calendar years immediately preceding its application for a slot~~
2426 ~~machine license, pays the required license fee, and meets the~~
2427 ~~other requirements of this chapter.~~

2428 (10) "Slot machine license" means a license issued by the
2429 division authorizing a pari-mutuel permitholder or a licensee
2430 authorized pursuant to s. 551.1043 to place and operate slot
2431 machines as provided in by s. 23, Art. X of the State
2432 ~~Constitution, the provisions of this chapter,~~ and by division
2433 rule rules.

2434 (11) "Slot machine licensee" means a pari-mutuel
2435 permitholder or a licensee authorized pursuant to s. 551.1043
2436 which ~~who~~ holds a license issued by the division pursuant to
2437 this chapter which ~~that~~ authorizes such person to possess a slot
2438 machine ~~within facilities specified in s. 23, Art. X of the~~
2439 ~~State Constitution~~ and allows slot machine gaming.

Page 84 of 112

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

21-00423F-17

20178__

2440 Section 41. Subsections (1) and (2), paragraph (c) of
 2441 subsection (4), and paragraphs (a) and (c) of subsection (10) of
 2442 section 551.104, Florida Statutes, are amended to read:

2443 551.104 License to conduct slot machine gaming.-

2444 (1) Upon application, ~~and~~ a finding by the division, after
 2445 investigation, that the application is complete and that the
 2446 applicant is qualified, and payment of the initial license fee,
 2447 the division may issue a license to conduct slot machine gaming
 2448 in the designated slot machine gaming area of the eligible
 2449 facility. Once licensed, slot machine gaming may be conducted
 2450 subject to ~~the requirements of~~ this chapter and rules adopted
 2451 pursuant thereto. The division may not issue a slot machine
 2452 license to any pari-mutuel permitholder that includes, or
 2453 previously included within its ownership group, an ultimate
 2454 equitable owner that was also an ultimate equitable owner of a
 2455 pari-mutuel permitholder whose permit was voluntarily or
 2456 involuntarily surrendered, suspended, or revoked by the division
 2457 within 10 years before the date of permitholder's filing of an
 2458 application for a slot machine license.

2459 (2) An application may be approved by the division only if:

2460 (a) The facility at which the applicant seeks to operate
 2461 slot machines is:

2462 1. A licensed pari-mutuel facility located in Miami-Dade
 2463 County or Broward County existing at the time of adoption of s.
 2464 23, Art. X of the State Constitution which conducted live racing
 2465 or games during calendar years 2002 and 2003, if such
 2466 permitholder pays the required license fee and meets the other
 2467 requirements of this chapter;

2468 2. A licensed pari-mutuel facility in any county in which a

21-00423F-17

20178__

2469 majority of voters have approved slot machines in a countywide
 2470 referendum, if such permitholder has conducted a full schedule
 2471 of live racing or games as defined in s. 550.002(11) for 2
 2472 consecutive calendar years immediately preceding its application
 2473 for a slot machine license, pays the required license fee, and
 2474 meets the other requirements of this chapter;

2475 3. A facility at which a licensee is authorized to conduct
 2476 slot machine gaming pursuant to s. 551.1043, if such licensee
 2477 pays the required license fee and meets the other requirements
 2478 of this chapter; or

2479 4. A licensed pari-mutuel facility, except for a pari-
 2480 mutuel facility described in subparagraph 1., located on or
 2481 contiguous with property of the qualified project of a public-
 2482 private partnership consummated between the permitholder and a
 2483 responsible public entity in accordance with s. 255.065 in a
 2484 county in which the referendum required pursuant to paragraph
 2485 (b) is conducted on or after January 1, 2018, and concurrently
 2486 with a general election, if such permitholder has conducted a
 2487 full schedule of live racing or games as defined in s.
 2488 550.002(11) for 2 consecutive calendar years immediately
 2489 preceding its application for a slot machine license; provided
 2490 that a license may be issued under this subparagraph only after
 2491 a comprehensive agreement has been executed pursuant to s.
 2492 255.065(7), and the Gaming Compact between the Seminole Tribe of
 2493 Florida and the State of Florida, as amended, and ratified and
 2494 approved pursuant to s. 285.710, as amended by this act, has
 2495 been amended to exclude slot machine gaming at such facility
 2496 from the exclusivity provided to the Seminole Tribe of Florida.

2497 (b) after The voters of the county where the applicant's

21-00423F-17 20178__

2498 facility is located have authorized by referendum slot machines
2499 within pari-mutuel facilities in that county as specified in s.
2500 23, Art. X of the State Constitution.

2501 (4) As a condition of licensure and to maintain continued
2502 authority for the conduct of slot machine gaming, ~~a the~~ slot
2503 machine licensee shall:

2504 (c) 1. If conducting live racing or games, conduct no fewer
2505 than a full schedule of live racing or games as defined in s.
2506 550.002(11). A permitholder's responsibility to conduct a full
2507 schedule such number of live races or games as defined in s.
2508 550.002(11) shall be reduced by the number of races or games
2509 that could not be conducted due to the direct result of fire,
2510 war, hurricane, or other disaster or event beyond the control of
2511 the permitholder. A permitholder may conduct live races or games
2512 at another pari-mutuel facility pursuant to s. 550.475 if such
2513 permitholder has operated its live races or games by lease for
2514 at least 10 consecutive years immediately prior to the
2515 permitholder's application for a slot machine license; or

2516 2. If not licensed to conduct a full schedule of live
2517 racing or games as defined in s. 550.002(11), remit for the
2518 payment of purses on live races an amount equal to the lesser of
2519 \$2 million or 3 percent of its slot machine revenues from the
2520 previous state fiscal year to a slot machine licensee licensed
2521 to conduct not fewer than 160 days of thoroughbred racing. If no
2522 slot machine licensee is licensed for at least 160 days of live
2523 thoroughbred racing, no payments for purses are required. A slot
2524 machine licensee that meets the requirements of subsection (10)
2525 shall receive a dollar-for-dollar credit to be applied toward
2526 the payments required under this subparagraph which are made

Page 87 of 112

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

21-00423F-17 20178__

2527 pursuant to the binding agreement after the effective date of
2528 this act. This subparagraph expires July 1, 2036.

2529 (10) (a) ~~1. A~~ ~~no~~ slot machine license or renewal thereof may
2530 not shall be issued to an applicant holding a permit under
2531 chapter 550 to conduct pari-mutuel wagering meets of
2532 thoroughbred racing unless the applicant has on file with the
2533 division a binding written agreement between the applicant and
2534 the Florida Horsemen's Benevolent and Protective Association,
2535 Inc., governing the payment of purses on live thoroughbred races
2536 conducted at the licensee's pari-mutuel facility. In addition, a
2537 ~~no~~ slot machine license or renewal thereof may not shall be
2538 issued to such an applicant unless the applicant has on file
2539 with the division a binding written agreement between the
2540 applicant and the Florida Thoroughbred Breeders' Association,
2541 Inc., governing the payment of breeders', stallion, and special
2542 racing awards on live thoroughbred races conducted at the
2543 licensee's pari-mutuel facility. The agreement governing purses
2544 and the agreement governing awards may direct the payment of
2545 such purses and awards from revenues generated by any wagering
2546 or gaming the applicant is authorized to conduct under Florida
2547 law. All purses and awards ~~are shall be~~ subject to the terms of
2548 chapter 550. All sums for breeders', stallion, and special
2549 racing awards shall be remitted monthly to the Florida
2550 Thoroughbred Breeders' Association, Inc., for the payment of
2551 awards subject to the administrative fee authorized in s.
2552 550.2625(3). This paragraph does not apply to a summer
2553 thoroughbred racing permitholder.

