


# Commerce Committee

**Monday, March 17, 2025**
**4:00 PM - 6:00 PM**
**Webster Hall (212 Knott)**

## Meeting Packet

**Daniel Perez**
**Speaker**

**James Buchanan**
**Chair**

# The Florida House of Representatives

**Commerce Committee**

**Daniel Perez**
**Speaker**

**James Buchanan**
**Chair**

## Meeting Agenda

Monday, March 17, 2025
4:00 pm – 6:00 pm
Webster Hall (212 Knott)

I. Call to Order

II. Roll Call

III. Welcome and Opening Remarks

**IV. Consideration of the following bill(s):**

- HB 11 Municipal Water and Sewer Utility Rates by Robinson, F.
- CS/HB 367 Home and Service Warranty Association Financial Requirements by Insurance & Banking Subcommittee, Conerly
- HB 655 Pet Insurance and Wellness Programs by Tuck
- HB 6015 Limitation of Size of Individual Wine Containers by Oliver

**Consideration of the following bill(s) with proposed committee substitute(s):**

- PCS for CS/HB 105 -- Thoroughbred Permitholders

V. Closing Remarks

VI. Adjournment

214 House Office Building, 402 South Monroe Street, Tallahassee, Fl 32399-1300
(850) 717-4870

**HB 11**

# FLORIDA HOUSE OF REPRESENTATIVES
# BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

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|---|---|
| **BILL #:** HB 11 | **COMPANION BILL:** SB 202 (Jones) |
| **TITLE:** Municipal Water and Sewer Utility Rates | **LINKED BILLS:** None |
| **SPONSOR(S):** Robinson, F. | **RELATED BILLS:** None |

**Committee References**

| Economic Infrastructure | ➤ | Intergovernmental Affairs | ➤ | Commerce |
|---|---|---|---|---|
| 18 Y, 0 N | | 16 Y, 0 N | | |

## SUMMARY

**Effect of the Bill:**

The bill states that a municipality which operates a water or sewer utility outside its municipal boundaries must charge consumers outside its boundaries the same rates, fees, and charges as it charges consumers within its boundaries if:

- The consumers are located in a separate municipality, and
- The municipality providing service uses a water or sewer treatment plant located in the separate municipality to serve those consumers.

**Fiscal or Economic Impact:**

The bill may have an indeterminate negative impact on certain local government revenues.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

### EFFECT OF THE BILL:

The bill provides that a municipally owned utility which provides water or sewer services outside of its municipal boundaries must charge consumers outside its boundaries the same rates, fees, and charges as it charges consumers within its boundaries if:

- The consumers are located in a separate municipality, and
- The municipality providing service uses a water or sewer treatment plant located in the separate municipality to serve those consumers. (Section 1).

The bill provides an effective date of July 1, 2025. (Section 2).

### FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

The bill may have a negative fiscal impact on municipalities which own and operate water or sewer utilities and serve consumers located in another municipality with facilities located in the recipient municipality, as it reduces the amount that those municipal water and sewer utilities that use such facilities can charge such consumers.

PRIVATE SECTOR:

The bill may result in cost savings for certain municipal water and sewer utility consumers located outside of municipal boundaries.

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

### Municipally Owned Utilities

Pursuant to Art. VIII, s. 2(b), of the Florida Constitution, municipalities have the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services. Municipalities may exercise any power for municipal purposes, except when expressly prohibited by law.[1] The legislative body of each municipality has the power to enact legislation on any subject upon which the state Legislature may act with certain exceptions.[2] Under their home rule power and as otherwise provided or limited by law or agreement, municipalities may provide utilities to citizens and entities within the municipality's corporate boundaries, in unincorporated areas, and even in other municipalities.

Municipalities are authorized by general law to provide water and sewer utility services.[3] With respect to public works projects, including water and sewer utility services,[4] municipalities may extend and execute their corporate powers outside of their corporate limits as "desirable or necessary for the promotion of the public health, safety and welfare."[5] A municipality may not extend or apply these corporate powers within the corporate limits of another municipality.[6] However, it may permit any other municipality and the owners of lands outside its corporate limits or within the limits of another municipality to connect with its water and sewer utility facilities and use its services upon agreed terms and conditions.[7] An informal study conducted in 2014 indicated that approximately 250 municipalities provided water service and approximately 220 municipalities provided wastewater service. Of these municipalities, the study found that approximately 140 provided water and/or wastewater services to consumers outside of their municipal boundaries, which may have included consumers in unincorporated areas of counties or in other municipalities.[8] These utility systems are exempt from the jurisdiction of the Florida Public Service Commission.[9]

