

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 Regulated Industries Committee

BILL: CS/SB 0604

INTRODUCER: Regulated Industries Committee and Senator Jones

SUBJECT: Quarter Horse Racing

DATE: March 18, 2008 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|-----------------|----------------|-----------|---------------|
| 1. | <u>Aubuchon</u> | <u>Imhof</u> | <u>RI</u> | <u>Fav/CS</u> |
| 2. | _____ | _____ | <u>GA</u> | _____ |
| 3. | _____ | _____ | <u>RC</u> | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ | _____ |

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

This committee substitute (CS) removes provisions relating to the quarter horse permit application process with the Department of Business and Professional Regulation, Division of Pari-mutuel Wagering (division) and subjects quarter horse permit applicants to the permit procedures required of jai alai, thoroughbred, greyhound and harness racing.

The CS removes the requirement that a quarter horse permitholder receive the written consent of other pari-mutuel permitholders within 50 miles to conduct intertrack wagering.

The CS removes the quarter horse exemption to s. 550.054, F.S., making them subject to the mileage restrictions on pari-mutuel facility locations and application criteria found in the section.

The bill provides for a grandfather clause permitting a person submitting a quarter horse permit application to the division before March 30, 2008, to be subject to the criteria for approval in existence before July 1, 2008.

This CS amends section 550.334, Florida Statutes.

II. Present Situation:

Section 550.334, F.S., provides for quarter horse racing. Section 550.334(1), F.S., allows any person who meets the qualifications to obtain a permit under ch. 550, F.S., who then may apply to the Division of Pari-Mutuel Wagering for a license to conduct quarter horse racing. The applicant must demonstrate that the location for the permit is available for quarter horse racing and that the applicant has the financial ability to satisfy the reasonably anticipated operational expenses of the first racing year following the issuance of the permit. If the facility is already built, then the applicant must provide a statement and supporting evidence to the division that the location will be used for quarter horse racing within one year after the date it is granted. The division is required to disapprove the application if it does not meet the requirements of ch. 550, F.S. If a favorable referendum on a pari-mutuel facility has not been held in the county, then a referendum must be ratified by the county electors allowing quarter horse racing in the county.

After a quarter horse permit has been issued, a license is issued and the division is required to annually fix the time, location, and number of days for quarter horse racing by the permit holder.¹ After the permit is issued and the first license is issued, the division is required to evaluate that the permit holder continues to possess the qualification for a permit under ch. 550, F.S. A permit or license may be revoked by the division for a willful violation of ch. 550, F.S., and division rules. The division is required to revoke a quarter horse permit that has not conducted any racing before July 7, 1990, unless the permit holder has commenced construction on a horseracing facility within 18 months after October 1, 1990. The 18 months could be extended upon a showing that the construction was delayed by litigation or governmental action.

Section 550.054, F.S., does not allow for pari-mutuel permit applications for horseracing, harness horse racing, or greyhound racing to be considered within 100 miles of an existing pari-mutuel facility or for jai alai within 50 miles of an existing facility. Quarter horse permit holders are not subject to the mileage restrictions found in s. 550.054, F.S.

Quarter horse permit holders are required under s. 550.334, F.S., to obtain the written consent of other pari-mutuel permit holders within 50 miles to conduct intertrack wagering at an operational quarter horse facility.

Quarter horse racing permit holders operating under a valid permit are authorized to substitute races of other breeds of horse, except for thoroughbreds, for no more than 50 percent of the quarter horse races daily and may substitute races of thoroughbreds for no more than 50 percent of the daily races with daily written consent of pari-mutuel permit holders within 50 miles of the quarter horse facility.

A quarter horse permit holder may not substitute thoroughbred racing while a thoroughbred race meet is in progress within 50 miles or within 125 miles of a thoroughbred race meet in progress to a permit holder subject to taxation under s. 550.9515(2)(a).

Quarter horse permits are not eligible for transfer or conversion to another type of pari-mutuel operation.

¹ Section 550.334(2), F.S.

According to the division, there are six existing quarter horse permits.² None are currently in operation. There are two applications currently under review for Rock Crusher Racing, LLC in Citrus County and BQH Associates LLC in Brevard County.

III. Effect of Proposed Changes:

This CS removes the quarter horse specific application procedure and subjects quarter horse application procedures to the same criteria required of all other pari-mutuel permitholders.

The CS removes the requirement that a quarter horse permitholder receive the written consent of other pari-mutuel permitholders within 50 miles to conduct intertrack wagering.

The CS removes the quarter horse exemption to s. 550.054, F.S., making them subject to the mileage restrictions on pari-mutuel facility locations and application criteria found in the section.

The CS allows a person submitting a quarter horse permit application to the division before March 30, 2008, to be subject to the criteria for approval in existence before July 1, 2008.

This CS will take effect July 1, 2008.

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.

² Quarter horse racing permitholders include PPI, Inc., d/b/a Pompano Park Racing; Gulfstream Park Racing Association, Inc.; Tampa Bay Downs, Inc.; Hamilton Downs, Inc.; ELH Jefferson, LLC; and Ocala Breeders' Sales Company, Inc.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Regulated Industries on March 18, 2008:

The original bill provided that is the intent of the Legislature to revise laws relating to quarter horse racing. Please see the Effect of Proposed Changes section for the differences between the committee substitute and the prior version of the bill.

- B. Amendments:

None.