2554 ~~2. No slot machine license or renewal thereof shall be~~
2555 ~~issued to an applicant holding a permit under chapter 550 to~~

Page 88 of 112

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

21-00423F-17

20178__

2556 ~~conduct pari-mutuel wagering meets of quarter horse racing~~
 2557 ~~unless the applicant has on file with the division a binding~~
 2558 ~~written agreement between the applicant and the Florida Quarter~~
 2559 ~~Horse Racing Association or the association representing a~~
 2560 ~~majority of the horse owners and trainers at the applicant's~~
 2561 ~~eligible facility, governing the payment of purses on live~~
 2562 ~~quarter horse races conducted at the licensee's pari-mutuel~~
 2563 ~~facility. The agreement governing purses may direct the payment~~
 2564 ~~of such purses from revenues generated by any wagering or gaming~~
 2565 ~~the applicant is authorized to conduct under Florida law. All~~
 2566 ~~purses shall be subject to the terms of chapter 550.~~

2567 (c)1. If an agreement required under paragraph (a) cannot
 2568 be reached prior to the initial issuance of the slot machine
 2569 license, either party may request arbitration or, in the case of
 2570 a renewal, if an agreement required under paragraph (a) is not
 2571 in place 120 days prior to the scheduled expiration date of the
 2572 slot machine license, the applicant shall immediately ask the
 2573 American Arbitration Association to furnish a list of 11
 2574 arbitrators, each of whom shall have at least 5 years of
 2575 commercial arbitration experience and no financial interest in
 2576 or prior relationship with any of the parties or their
 2577 affiliated or related entities or principals. Each required
 2578 party to the agreement shall select a single arbitrator from the
 2579 list provided by the American Arbitration Association within 10
 2580 days of receipt, and the individuals so selected shall choose
 2581 one additional arbitrator from the list within the next 10 days.

2582 2. If an agreement required under paragraph (a) is not in
 2583 place 60 days after the request under subparagraph 1. in the
 2584 case of an initial slot machine license or, in the case of a

21-00423F-17

20178__

2585 renewal, 60 days prior to the scheduled expiration date of the
 2586 slot machine license, the matter shall be immediately submitted
 2587 to mandatory binding arbitration to resolve the disagreement
 2588 between the parties. The three arbitrators selected pursuant to
 2589 subparagraph 1. shall constitute the panel that shall arbitrate
 2590 the dispute between the parties pursuant to the American
 2591 Arbitration Association Commercial Arbitration Rules and chapter
 2592 682.

2593 3. At the conclusion of the proceedings, which shall be no
 2594 later than 90 days after the request under subparagraph 1. in
 2595 the case of an initial slot machine license or, in the case of a
 2596 renewal, 30 days prior to the scheduled expiration date of the
 2597 slot machine license, the arbitration panel shall present to the
 2598 parties a proposed agreement that the majority of the panel
 2599 believes equitably balances the rights, interests, obligations,
 2600 and reasonable expectations of the parties. The parties shall
 2601 immediately enter into such agreement, which shall satisfy the
 2602 requirements of paragraph (a) and permit issuance of the pending
 2603 annual slot machine license or renewal. The agreement produced
 2604 by the arbitration panel under this subparagraph shall be
 2605 effective until the last day of the license or renewal period or
 2606 until the parties enter into a different agreement. Each party
 2607 shall pay its respective costs of arbitration and shall pay one-
 2608 half of the costs of the arbitration panel, unless the parties
 2609 otherwise agree. If the agreement produced by the arbitration
 2610 panel under this subparagraph remains in place 120 days prior to
 2611 the scheduled issuance of the next annual license renewal, then
 2612 the arbitration process established in this paragraph will begin
 2613 again.

21-00423F-17

20178__

2614 4. In the event that ~~neither of the agreements required~~
 2615 ~~under subparagraph (a)1. or the agreement required under~~
 2616 ~~subparagraph (a)2.~~ are not in place by the deadlines established
 2617 in this paragraph, arbitration regarding each agreement will
 2618 proceed independently, with separate lists of arbitrators,
 2619 arbitration panels, arbitration proceedings, and resulting
 2620 agreements.

2621 5. With respect to the agreements required under paragraph
 2622 (a) governing the payment of purses, the arbitration and
 2623 resulting agreement called for under this paragraph shall be
 2624 limited to the payment of purses from slot machine revenues
 2625 only.

2626 Section 42. Section 551.1042, Florida Statutes, is created
 2627 to read:

2628 551.1042 Transfer or relocation of slot machine license
 2629 prohibited.—A slot machine license issued under this chapter may
 2630 not be transferred or reissued when such reissuance is in the
 2631 nature of a transfer so as to permit or authorize a licensee to
 2632 change the location of a slot machine facility.

2633 Section 43. Section 551.1043, Florida Statutes, is created
 2634 to read:

2635 551.1043 Slot machine license to enhance live pari-mutuel
 2636 activity.—In recognition of the important and long-standing
 2637 economic contribution of the pari-mutuel industry to this state
 2638 and the state's vested interest in the revenue generated from
 2639 that industry and in the interest of promoting the continued
 2640 viability of the important statewide agricultural activities
 2641 that the industry supports, the Legislature finds that it is in
 2642 the state's interest to provide a limited opportunity for the

Page 91 of 112

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

21-00423F-17

20178__

2643 establishment of two additional slot machine licenses to be
 2644 awarded and renewed annually and located within Broward County
 2645 or a county as defined in s. 125.011.

2646 (1) (a) Within 120 days after the effective date of this
 2647 act, any person who is not a slot machine licensee may apply to
 2648 the division pursuant to s. 551.104(1) for one of the two slot
 2649 machine licenses created by this section to be located in
 2650 Broward County or a county as defined in s. 125.011. No more
 2651 than one of such licenses may be awarded in each of those
 2652 counties. An applicant shall submit an application to the
 2653 division which satisfies the requirements of s. 550.054(3). Any
 2654 person prohibited from holding any horse racing or dogracing
 2655 permit or jai alai fronton permit pursuant to s. 550.1815 is
 2656 ineligible to apply for the additional slot machine license
 2657 created by this section.

2658 (b) The application shall be accompanied by a nonrefundable
 2659 license application fee of \$2 million. The license application
 2660 fee shall be deposited into the Pari-mutuel Wagering Trust Fund
 2661 of the Department of Business and Professional Regulation to be
 2662 used by the division and the Department of Law Enforcement for
 2663 investigations, the regulation of slot machine gaming, and the
 2664 enforcement of slot machine gaming under this chapter. In the
 2665 event of a successful award, the license application fee shall
 2666 be credited toward the license application fee required by s.
 2667 551.106.

2668 (2) If there is more than one applicant for an additional
 2669 slot machine license, the division shall award such license to
 2670 the applicant that receives the highest score based on the
 2671 following criteria:

Page 92 of 112

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

21-00423F-17

20178__

2672 (a) The amount of slot machine revenues the applicant will
 2673 agree to dedicate to the enhancement of pari-mutuel purses and
 2674 breeders', stallion, and special racing or player awards to be
 2675 awarded to pari-mutuel activities conducted pursuant to chapter
 2676 550, in addition to those required pursuant to s.
 2677 551.104(4)(c)2. and s. 849.086(14)(d)2.;

2678 (b) The amount of slot machine revenues the applicant will
 2679 agree to dedicate to the general promotion of the state's pari-
 2680 mutuel industry;

2681 (c) The amount of slot machine revenues the applicant will
 2682 agree to dedicate to care provided in this state to injured or
 2683 retired animals, jockeys, or jai alai players;

2684 (d) The projected amount by which the proposed slot machine
 2685 facility will increase tourism, generate jobs, provide revenue
 2686 to the local economy, and provide revenue to the state. The
 2687 applicant and its partners shall document their previous
 2688 experience in constructing premier facilities with high-quality
 2689 amenities which complement a local tourism industry;

2690 (e) The financial history of the applicant and its
 2691 partners, including, but not limited to, any capital investments
 2692 in slot machine gaming and pari-mutuel facilities, and its bona
 2693 fide plan for future community involvement and financial
 2694 investment;

2695 (f) The history of investment by the applicant and its
 2696 partners in the communities in which its previous developments
 2697 have been located;

2698 (g) The ability to purchase and maintain a surety bond in
 2699 an amount established by the division to represent the projected
 2700 annual revenues generated by the proposed slot machine facility;

Page 93 of 112

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

21-00423F-17

20178__

2701 (h) The ability to demonstrate the financial wherewithal to
 2702 adequately capitalize, develop, construct, maintain, and operate
 2703 a proposed slot machine facility. The applicant must demonstrate
 2704 the ability to commit at least \$100 million for hard costs
 2705 related to construction and development of the facility,
 2706 exclusive of the purchase price and costs associated with the
 2707 acquisition of real property and any impact fees. The applicant
 2708 must also demonstrate the ability to meet any projected secured
 2709 and unsecured debt obligations and to complete construction
 2710 within 2 years after receiving the award of the slot machine
 2711 license;

2712 (i) The ability to implement a program to train and employ
 2713 residents of South Florida to work at the facility and contract
 2714 with local business owners for goods and services; and

2715 (j) The ability of the applicant to generate, with its
 2716 partners, substantial gross gaming revenue following the award
 2717 of gaming licenses through a competitive bidding process.