### Municipal Utility Rates, Fees, and Charges Outside of Municipal Boundaries

A municipality that operates a water or sewer utility outside of its municipal boundaries may impose higher rates, fees, and charges on consumers receiving service outside of its corporate boundaries as compared to the rates, fees, and charges imposed on consumers within its boundaries. The municipality can accomplish this in two ways:

- First, for consumers outside of its boundaries, it may add a surcharge of up to 25 percent of the rates, fees, and charges imposed on consumers within its boundaries. This mechanism does not require a public hearing.[10]
- Second, it may set separate rates, fees, and charges for consumers outside its boundaries based on the same factors used to set rates for consumers within its boundaries. It may add a surcharge of up to 25 percent of

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[1] Section 166.021(2), F.S., provides that any activity or power which may be exercised by the state or its political subdivisions is considered a municipal purpose.
[2] Pursuant to s. 166.021(3), F.S., a municipality may not enact legislation on the following: the subjects of annexation, merger, and exercise of extraterritorial power, which require general law or special law; any subject expressly prohibited by the constitution; any subject expressly preempted to state or county government by the constitution or by general law; and any subject preempted to a county pursuant to a county charter adopted under the authority of the State constitution.
[3] Pursuant to s. 180.06, F.S., a municipality may "provide water and alternative water supplies;" "provide for the collection and disposal of sewage, including wastewater reuse, and other liquid wastes;" and "construct reservoirs, sewerage systems, trunk sewers, intercepting sewers, pumping stations, wells, siphons, intakes, pipelines, distribution systems, purification works, collection systems, treatment and disposal works" to accomplish these purposes.
[4] Other public works projects authorized under s. 180.06, F.S., include alternative water supplies, maintenance of water flow and bodies of water for sanitary purposes, garbage collection and disposal, airports, hospitals, jails, golf courses, gas plants and distribution systems, and related facilities.
[5] S. 180.02(2), F.S.
[6] *Id.*
[7] S. 180.19, F.S.
[8] Analysis of House Bill 813 (2014), Florida House of Representatives.
[9] S. 367.022(2), F.S.
[10] S. 180.191(1)(a), F.S.

these charges, provided that the total of all such rates, fees, and charges for service to consumers outside its boundaries may not exceed the total charges to consumers within its boundaries by more than 50 percent for corresponding service. Rates set in this manner require a public hearing at which all users served or to be served by the water or sewer utilities and all other interested persons will have an opportunity to be heard concerning the proposed rates.[11]

There is no central repository for information concerning municipal water or sewer service rates that identifies municipalities that impose higher rates on consumers outside of the municipal boundaries, the specific mechanism used by such municipalities to establish such rates, or the level of any additional charge or surcharge imposed.

**Additional Relevant Information**

Art. VII, s. 18(b), of the Florida Constitution states that the legislature may not enact any law that would reduce the authority municipalities or counties have to raise revenues in the aggregate, except upon approval of two-thirds of the membership of each house of the legislature.

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Economic Infrastructure Subcommittee | 18 Y, 0 N | 3/5/2025 | Keating | Bauldree |
| Intergovernmental Affairs Subcommittee | 16 Y, 0 N | 3/12/2025 | Darden | Burgess |
| Commerce Committee | | | Hamon | Bauldree |

[11] S. 180.191(1)(b), F.S.

A bill to be entitled

An act relating to municipal water and sewer utility rates; amending s. 180.191, F.S.; requiring a municipality to charge consumers receiving its utility services in another municipality the same rates, fees, and charges as it charges consumers within its own municipal boundaries under certain circumstances; providing an effective date.

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

**Section 1. Subsections (2), (3), and (4) of section 180.191, Florida Statutes, are renumbered as subsections (3), (4), and (5), respectively, subsection (1) is amended, and a new subsection (2) is added to that section, to read:**

180.191 Limitation on rates charged consumer outside city limits.—

(1) Any municipality within this ~~the~~ state that operates ~~operating~~ a water or sewer utility outside ~~of~~ the boundaries of the ~~such~~ municipality shall charge consumers outside the boundaries rates, fees, and charges determined in one of the following manners:

(a) It may charge the same rates, fees, and charges as consumers inside the municipal boundaries. However, in addition ~~thereto~~, the municipality may add a surcharge of not more than



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

25 percent of such rates, fees, and charges to consumers outside the boundaries, except as provided in subsection (2). Fixing of the ~~such~~ rates, fees, and charges in this manner does ~~shall~~ not require a public hearing except as may be provided for service to consumers inside the municipality.

