

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 on Agriculture, Environment, and General Government

BILL: CS/SB 622

INTRODUCER: Regulated Industries Committee and Senator Rodriguez and others

SUBJECT: Jai Alai Permitholders

DATE: April 14, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Baird</u>	<u>Imhof</u>	<u>RI</u>	<u>Fav/CS</u>
2.	<u>Davis</u>	<u>Betta</u>	<u>AEG</u>	<u>Pre-meeting</u>
3.	<u> </u>	<u> </u>	<u>FP</u>	<u> </u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 622 provides that holders of a valid pari-mutuel permit are entitled to lease their pari-mutuel permitted facilities to any jai alai permitholder within a 35-mile radius. This changes the current restriction that only allows holders of valid pari-mutuel permits lease their facilities to any other holder of a same class valid pari-mutuel permit. The bill also removes the authority for these permitholders to be entitled to obtain an additional permit; however, they may apply for a license to conduct specified gaming activities at the leased premises.

The bill is not expected to affect state revenues and expenditures. See Section V., Fiscal Impact Statement.

The bill takes July 1, 2025.

II. Present Situation:

Pari-Mutuel Wagering in Florida

Since approximately 1931, pari-mutuel wagering (PMW) activities have been authorized in Florida for jai alai, greyhound racing, and horseracing. Pari-mutuel wagering is a system of betting where all bets are placed into a pool and the payout is *then* distributed among the winners, proportionally to their wagers, after deducting a percentage for the house.

These activities are overseen and regulated¹ by the Division of Pari-Mutuel Wagering (division) within the Florida Gaming Control Commission (commission), which is housed for administrative purposes within the Department of Legal Affairs, Office of the Attorney General.² The commission issues permits and operating licenses for PMW activities. Only pari-mutuel wagering permitholders under certain conditions are authorized to conduct other gaming activities like operating a cardroom or operating slot machines at their PMW facilities.

Pari-Mutuel Wagering Permitting and Licensure

The Florida Pari-mutuel Wagering Act (Act)³ provides specific permitting and licensing requirements for the conduct of the pari-mutuel industry.⁴ Pari-mutuel wagering activities are limited to operators who have received a permit from the division, which is then subject to ratification by county referendum.⁵ Permitholders apply for an operating license annually to conduct PMW activities.⁶ Certain permitholders are also authorized to operate cardrooms⁷ and slot machines at their facility.⁸

The Act generally requires that any transfer or assignment of a permit receive prior approval⁹ by the commission, which must determine the eligibility¹⁰ of persons and entities to hold a permit. Similarly, if a permit is held by a corporation or business entity other than an individual, the transfer of ten percent or more of the stock or other evidence of ownership or equity in the permitholder may not be made without the prior approval of the transferee by the commission.¹¹

The Act restricts pari-mutuel permitholders from being issued an operating license to conduct PMW, slot machine gaming, or the operation of a cardroom if the permitholder did not hold an operating license for the conduct of PMW for Fiscal Year 2020-2021.¹²

The Act restricts pari-mutuel permitholders from holding a permit to conduct PMW and associated cardroom or slot machine licenses¹³ unless the permitholder, other than a limited thoroughbred permitholder, held an operating license for the conduct of PMW for Fiscal Year 2020-2021.¹⁴

¹ From 1932 to 1969, Florida's pari-mutuel industry was regulated by the State Racing Commission. In 1970, the commission became a division within the Department of Business Regulation, which, in 1993, became the Department of Business and Professional Regulation.

² See ss. 16.71-16.716, F.S.

³ Chapter 550, F.S.

⁴ Section 550.054(1), F.S.

⁵ Section 550.054(2), F.S.

⁶ Section 550.0115, F.S.

⁷ Section 849.086, F.S.

⁸ Section 551.104, F.S.

⁹ There is one exception to the prior-approval requirement in s. 550.054(11)(a), F.S., which is that the holder of a permit converted to a jai alai permit "may lease or build anywhere within the county in which its permit is located." As of 2021, such conversions are prohibited. See s. 550.054(15)(d), F.S.

¹⁰ See s. 550.1815, F.S.

¹¹ Section 550.054(11)(b), F.S.

¹² Section 550.01215(1)(d), F.S.

¹³ Under s. 551.114(4), F.S., designated slot machine gaming areas must be located at the address specified in the licensed permitholder's slot machine license issued for Fiscal Year 2020-2021.

¹⁴ Section 550.054(15)(a), F.S.