2718

2719 The division shall award additional points in the evaluation of
 2720 the applications for proposed projects located within a half
 2721 mile of two forms of public transportation in a designated
 2722 community redevelopment area or district.

2723 (3)(a) Notwithstanding the timeframes established in s.
 2724 120.60, the division shall complete its evaluations at least 120
 2725 days after the submission of applications and shall notice its
 2726 intent to award each of the licenses within that timeframe.
 2727 Within 30 days after the submission of an application, the
 2728 division shall issue, if necessary, requests for additional
 2729 information or notices of deficiency to the applicant, who must

Page 94 of 112

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

21-00423F-17

20178__

2730 respond within 15 days. Failure to timely and sufficiently
 2731 respond to such requests or to correct identified deficiencies
 2732 is grounds for denial of the application.

2733 (b) Any protest of an intent to award a license shall be
 2734 forwarded to the Division of Administrative Hearings, which
 2735 shall conduct an administrative hearing on the matter before an
 2736 administrative law judge at least 30 days after the notice of
 2737 intent to award. The administrative law judge shall issue a
 2738 proposed recommended order at least 30 days after the completion
 2739 of the final hearing. The division shall issue a final order at
 2740 least 15 days after receipt of the proposed recommended order.

2741 (c) Any appeal of a license denial shall be made to the
 2742 First District Court of Appeal and must be accompanied by the
 2743 posting of a supersedeas bond in an amount determined by the
 2744 division to be equal to the amount of projected annual slot
 2745 machine revenue to be generated by the successful licensee.

2746 (4) The division is authorized to adopt emergency rules
 2747 pursuant to s. 120.54 to implement this section. The Legislature
 2748 finds that such emergency rulemaking power is necessary for the
 2749 preservation of the rights and welfare of the people in order to
 2750 provide additional funds to benefit the public. The Legislature
 2751 further finds that the unique nature of the competitive award of
 2752 the slot machine license under this section requires that the
 2753 department respond as quickly as is practicable to implement
 2754 this section. Therefore, in adopting such emergency rules, the
 2755 division is exempt from s. 120.54(4) (a). Emergency rules adopted
 2756 under this section are exempt from s. 120.54(4) (c) and shall
 2757 remain in effect until replaced by other emergency rules or by
 2758 rules adopted pursuant to chapter 120.

Page 95 of 112

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

21-00423F-17

20178__

2759 (5) A licensee authorized pursuant to this section to
 2760 conduct slot machine gaming is:

2761 (a) Authorized to operate a cardroom pursuant to s.
 2762 849.086, notwithstanding that the licensee does not have a pari-
 2763 mutuel permit and does not have an operating license, pursuant
 2764 to chapter 550;

2765 (b) Authorized to operate up to 25 house banked blackjack
 2766 table games at its facility pursuant to s. 551.1044(2) and is
 2767 subject to s. 849.1044(3), notwithstanding that the licensee
 2768 does not have a pari-mutuel permit and does not have an
 2769 operating license, pursuant to chapter 550;

2770 (c) Exempt from compliance with chapter 550; and

2771 (d) Exempt from s. 551.104(3), (4) (b) and (c) 1., (5), and
 2772 (10) and from s. 551.114(4).

2773 Section 44. Section 551.1044, Florida Statutes, is created
 2774 to read:

2775 551.1044 House banked blackjack table games authorized.—

2776 (1) The pari-mutuel permitholder of each of the following
 2777 pari-mutuel wagering facilities may operate up to 25 house
 2778 banked blackjack table games at the permitholder's facility:

2779 (a) A licensed pari-mutuel facility where live racing or
 2780 games were conducted during calendar years 2002 and 2003,
 2781 located in Miami-Dade County or Broward County, and authorized
 2782 for slot machine licensure pursuant to s. 23, Art. X of the
 2783 State Constitution; and

2784 (b) A licensed pari-mutuel facility where a full schedule
 2785 of live horse racing has been conducted for 2 consecutive
 2786 calendar years immediately preceding its application for a slot
 2787 machine license which is located within a county as defined in

Page 96 of 112

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

21-00423F-17

20178__

2788 s. 125.011.

2789 (2) Wagers on authorized house banked blackjack table games
 2790 may not exceed \$100 for each initial two-card wager. Subsequent
 2791 wagers on splits or double downs are allowed but may not exceed
 2792 the initial two-card wager. Single side bets of not more than \$5
 2793 are also allowed.

2794 (3) Each pari-mutuel permitholder offering banked blackjack
 2795 pursuant to this section shall pay a tax to the state of 25
 2796 percent of the blackjack operator's monthly gross receipts. All
 2797 provisions of s. 849.086(14), except s. 849.086(14)(b), shall
 2798 apply to taxes owed pursuant to this section.

2799 Section 45. Subsections (1) and (2) of section 551.106,
 2800 Florida Statutes, are amended to read:

2801 551.106 License fee; tax rate; penalties.—

2802 (1) LICENSE FEE.—

2803 ~~(a)~~ Upon submission of the initial application for a slot
 2804 machine license and annually thereafter, on the anniversary date
 2805 of the issuance of the initial license, the licensee must pay to
 2806 the division a nonrefundable license fee of ~~\$3 million for the~~
 2807 ~~succeeding 12 months of licensure. In the 2010-2011 fiscal year,~~
 2808 ~~the licensee must pay the division a nonrefundable license fee~~
 2809 ~~of \$2.5 million for the succeeding 12 months of licensure. In~~
 2810 ~~the 2011-2012 fiscal year and for every fiscal year thereafter,~~
 2811 ~~the licensee must pay the division a nonrefundable license fee~~
 2812 ~~of \$2 million for the succeeding 12 months of licensure. The~~
 2813 license fee shall be deposited into the Pari-mutuel Wagering
 2814 Trust Fund of the Department of Business and Professional
 2815 Regulation to be used by the division and the Department of Law
 2816 Enforcement for investigations, regulation of slot machine

Page 97 of 112

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

21-00423F-17

20178__

2817 gaming, and enforcement of slot machine gaming provisions under
 2818 this chapter. These payments shall be accounted for separately
 2819 from taxes or fees paid pursuant to the provisions of chapter
 2820 550.