(b) It may charge rates, fees, and charges that are just and equitable and that ~~which~~ are based on the same factors used in fixing the rates, fees, and charges for consumers inside the municipal boundaries, except as provided in subsection (2). In addition ~~thereto~~, the municipality may add a surcharge not to exceed 25 percent of the ~~such~~ rates, fees, and charges for ~~said~~ services to consumers outside the boundaries. However, the total of all the ~~such~~ rates, fees, and charges for the services to consumers outside the boundaries may ~~shall~~ not be more than 50 percent in excess of the total amount the municipality charges consumers served within the municipality for corresponding service. The ~~No Such~~ rates, fees, and charges may not ~~shall~~ be fixed until after a public hearing at which all of the users of the water or sewer systems; owners, tenants, or occupants of property served or to be served ~~thereby~~; and all others interested ~~shall~~ have had an opportunity to be heard concerning the proposed rates, fees, and charges. Any change or revision of the ~~such~~ rates, fees, or charges may be made in the same manner as the ~~such~~ rates, fees, or charges were originally established, but if a ~~such~~ change or revision is to be made substantially pro

rata as to all classes of service, both inside and outside the municipality, a ~~no~~ hearing or notice is not ~~shall be~~ required.

(2) Any municipality within this state that operates a water or sewer utility providing service to consumers within the boundaries of a separate municipality using a water treatment plant or sewer treatment plant located within the boundaries of that separate municipality shall charge consumers in the separate municipality the same rates, fees, and charges as it charges the consumers within its own municipal boundaries.

**Section 2.** This act shall take effect July 1, 2025.

**CS/HB 367**

# FLORIDA HOUSE OF REPRESENTATIVES
# BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

| | |
|---|---|
| **BILL #:** CS/HB 367 | **COMPANION BILL:** CS/SB 282 (Truenow) |
| **TITLE:** Home and Service Warranty Association Financial Requirements | **LINKED BILLS:** None |
| **SPONSOR(S):** Conerly | **RELATED BILLS:** None |

**Committee References**

| | | |
|---|---|---|
| Insurance & Banking<br>17 Y, 0 N, As CS | ➤ | Commerce |

## SUMMARY

**Effect of the Bill:**

The bill allows both home warranty associations and service warranty associations to satisfy financial requirements using one or more contractual liability insurance policies from multiple insurers rather than only permitting a single contractual liability policy.

Additionally, the bill reduces the amount of information a service warranty association must file to document its eligibility for an exemption from reserve or contracting requirements.

The bill specifies that contracts covering accidental damage from handling must be backed by a contractual liability policy, except for associations exempt from reserve and insurance requirements under specific statutory provisions.

**Fiscal or Economic Impact:**

None

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

The bill allows home warranty associations and service warranty associations to satisfy financial requirements using one or more contractual liability insurance policies from multiple insurers. (Section 1 and 2).

Additionally, the bill allows a service warranty association to document its parent company's required net worth by submitting one of the following, rather than both:

- Audited financial statements, or
- SEC filings (or equivalent forms from a recognized stock exchange). (Section 2).

The bill requires that all contracts providing coverage for accidental damage from handling be backed by a contractual liability policy as referenced in existing law. However, an exception is made for associations that are not required to establish an unearned premium reserve or maintain contractual liability insurance under specific statutory provisions. (Section 3).

The effective date of the bill is January 1, 2026. (Section 4).

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

A warranty is an assurance that a manufacturer or seller makes about the condition of its product.[1] A warranty means that a manufacturer or seller will replace or repair the product under certain instances. A warranty can be either express or implied.[2]

An express warranty is a verbal or written assurance for the product.[3] On the other hand, an implied warranty is an unstated assurance that the product is made for its intended purpose.[4] An implied warranty is in addition to an express warranty. However, an implied warranty may be negated or limited by an express warranty. There is no implied warranty if a seller states that the product is "as is", "with all faults", or similar language.[5]

**The Office of Insurance Regulation (OIR)**

Warranty associations and companies in Florida, including those associations selling home and service warranties, and those companies selling motor vehicle service agreements, are regulated by the Office of Insurance Regulation (OIR).[6] OIR regulates the insurance industry in Florida. OIR is responsible for the regulation of all activities in the state concerning insurers and other risk bearing entities, including licensing, rates, policy forms, market conduct, claims, issuance of certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision.[7]