The Act specifies that permits held on January 1, 2021, are deemed valid,¹⁵ but new permits for pari-mutuel wagering may not be approved or issued.¹⁶

The commission is required to revoke the permit of any permitholder, other than a limited thoroughbred permitholder, who did not hold an operating license for the conduct of PMW for Fiscal Year 2020- 2021. A permit revoked under this provision is void and may not be reissued.¹⁷

Those pari-mutuel permits approved under ch. 550, F.S., are issued to the specific location in the permit application and for a specific type of pari-mutuel activity. Authorized pari-mutuel permit types include: greyhound racing, jai alai, thoroughbred racing, quarter horse racing, and harness horse racing.

Leasing of Pari-Mutuel Facilities

Florida allows holders of pari-mutuel permits to lease any and all of their facilities to any other holder of a same class valid pari-mutuel permit.¹⁸ There is a requirement that the facility be located within a 35-mile radius of the lessee.¹⁹ Once a lease agreement is in place, the lessee is entitled to a permit and license to conduct intertrack wagering and operate its race meet or jai alai games at the leased premise.²⁰

Florida defines the same class of races, games or permit as:

With respect to a jai alai permitholder, jai alai games or other jai alai permitholders; with respect to a greyhound permitholder, other greyhound permitholders conducting pari-mutuel wagering; with respect to a thoroughbred permitholder, thoroughbred races or other thoroughbred permitholders; with respect to a harness permitholder, harness races or other harness permitholders; with respect to a quarter horse permitholder, quarter horse races or other quarter horse permitholders.²¹

During Fiscal Year 2024-2025, approximately six pari-mutuel operating licenses are operating by lease at another same class pari-mutuel permitholder's permitted facility under s. 550.475, F.S.²²

Jai Alai

Jai alai is a fast-paced sport involving players hurling a ball against a wall, that can be configured in various ways, typically involving single players, teams of two, or in modern leagues, teams of

¹⁵ Section 550.054(15)(b), F.S.

¹⁶ Section 550.054(15)(c), F.S.

¹⁷ Section 550.054(9)(c), F.S.

¹⁸ Section 550.475, F.S.

¹⁹ *Id.*

²⁰ *Id.*

²¹ Section 550.002(31), F.S.

²² See Florida Gaming Control Commission, *2025 Agency Legislative Bill Analysis for SB 622* at 2 (March 4, 2025) (on file with the Senate Committee on Regulated Industries).

six. Beginning in the early 20th century in Florida, jai alai experienced great popularity but has since seen a decline in popularity throughout the 21st century.

There are approximately 10 jai alai operating licenses operating at seven permitted facilities.²³ During Fiscal Year 2023-2024, jai alai permitholders brought in less than \$1,000,000 in revenue from the pari-mutuel handle.²⁴ In Fiscal Year 2023-2024, only Dania Jai Alai and Magic City Jai Alai were conducting live jai alai games.

III. Effect of Proposed Changes:

Section 1 amends s. 550.475, F.S., to allow a pari-mutuel permit holder to lease their facilities to *any* jai alai permitholder when located within a 35-mile radius.

This amends the current law to allow a pari-mutuel permit holder to lease their facilities to jai alai permitholders, even if the jai alai permitholder *is not* in the same class as the pari-mutuel holder, (i.e., thoroughbred permit holder could lease their premises to a jai alai permitholder).

The bill also removes the authority for these permitholders to be entitled to obtain an additional permit; however, they may apply for a license to conduct intertrack wagering and operate its race meet or jai alai games activities at the leased premises.

Sections 2 and 3 reenacts ss. 550.54 and 550.615, F.S., for the purpose of incorporating the amendments being made by the bill.

Section 4 provides an effective date of July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

²³ See Florida Gaming Control Commission, *Annual Report Fiscal Year 2023-2024* (Annual Report), <https://flgaming.gov/pmw/annual-reports/docs/2023-2024-FGCC-Annual-Report.pdf> (last visited March 24, 2025).

²⁴ *Id.*

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may have a positive economic impact on businesses by opening up more opportunities for lessors and lessees of pari-mutuel wagering facilities. The amount of additional revenue that may be generated is unknown.

C. Government Sector Impact:

The bill is not expected to impact state revenues or expenditures.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 550.475 of the Florida Statutes.

This bill reenacts sections 550.054 and 550.615 of the Florida Statutes.

IX. 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 25, 2025:

The committee substitute provides that a holder of a valid pari-mutuel permit may lease their pari-mutuel permitted facilities to any other holder of a same class valid or to any jai alai permitholder.

Additionally, the committee substitute provides that such lessee may apply (as opposed to being entitled) for a license to conduct intertrack wagering and operate its race meet or jai alai games at the leased premises.

B. Amendments:

None.

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