2821 ~~(b) Prior to January 1, 2007, the division shall evaluate~~
 2822 ~~the license fee and shall make recommendations to the President~~
 2823 ~~of the Senate and the Speaker of the House of Representatives~~
 2824 ~~regarding the optimum level of slot machine license fees in~~
 2825 ~~order to adequately support the slot machine regulatory program.~~

2826 (2) TAX ON SLOT MACHINE REVENUES.—

2827 (a) The tax rate on slot machine revenues at each facility
 2828 shall be 25 ~~35~~ percent. If, during any state fiscal year, the
 2829 aggregate amount of tax paid to the state by all slot machine
 2830 licensees in Broward and Miami-Dade Counties is less than the
 2831 aggregate amount of tax paid to the state by all slot machine
 2832 licensees in the 2008-2009 fiscal year, each slot machine
 2833 licensee shall pay to the state within 45 days after the end of
 2834 the state fiscal year a surcharge equal to its pro rata share of
 2835 an amount equal to the difference between the aggregate amount
 2836 of tax paid to the state by all slot machine licensees in the
 2837 2008-2009 fiscal year and the amount of tax paid during the
 2838 fiscal year. Each licensee's pro rata share shall be an amount
 2839 determined by dividing the number 1 by the number of facilities
 2840 licensed to operate slot machines during the applicable fiscal
 2841 year, regardless of whether the facility is operating such
 2842 machines.

2843 (b) The slot machine revenue tax imposed by this section on
 2844 facilities licensed pursuant to s. 551.104(2)(a)1.-3. shall be
 2845 paid to the division for deposit into the Pari-mutuel Wagering

Page 98 of 112

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

21-00423F-17

20178__

2846 Trust Fund for immediate transfer by the Chief Financial Officer
 2847 for deposit into the Educational Enhancement Trust Fund of the
 2848 Department of Education. Any interest earnings on the tax
 2849 revenues shall also be transferred to the Educational
 2850 Enhancement Trust Fund. The slot machine revenue tax imposed by
 2851 this section on facilities licensed pursuant to s.
 2852 551.104(2)(a)4. shall be paid to the division for deposit into
 2853 the Pari-mutuel Wagering Trust Fund. The division shall transfer
 2854 90 percent of such funds to be deposited by the Chief Financial
 2855 Officer into the Educational Enhancement Trust Fund of the
 2856 Department of Education and shall transfer 10 percent of such
 2857 funds to the responsible public entity for the public-private
 2858 partnership of the slot machine licensee pursuant to s.
 2859 551.104(2)(a)4. and s. 255.065.

2860 (c)1. Funds transferred to the Educational Enhancement
 2861 Trust Fund under paragraph (b) shall be used to supplement
 2862 public education funding statewide. Funds transferred to a
 2863 responsible public entity pursuant to paragraph (b) shall be
 2864 used in accordance with s. 255.065 to finance the qualifying
 2865 project of such entity and the slot machine licensee which
 2866 established the licensee's eligibility for initial licensure
 2867 pursuant to s. 551.104(2)(a)4.

2868 2. If necessary to comply with any covenant established
 2869 pursuant to s. 1013.68(4), s. 1013.70(1), or s. 1013.737(3),
 2870 funds transferred to the Educational Enhancement Trust Fund
 2871 under paragraph (b) shall first be available to pay debt service
 2872 on lottery bonds issued to fund school construction in the event
 2873 lottery revenues are insufficient for such purpose or to satisfy
 2874 debt service reserve requirements established in connection with

Page 99 of 112

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

21-00423F-17

20178__

2875 lottery bonds. Moneys available pursuant to this subparagraph
 2876 are subject to annual appropriation by the Legislature.

2877 Section 46. Subsection (2) of section 551.108, Florida
 2878 Statutes, is amended to read:

2879 551.108 Prohibited relationships.—

2880 (2) A manufacturer or distributor of slot machines may not
 2881 enter into any contract with a slot machine licensee that
 2882 provides for any revenue sharing of any kind or nature that is
 2883 directly or indirectly calculated on the basis of a percentage
 2884 of slot machine revenues. Any maneuver, shift, or device whereby
 2885 this subsection is violated is a violation of this chapter and
 2886 renders any such agreement void. This subsection does not apply
 2887 to contracts related to a progressive system used in conjunction
 2888 with slot machines.

2889 Section 47. Subsections (2) and (4) of section 551.114,
 2890 Florida Statutes, are amended to read:

2891 551.114 Slot machine gaming areas.—

2892 (2) If such races or games are available to the slot
 2893 machine licensee, the slot machine licensee shall display pari-
 2894 mutuel races or games within the designated slot machine gaming
 2895 areas and offer patrons within the designated slot machine
 2896 gaming areas the ability to engage in pari-mutuel wagering on
 2897 any live, intertrack, and simulcast races conducted or offered
 2898 to patrons of the licensed facility.

2899 (4) Designated slot machine gaming areas shall ~~may~~ be
 2900 located anywhere within the property described in a slot machine
 2901 licensee's pari-mutuel permit within the current live gaming
 2902 facility or in an existing building that must be contiguous and
 2903 connected to the live gaming facility. If a designated slot

Page 100 of 112

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

21-00423F-17

20178__

2904 machine gaming area is to be located in a building that is to be
 2905 constructed, that new building must be contiguous and connected
 2906 to the live gaming facility.

2907 Section 48. Section 551.116, Florida Statutes, is amended
 2908 to read:

2909 551.116 Days and hours of operation.—Slot machine gaming
 2910 areas may be open 24 hours per day, 7 days a week daily
 2911 throughout the year. ~~The slot machine gaming areas may be open a~~
 2912 ~~cumulative amount of 18 hours per day on Monday through Friday~~
 2913 ~~and 24 hours per day on Saturday and Sunday and on those~~
 2914 ~~holidays specified in s. 110.117(1).~~

2915 Section 49. Subsections (1) and (3) of section 551.121,
 2916 Florida Statutes, are amended to read:

2917 551.121 Prohibited activities and devices; exceptions.—

2918 (1) Complimentary or reduced-cost alcoholic beverages may
 2919 ~~not~~ be served to a person ~~persons~~ playing a slot machine.
 2920 ~~Alcoholic beverages served to persons playing a slot machine~~
 2921 ~~shall cost at least the same amount as alcoholic beverages~~
 2922 ~~served to the general public at a bar within the facility.~~

2923 (3) A slot machine licensee may ~~not~~ allow any automated
 2924 teller machine or similar device designed to provide credit or
 2925 dispense cash to be located within the designated slot machine
 2926 gaming areas of a facility of a slot machine licensee.

2927 Section 50. Present subsections (9) through (17) of section
 2928 849.086, Florida Statutes, are redesignated as subsections (10)
 2929 through (18), respectively, and a new subsection (9) is added to
 2930 that section, and subsections (1) and (2), paragraph (b) of
 2931 subsection (5), paragraphs (a), (b), and (c) of subsection (7),
 2932 paragraphs (a) and (b) of subsection (8), present subsection

Page 101 of 112

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

21-00423F-17

20178__

2933 (12), paragraphs (d) and (h) of present subsection (13), and
 2934 present subsection (17) of section 849.086, Florida Statutes,
 2935 are amended, to read:

2936 849.086 Cardrooms authorized.—

2937 (1) LEGISLATIVE INTENT.—It is the intent of the Legislature
 2938 to provide additional entertainment choices for the residents of
 2939 and visitors to the state, promote tourism in the state, provide
 2940 revenues to support the continuation of live pari-mutuel
 2941 activity, and provide additional state revenues through the
 2942 authorization of the playing of certain games in the state at
 2943 facilities known as cardrooms which are to be located at
 2944 licensed pari-mutuel facilities. To ensure the public confidence
 2945 in the integrity of authorized cardroom operations, this act is
 2946 designed to strictly regulate the facilities, persons, and
 2947 procedures related to cardroom operations. Furthermore, the
 2948 Legislature finds that authorized games of cards and dominoes ~~as~~
 2949 ~~herein defined~~ are considered to be pari-mutuel style games and
 2950 not casino gaming because the participants play against each
 2951 other instead of against the house.

2952 (2) DEFINITIONS.—As used in this section:

2953 (a) "Authorized game" means a game or series of card and
 2954 domino games ~~that of poker or dominoes which~~ are played in
 2955 conformance with this section a nonbanking manner.

2956 (b) "Banking game" means a game in which the house is a
 2957 participant in the game, taking on players, paying winners, and
 2958 collecting from losers ~~or in which the cardroom establishes a~~
 2959 ~~bank against which participants play. A designated player game~~
 2960 is not a banking game.

2961 (c) "Cardroom" means a facility where authorized games are

Page 102 of 112

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

21-00423F-17 20178__

2962 played for money or anything of value and to which the public is
 2963 invited to participate in such games and charged a fee for
 2964 participation by the operator of such facility. Authorized games
 2965 and cardrooms do not constitute casino gaming operations if
 2966 conducted at an eligible facility.

2967 (d) "Cardroom management company" means any individual not
 2968 an employee of the cardroom operator, any proprietorship,
 2969 partnership, corporation, or other entity that enters into an
 2970 agreement with a cardroom operator to manage, operate, or
 2971 otherwise control the daily operation of a cardroom.

2972 (e) "Cardroom distributor" means any business that
 2973 distributes cardroom paraphernalia such as card tables, betting
 2974 chips, chip holders, dominoes, dominoes tables, drop boxes,
 2975 banking supplies, playing cards, card shufflers, and other
 2976 associated equipment to authorized cardrooms.

2977 (f) "Cardroom operator" means a licensed pari-mutuel
 2978 permitholder that ~~which~~ holds a valid permit and license issued
 2979 by the division pursuant to chapter 550 and which also holds a
 2980 valid cardroom license issued by the division pursuant to this
 2981 section which authorizes such person to operate a cardroom and
 2982 to conduct authorized games in such cardroom.

2983 (g) "Designated player" means the player identified as the
 2984 player in the dealer position and seated at a traditional player
 2985 position in a designated player game who pays winning players
 2986 and collects from losing players.

2987 (h) "Designated player game" means a game in which the
 2988 players compare their cards only to the cards of the designated
 2989 player or to a combination of cards held by the designated
 2990 player and cards common and available for play by all players.

Page 103 of 112

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

21-00423F-17 20178__

2991 (i) ~~(g)~~ "Division" means the Division of Pari-mutuel
 2992 Wagering of the Department of Business and Professional
 2993 Regulation.

2994 (j) ~~(h)~~ "Dominoes" means a game of dominoes typically played
 2995 with a set of 28 flat rectangular blocks, called "bones," which
 2996 are marked on one side and divided into two equal parts, with
 2997 zero to six dots, called "pips," in each part. The term also
 2998 includes larger sets of blocks that contain a correspondingly
 2999 higher number of pips. The term also means the set of blocks
 3000 used to play the game.

3001 (k) ~~(i)~~ "Gross receipts" means the total amount of money
 3002 received by a cardroom from any person for participation in
 3003 authorized games.

3004 (l) ~~(j)~~ "House" means the cardroom operator and all
 3005 employees of the cardroom operator.

3006 (m) ~~(k)~~ "Net proceeds" means the total amount of gross
 3007 receipts received by a cardroom operator from cardroom
 3008 operations less direct operating expenses related to cardroom
 3009 operations, including labor costs, admission taxes only if a
 3010 separate admission fee is charged for entry to the cardroom
 3011 facility, gross receipts taxes imposed on cardroom operators by
 3012 this section, the annual cardroom license fees imposed by this
 3013 section on each table operated at a cardroom, and reasonable
 3014 promotional costs excluding officer and director compensation,
 3015 interest on capital debt, legal fees, real estate taxes, bad
 3016 debts, contributions or donations, or overhead and depreciation
 3017 expenses not directly related to the operation of the cardrooms.

3018 (n) ~~(l)~~ "Rake" means a set fee or percentage of the pot
 3019 assessed by a cardroom operator for providing the services of a

Page 104 of 112

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

21-00423F-17

20178__

3020 dealer, table, or location for playing the authorized game.

3021 ~~(o)~~ ~~(#)~~ "Tournament" means a series of games that have more
3022 than one betting round involving one or more tables and where
3023 the winners or others receive a prize or cash award.

3024 (5) LICENSE REQUIRED; APPLICATION; FEES.—No person may
3025 operate a cardroom in this state unless such person holds a
3026 valid cardroom license issued pursuant to this section.

3027 (b) After the initial cardroom license is granted, the
3028 application for the annual license renewal shall be made in
3029 conjunction with the applicant's annual application for its
3030 pari-mutuel license. ~~If a permitholder has operated a cardroom
3031 during any of the 3 previous fiscal years and fails to include a
3032 renewal request for the operation of the cardroom in its annual
3033 application for license renewal, the permitholder may amend its
3034 annual application to include operation of the cardroom. In
3035 order for a cardroom license to be renewed the applicant must
3036 have requested, as part of its pari-mutuel annual license
3037 application, to conduct at least 90 percent of the total number
3038 of live performances conducted by such permitholder during
3039 either the state fiscal year in which its initial cardroom
3040 license was issued or the state fiscal year immediately prior
3041 thereto if the permitholder ran at least a full schedule of live
3042 racing or games in the prior year. If the application is for a
3043 harness permitholder cardroom, the applicant must have requested
3044 authorization to conduct a minimum of 140 live performances
3045 during the state fiscal year immediately prior thereto. If more
3046 than one permitholder is operating at a facility, each
3047 permitholder must have applied for a license to conduct a full
3048 schedule of live racing.~~

Page 105 of 112

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

21-00423F-17

20178__

3049 (7) CONDITIONS FOR OPERATING A CARDROOM.—

3050 (a) A cardroom may be operated only at the location
3051 specified on the cardroom license issued by the division, and
3052 such location may only be the location at which the pari-mutuel
3053 permitholder is authorized to conduct pari-mutuel wagering
3054 activities pursuant to such permitholder's valid pari-mutuel
3055 permit or as otherwise authorized by law. ~~Cardroom operations
3056 may not be allowed beyond the hours provided in paragraph (b)
3057 regardless of the number of cardroom licenses issued for
3058 permitholders operating at the pari-mutuel facility.~~

3059 (b) Any cardroom operator may operate a cardroom at the
3060 pari-mutuel facility daily throughout the year, if the
3061 permitholder meets the requirements under paragraph (5) (b). The
3062 cardroom may be open a cumulative amount of 18 hours per day on
3063 Monday through Friday and 24 hours per day on Saturday and
3064 Sunday and on the holidays specified in s. 110.117(1).

3065 (c) For authorized games of poker or dominoes at a
3066 cardroom, a cardroom operator must at all times employ and
3067 provide a nonplaying live dealer at ~~for~~ each table on which the
3068 authorized card games which traditionally use a dealer are
3069 conducted ~~at the cardroom~~. Such dealers may not have a
3070 participatory interest in any game other than the dealing of
3071 cards and may not have an interest in the outcome of the game.
3072 The providing of such dealers by a licensee does not constitute
3073 the conducting of a banking game by the cardroom operator.

3074 (8) METHOD OF WAGERS; LIMITATION.—

3075 (a) ~~No~~ Wagering may not be conducted using money or other
3076 negotiable currency. Games may only be played utilizing a
3077 wagering system whereby all players' money is first converted by

Page 106 of 112

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

21-00423F-17

20178__

3078 the house to tokens or chips ~~that may which shall~~ be used for
3079 wagering only at that specific cardroom.

3080 (b) For authorized games of poker or dominoes, the cardroom
3081 operator may limit the amount wagered in any game or series of
3082 games.

3083 (9) DESIGNATED PLAYER GAMES AUTHORIZED.-

3084 (a) A cardroom operator may offer designated player games
3085 consisting of players making wagers against the designated
3086 player. The designated player must be licensed pursuant to
3087 paragraph (6) (b).

3088 (b) A cardroom operator may not serve as a designated
3089 player in any game. The cardroom operator may not have a
3090 financial interest in a designated player in any game. A
3091 cardroom operator may collect a rake in accordance with the rake
3092 structure posted at the table.

3093 (c) If there are multiple designated players at a table,
3094 the dealer button shall be rotated in a clockwise rotation after
3095 each hand.

3096 (d) A cardroom operator may not allow a designated player
3097 to pay an opposing player who holds a lower ranked hand.

3098 (13)-(12) PROHIBITED ACTIVITIES.-

3099 (a) A ~~no~~ person licensed to operate a cardroom may not
3100 conduct any banking game or any game not specifically authorized
3101 by this section. For purposes of this section, a designated
3102 player game shall be deemed a banking game if any of the
3103 following elements apply:

3104 1. Any designated player is required by the rules of a game
3105 or by the rules of a cardroom to cover all wagers posted by
3106 opposing players;

Page 107 of 112

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

21-00423F-17

20178__

3107 2. The dealer button remains in a fixed position without
3108 being offered for rotation;

3109 3. The cardroom, or any cardroom licensee, contracts with
3110 or receives compensation other than a posted table rake from any
3111 player to participate in any game to serve as a designated
3112 player; or

3113 4. In any designated player game in which the designated
3114 player possesses a higher ranked hand, the designated player is
3115 required to pay on an opposing player's wager who holds a lower
3116 ranked hand.

3117 (b) A ~~no~~ person who is younger than ~~under~~ 18 years of age
3118 may not be permitted to hold a cardroom or employee license, or
3119 to engage in any game conducted therein.

3120 (c) With the exception of mechanical card shufflers, ~~no~~
3121 electronic or mechanical devices, ~~except mechanical card~~
3122 shufflers, may not be used to conduct any authorized game in a
3123 cardroom.

3124 (d) ~~no~~ Cards, game components, or game implements may not
3125 be used in playing an authorized game unless they have ~~such has~~
3126 been furnished or provided to the players by the cardroom
3127 operator.

3128 (14)-(13) TAXES AND OTHER PAYMENTS.-

3129 (d)1. Each ~~greyhound and jai alai~~ permitholder that
3130 operates a cardroom facility shall use at least 4 percent of
3131 such permitholder's cardroom monthly gross receipts to
3132 supplement ~~greyhound~~ purses or jai alai prize money,
3133 respectively, during the permitholder's next ensuing pari-mutuel
3134 meet.

3135 2. A cardroom license or renewal thereof may not be issued

Page 108 of 112

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

21-00423F-17

20178__

3136 to a permitholder conducting less than a full schedule of live
 3137 racing or games as defined in s. 550.002(11) unless the
 3138 applicant has on file with the division a binding written
 3139 contract with a thoroughbred permitholder that is licensed to
 3140 conduct live racing and that does not possess a slot machine
 3141 license. This contract must provide that the permitholder will
 3142 pay an amount equal to 4 percent of its monthly cardroom gross
 3143 receipts to the thoroughbred permitholder conducting the live
 3144 racing for use as purses during the current or ensuing live
 3145 racing meet of the thoroughbred permitholder. If there is not a
 3146 thoroughbred permitholder that does not possess a slot machine
 3147 license, payments for purses are not required, and the cardroom
 3148 licensee shall retain such funds for its use. Each thoroughbred
 3149 and harness horse racing permitholder that operates a cardroom
 3150 facility shall use at least 50 percent of such permitholder's
 3151 cardroom monthly net proceeds as follows: 47 percent to
 3152 supplement purses and 3 percent to supplement breeders' awards
 3153 during the permitholder's next ensuing racing meet.

3154 3. No cardroom license or renewal thereof shall be issued
 3155 to an applicant holding a permit under chapter 550 to conduct
 3156 pari-mutuel wagering meets of quarter horse racing unless the
 3157 applicant has on file with the division a binding written
 3158 agreement between the applicant and the Florida Quarter Horse
 3159 Racing Association or the association representing a majority of
 3160 the horse owners and trainers at the applicant's eligible
 3161 facility, governing the payment of purses on live quarter horse
 3162 racers conducted at the licensee's pari-mutuel facility. The
 3163 agreement governing purses may direct the payment of such purses
 3164 from revenues generated by any wagering or gaming the applicant

Page 109 of 112

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

21-00423F-17

20178__

3165 ~~is authorized to conduct under Florida law. All purses shall be~~
 3166 ~~subject to the terms of chapter 550.~~

3167 (h) One-quarter of the moneys deposited into the Pari-
 3168 mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by
 3169 October 1 of each year, be distributed to the local government
 3170 that approved the cardroom under subsection (17) ~~subsection~~
 3171 ~~(16)~~; however, if two or more pari-mutuel racetracks are located
 3172 within the same incorporated municipality, the cardroom funds
 3173 shall be distributed to the municipality. If a pari-mutuel
 3174 facility is situated in such a manner that it is located in more
 3175 than one county, the site of the cardroom facility shall
 3176 determine the location for purposes of disbursement of tax
 3177 revenues under this paragraph. The division shall, by September
 3178 1 of each year, determine: the amount of taxes deposited into
 3179 the Pari-mutuel Wagering Trust Fund pursuant to this section
 3180 from each cardroom licensee; the location by county of each
 3181 cardroom; whether the cardroom is located in the unincorporated
 3182 area of the county or within an incorporated municipality; and,
 3183 the total amount to be distributed to each eligible county and
 3184 municipality.

3185 (18) ~~(17)~~ CHANGE OF LOCATION; REFERENDUM.—

3186 ~~(a)~~ Notwithstanding ~~any provisions of~~ this section, ~~a~~ no
 3187 cardroom gaming license issued under this section may not shall
 3188 be transferred, or reissued when such reissuance is in the
 3189 nature of a transfer, so as to permit or authorize a licensee to
 3190 change the location of the cardroom ~~except upon proof in such~~
 3191 ~~form as the division may prescribe that a referendum election~~
 3192 ~~has been held:~~

3193 1. If the proposed new location is within the same county

Page 110 of 112

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

21-00423F-17

20178__

3194 as the already licensed location, in the county where the
 3195 licensee desires to conduct cardroom gaming and that a majority
 3196 of the electors voting on the question in such election voted in
 3197 favor of the transfer of such license. However, the division
 3198 shall transfer, without requirement of a referendum election,
 3199 the cardroom license of any permit holder that relocated its
 3200 permit pursuant to s. 550.0555.

3201 ~~2. If the proposed new location is not within the same~~
 3202 ~~county as the already licensed location, in the county where the~~
 3203 ~~licensee desires to conduct cardroom gaming and that a majority~~
 3204 ~~of the electors voting on that question in each such election~~
 3205 ~~voted in favor of the transfer of such license.~~

3206 ~~(b) The expense of each referendum held under the~~
 3207 ~~provisions of this subsection shall be borne by the licensee~~
 3208 ~~requesting the transfer.~~

3209 Section 51. The Division of Pari-mutuel Wagering of the
 3210 Department of Business and Professional Regulation shall revoke
 3211 any permit to conduct pari-mutuel wagering if a permit holder has
 3212 not conducted live events within the 24 months preceding the
 3213 effective date of this act, unless the permit was issued under
 3214 s. 550.3345, Florida Statutes. A permit revoked under this
 3215 section may not be reissued.

3216 Section 52. The Division of Law Revision and Information is
 3217 directed to replace the phrase "the effective date of this act"
 3218 wherever it occurs in this act with the date the act becomes
 3219 effective, in accordance with the notice received from the
 3220 Secretary of the Department of Business and Professional
 3221 Regulation pursuant to s. 285.710(3), Florida Statutes.

3222 Section 53. Except as otherwise expressly provided in this

Page 111 of 112

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

21-00423F-17

20178__

3223 act, and except for this section, which shall take effect upon
 3224 this act becoming a law, this act shall take effect only if the
 3225 Gaming Compact between the Seminole Tribe of Florida and the
 3226 State of Florida executed by the Governor and the Seminole Tribe
 3227 of Florida on December 7, 2015, under the Indian Gaming
 3228 Regulatory Act of 1988, is amended as required by this act, and
 3229 is approved or deemed approved and not voided by the United
 3230 States Department of the Interior, and shall take effect on the
 3231 date that notice of the effective date of the amended compact is
 3232 published in the Federal Register.

Page 112 of 112

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

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: SB 58

INTRODUCER: Senator Grimsley

SUBJECT: Adult Cardiovascular Services

DATE: February 22, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Looke	Stovall	HP	Favorable
2.	Forbes	Williams	AHS	Recommend: Favorable
3.	Forbes	Hansen	AP	Pre-meeting
4.			RC	

I. Summary:

SB 58 requires the Agency for Health Care Administration (AHCA) to include in its licensure rules for hospitals providing Level I adult cardiovascular services, at a minimum, a requirement that nursing and technical staff have demonstrated experience in handling acutely ill patients in dedicated cardiac interventional laboratories or surgical centers. While current AHCA rules require nursing and technical staff to have experience at hospitals providing Level II adult cardiovascular services, the bill allows previous experience of nursing and technical staff if the staff member's experience was acquired in Level I facilities that met certain criteria at the time the staff member acquired such experience.

The bill has no known fiscal impact on state funds.

The bill takes effect on July 1, 2017.

II. Present Situation:

Percutaneous cardiac intervention (PCI), also commonly known as coronary angioplasty or angioplasty, is a nonsurgical technique for treating obstructive coronary artery disease, including unstable angina, acute myocardial infarction, and multi-vessel coronary artery disease.¹

PCI uses a catheter to insert a small structure called a stent to reopen blood vessels in the heart that have been narrowed by plaque build-up, a condition known as atherosclerosis. Using a special type of X-ray called fluoroscopy, the catheter is threaded through blood vessels into the heart where the coronary artery is narrowed. When the tip is in place, a balloon tip covered with

¹ Medscape: Percutaneous cardiac intervention, <http://emedicine.medscape.com/article/161446-overview>, (last visited Jan. 17, 2017).

a stent is inflated. The balloon tip compresses the plaque and expands the stent. Once the plaque is compressed and the stent is in place, the balloon is deflated and withdrawn. The stent stays in the artery, holding it open.²

Hospital Licensure and Regulation

Hospitals are regulated by the Agency for Health Care Administration (AHCA) under ch. 395, F.S., and the general licensure provisions of part II of ch. 408, F.S. Hospitals are subject to the certificate of need (CON) provisions in part I of ch. 408, F.S. A CON is a written statement issued by the AHCA evidencing community need for a new, converted, expanded, or otherwise significantly modified health care facility or health service, or hospice.³

Adult cardiovascular services (ACS), including PCI, were previously regulated through the CON program.⁴ However, in 2004, the Legislature established a licensure process for adult interventional cardiology services (the predecessor terminology for ACS), dependent upon rulemaking, in lieu of the CON procedure.⁵ Among other things, the law requires the rules to establish two hospital program licensure levels: a Level I program authorizing the performance of adult primary PCI for emergency patients without on-site cardiac surgery, and a Level II program authorizing the performance of PCI with on-site cardiac surgery.⁶ Additionally the rules must require compliance with the most recent guidelines of the American College of Cardiology and American Heart Association guidelines for staffing, physician training and experience, operating procedures, equipment, physical plant, and patient-selection criteria to ensure quality and safety.⁷

The AHCA adopted rules for Level I ACS⁸ and Level II ACS.⁹ Staffing rules for both levels require the nursing and technical catheterization laboratory staff to meet the following:

- Be experienced in handling acutely ill patients requiring intervention or balloon pump;
- Have at least 500 hours of previous experience in dedicated cardiac interventional laboratories at a hospital with a Level II ACS program;¹⁰
- Be skilled in all aspects of interventional cardiology equipment; and
- Participate in a 24-hour-per-day, 365 day-per-year call schedule;

One of the authoritative sources referenced in the AHCA's rulemaking is The American College of Cardiology/American Heart Association Task Force on Practice Guidelines' report:

² Heart and Stroke Foundation, <https://www.heartandstroke.ca/heart/treatments/surgery-and-other-procedures/percutaneous-coronary-intervention>, (last visited Jan. 17, 2017).

³ Section 408.032(3), F.S.

⁴ See s. 408.036(3)(m) and (n), F.S., allowing for an exemption from the full review process for certain adult open-heart services and PCI services.

⁵ Ch. 2004-383, s. 7, Laws of Fla.

⁶ Level I and Level II ACS programs may also perform adult diagnostic cardiac catheterization in accordance with Rule 59A-3.2085(13), F.A.C. Adult diagnostic cardiac catheterization involves the insertion of a catheter into one or more heart chambers for the purpose of diagnosing cardiovascular diseases.

⁷ See s. 408.0361(3), F.S.

⁸ Rule 59A-3.2085(16), F.A.C.

⁹ Rule 59A-3.2085(17), F.A.C.

¹⁰ The standard in the CON exemption in s. 408.036(3)(n), F.S., for providing PCI in a hospital without an approved adult open-heart-surgery program required previous experience in dedicated interventional laboratories or surgical centers.

ACC/AHA/SCAI 2005 Guideline Update for PCI.¹¹ Table 15 in that report provides criteria for the performance of primary PCI at hospitals without on-site cardiac surgery. It states:

The nursing and technical catheterization laboratory staff must be experienced in handling acutely ill patients and must be comfortable with interventional equipment. They must have acquired experience in dedicated interventional laboratories at a surgical center. They participate in a 24-hours-per-day, 365-days-per-year call schedule.

In 2014, the Society for Cardiovascular Angiography and Interventions, the American College of Cardiology Foundation, and the American Heart Association, Inc., issued the SCAI/ACC/AHA Expert Consensus Document: 2014 Update on PCI Without On-Site Surgical Backup.¹² That report acknowledged advances and best practices in PCI performed in hospitals without on-site surgery. Table IV in that report addresses personnel requirements for PCI programs without on-site surgery. It recommends the program have experienced nursing and technical laboratory staff with training in interventional laboratories. The report does not reference a requirement that the training or experience should occur in a dedicated interventional laboratory at a surgical center.

As of January 17, 2017, there are 54 Florida hospitals providing Level I ACS services and 77 Florida hospitals providing Level II ACS services.¹³

III. Effect of Proposed Changes:

The bill requires AHCA licensure rules for hospitals providing Level I adult cardiovascular services to include, at a minimum, a requirement that all nursing and technical staff have demonstrated experience in handling acutely ill patients requiring PCI in dedicated cardiac interventional laboratories or surgical centers. A staff member's previous experience in a dedicated cardiac interventional laboratory at a hospital that did not have an approved adult open-heart-surgery program will qualify if the laboratory met the specified criteria during the staff member's tenure. The laboratory must have:

- Had an annual volume of 500 or more PCI procedures;
- Achieved a demonstrated success rate of 95 percent or higher for PCI;
- Experienced a complication rate of less than 5 percent for PCI; and

¹¹Smith SC Jr, Feldman TE, Hirshfeld JW Jr, Jacobs AK, Kern MJ, King SB III, Morrison DA, O'Neill WW, Schaff HV, Whitlow PL, Williams DO. ACC/AHA/SCAI 2005 guideline update for percutaneous coronary intervention: a report of the American College of Cardiology/American Heart Association Task Force on Practice Guidelines (ACC/AHA/SCAI Writing Committee to Update the 2001 Guidelines for Percutaneous Coronary Intervention). The Society for Cardiovascular Angiography and Interventions Web Site. Available at:

http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&ved=0ahUKEwizrYy2zubKAhUBfSYKHafZCiAQFggvMAI&url=http%3A%2F%2Fwww.scai.org%2Fasset.axd%3Fid%3Da1d96b40-b6c7-42e7-9b71-1090e581b58c%26t%3D634128854999430000&usg=AFQjCNF0t0334L9yMm_XLA5rl0pXoCvPDw (last visited Jan. 17, 2017).

¹² Gregory J. Dehmer, et.al, available at <http://circ.ahajournals.org/content/129/24/2610.full.pdf+html> (last visited Jan. 17, 2017).

¹³ See The AHCA FloridaHealthFinder.gov available at <http://www.floridahealthfinder.gov/facilitylocator/FacilitySearch.aspx>, (last visited Jan. 17, 2017).

- Performed diverse cardiac procedures, including, but not limited to, balloon angioplasty and stenting, rotational atherectomy, cutting balloon atheroma remodeling, and procedures relating to left ventricular support capability.

The bill creates an effective date of July 1, 2017.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 408.0361 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



819118

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Appropriations (Bean) recommended the following:

Senate Amendment (with title amendment)

Before line 11

insert:

Section 1. Present subsection (9) of section 395.1055, Florida Statutes, is redesignated as subsection (10), and a new subsection (9) is added to that section, to read:

395.1055 Rules and enforcement.—

(9) The agency shall establish a technical advisory panel to develop procedures and standards for measuring outcomes of



819118

11 pediatric cardiac catheterization programs and pediatric open-
12 heart surgery programs. Members of the panel shall include
13 representatives of the Florida Hospital Association, the Florida
14 Society of Thoracic and Cardiovascular Surgeons, the Florida
15 Chapter of the American College of Cardiology, the Florida
16 Chapter of the American Heart Association, and others with
17 experience in statistics and outcome measurement. Based on
18 recommendations from the panel, the agency shall develop and
19 adopt rules for pediatric cardiac catheterization programs and
20 pediatric open-heart surgery programs which include at least the
21 following:

22 (a) A risk adjustment procedure that accounts for the
23 variations in severity and case mix found in hospitals in this
24 state.

25 (b) Outcome standards specifying expected levels of
26 performance in pediatric cardiac programs. Such standards may
27 include, but are not limited to, in-hospital mortality,
28 infection rates, nonfatal myocardial infarctions, length of
29 postoperative bleeds, and returns to surgery.

30 (c) Specific steps to be taken by the agency and licensed
31 facilities that do not meet the outcome standards within a
32 specified time, including time required for detailed case
33 reviews and development and implementation of corrective action
34 plans.

35
36 ===== T I T L E A M E N D M E N T =====

37 And the title is amended as follows:

38 Delete line 2

39 and insert:



819118

40 An act relating to cardiac programs; amending s.
41 395.1055, F.S.; requiring the Agency for Health Care
42 Administration to establish a technical advisory panel
43 to develop procedures and standards for measuring
44 outcomes of pediatric cardiac catheterization programs
45 and pediatric open-heart surgery programs;
46 establishing membership of the technical advisory
47 panel; requiring the agency to develop and adopt rules
48 for pediatric cardiac catheterization programs and
49 pediatric open-heart surgery programs based on
50 recommendations of the technical advisory panel;



366510

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Appropriations (Bean) recommended the following:

Senate Amendment to Amendment (819118)

Delete lines 12 - 30
and insert:
heart surgery programs.

(a) The panel shall include one at-large member who has expertise in pediatric and adult congenital heart disease, appointed by the Secretary of Health Care Administration, and 10 members, each appointed by the chief executive officer of one of the following hospitals, who must be pediatric cardiologists or



366510

- 11 pediatric cardiovascular surgeons:
- 12 1. Johns Hopkins All Children's Hospital in St. Petersburg.
- 13 2. Arnold Palmer Hospital for Children in Orlando.
- 14 3. Joe DiMaggio Children's Hospital in Hollywood.
- 15 4. Nicklaus Children's Hospital in Miami.
- 16 5. St. Joseph's Children's Hospital in Tampa.
- 17 6. University of Florida Health Shands Hospital in
- 18 Gainesville.
- 19 7. University of Miami Holtz Children's Hospital in Miami.
- 20 8. Wolfson Children's Hospital in Jacksonville.
- 21 9. Florida Hospital for Children in Orlando.
- 22 10. Nemours Children's Hospital in Orlando.
- 23 (b) Based on the recommendations of the panel, the agency
- 24 shall develop and adopt rules for pediatric cardiac
- 25 catheterization programs and pediatric open-heart surgery
- 26 programs which include at least the following:
- 27 1. A risk adjustment procedure that accounts for the
- 28 variations in severity and case mix found in hospitals in this
- 29 state;
- 30 2. Outcome standards specifying expected levels of
- 31 performance in pediatric cardiac programs. Such standards may
- 32 include, but are not limited to, in-hospital mortality,
- 33 infection rates, nonfatal myocardial infarctions, length of
- 34 postoperative bleeds, and returns to surgery; and
- 35 3. Specific steps to be taken by the agency and licensed



928852

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Appropriations (Bean) recommended the following:

Senate Amendment (with title amendment)

Between lines 55 and 56

insert:

Section 2. For the 2017-2018 fiscal year, the sum of \$95,620 is appropriated from the Health Care Trust Fund to the Agency for Health Care Administration for the purpose of implementing s. 395.1055(9), Florida Statutes.

===== T I T L E A M E N D M E N T =====



928852

11 And the title is amended as follows:
12 Delete line 7
13 and insert:
14 for a Level I program; providing an appropriation;
15 providing an effective date.

By Senator Grimsley

26-00099-17

201758__

1 A bill to be entitled
 2 An act relating to adult cardiovascular services;
 3 amending s. 408.0361, F.S.; establishing additional
 4 criteria that must be included by the Agency for
 5 Health Care Administration in rules relating to adult
 6 cardiovascular services at hospitals seeking licensure
 7 for a Level I program; providing an effective date.
 8
 9 Be It Enacted by the Legislature of the State of Florida:
 10
 11 Section 1. Paragraph (b) of subsection (3) of section
 12 408.0361, Florida Statutes, is amended to read:
 13 408.0361 Cardiovascular services and burn unit licensure.—
 14 (3) In establishing rules for adult cardiovascular
 15 services, the agency shall include provisions that allow for:
 16 (b) For a hospital seeking a Level I program, demonstration
 17 that, for the most recent 12-month period as reported to the
 18 agency, it has provided a minimum of 300 adult inpatient and
 19 outpatient diagnostic cardiac catheterizations or, for the most
 20 recent 12-month period, has discharged or transferred at least
 21 300 inpatients with the principal diagnosis of ischemic heart
 22 disease and that it has a formalized, written transfer agreement
 23 with a hospital that has a Level II program, including written
 24 transport protocols to ensure safe and efficient transfer of a
 25 patient within 60 minutes. However, a hospital located more than
 26 100 road miles from the closest Level II adult cardiovascular
 27 services program does not need to meet the 60-minute transfer
 28 time protocol if the hospital demonstrates that it has a
 29 formalized, written transfer agreement with a hospital that has
 30 a Level II program. The agreement must include written transport
 31 protocols to ensure the safe and efficient transfer of a
 32 patient, taking into consideration the patient's clinical and

Page 1 of 2

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

26-00099-17

201758__

33 physical characteristics, road and weather conditions, and
 34 viability of ground and air ambulance service to transfer the
 35 patient. At a minimum, the rules for adult cardiovascular
 36 services must require nursing and technical staff to have
 37 demonstrated experience in handling acutely ill patients
 38 requiring percutaneous cardiac intervention in dedicated cardiac
 39 interventional laboratories or surgical centers. If a staff
 40 member's previous experience was in a dedicated cardiac
 41 interventional laboratory at a hospital that did not have an
 42 approved adult open-heart-surgery program, the staff member's
 43 previous experience does not qualify unless, at the time the
 44 staff member acquired his or her experience, the dedicated
 45 cardiac interventional laboratory:
 46 1. Had an annual volume of 500 or more percutaneous cardiac
 47 intervention procedures;
 48 2. Achieved a demonstrated success rate of 95 percent or
 49 greater for percutaneous cardiac intervention procedures;
 50 3. Experienced a complication rate of less than 5 percent
 51 for percutaneous cardiac intervention procedures; and
 52 4. Performed diverse cardiac procedures, including, but not
 53 limited to, balloon angioplasty and stenting, rotational
 54 atherectomy, cutting balloon atheroma remodeling, and procedures
 55 relating to left ventricular support capability.
 56 Section 2. This act shall take effect July 1, 2017.

Page 2 of 2

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