While warranties are not considered traditional insurance products, OIR regulates warranty associations and companies similarly to the way in which it regulates insurers.[8] Home and service warranty associations must be licensed by OIR[9] and must maintain certain minimum financial standards in order to do warranty business in Florida.[10]

**Home Warranties**

A home warranty is a contract or agreement between the homeowner and the issuing company, safeguarding the homeowner from expenses related to the repair or replacement of structural components or appliances in the home.[11] This protection extends to issues caused by normal wear and tear or defects in these components or appliances.[12]

Home warranty contracts or agreements can be drafted by a Home Warranty Association licensed under s. 634.303, F.S., or by an authorized insurance company permitted to offer coverage in this category.[13]

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[1] s. 681.102(22), F.S.
[2] 45 Fla. Jur 2d Sales and Exchanges of Goods § 156.
[3] "An express warranty is created by an affirmation of fact or promise made by the seller to the buyer that relates to the goods, by any description of the goods that is made part of the basis of the bargain, or by any sample or model that is made part of the basis of the bargain." S. 672.313, F.S.
[4] S. 672.314, F.S.
[5] S. 672.316, F.S.
[6] *See* ch. 634, F.S.
[7] Florida Office of Insurance Regulation, *Organization and Operation, https://floir.com/about-us/organization-and-operation#:~:text=The%20Florida%20um%20financing%2C%20and%20administrative (last visited Feb. 28, 2025). See also s. 624.308, F.S., and R. 69O, et seq., F.A.C.*]
[8] *See* ch. 634, F.S.
[9] Ss. 634.303 and 634.403, F.S. Neither the Florida Insurance Code nor this section grants permission for any home warranty association to conduct insurance business beyond what is specifically defined as home warranty or to participate in any other form of insurance. Any engagement in alternative insurance types requires explicit authorization through a certificate of authority issued by the office under the provisions of the Florida Insurance Code. S. 634.325, F.S.
[10] Ss. s. 634.3077, F.S. and 634.406, F.S.
[11] S. 634.301(2), F.S.
[12] *Id.*
[13] S. 634.303, F.S.

## Service Warranty

A Service Warranty is a warranty, guarantee, extended warranty, or maintenance service contract lasting one year or more that covers the cost of repair, replacement, or maintenance of a consumer product in exchange for a premium payment.[14]

A service warranty contract may be issued by a licensed Service Warranty Association, as authorized under S. 634.403, F.S., or by an insurance company authorized to provide this type of coverage.[15]

Service warranty rates are not regulated or approved by the Florida Office of Insurance Regulation (OIR).[16] As required by s. 634.414, F.S., every service agreement sold in Florida must include a written disclosure informing consumers that the rate charged is not subject to OIR regulation.[17] This disclosure may be included in the service agreement itself or provided separately at the time of purchase.[18]

## How Home and Service Warranty Associations Work in Florida

In Florida, companies that sell home warranties and service warranties are regulated under Ch. 634, and are commonly referred to as warranty associations. These businesses collect fees from customers in exchange for providing coverage and must comply with financial regulations to ensure they can pay claims when required.

To meet Florida's financial requirements, warranty associations have two options:

1. Maintain an Unearned Premium Reserve
    - A portion of the money collected from customers must be set aside in a reserve fund to cover future claims.[19]
2. Purchase Contractual Liability Insurance (CLI)
    - Instead of maintaining a reserve, a warranty association can purchase a CLI from an insurer.[20]
    - CLI guarantees that if the warranty association is unable to fulfill its obligations (due to insolvency, bankruptcy, or other financial issues), the insurer will cover the claims.[21]
    - CLI must be obtained from an insurer authorized to do business in Florida or approved by the OIR as financially capable of covering obligations.[22]

## Financial Requirements for Home and Service Warranty Associations

To ensure warranty associations remain financially stable and capable of meeting their obligations to consumers, Florida law imposes additional financial requirements.

Premium-to-Net-Assets Ratio

- Warranty associations cannot have gross written premiums that exceed seven times their available assets (a 7-to-1 ratio).[23]
- If a company exceeds this limit, it must meet stricter financial conditions, such as maintaining higher net assets or purchasing CLI from an insurer with significant financial reserves.[24]

Net Worth Requirements

- Some warranty associations must maintain a minimum level of net assets to demonstrate financial stability.[25]

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[14] S. 634.401, F.S.
[15] Consumer Services, *Service Warranty Overview*, https://myfloridacfo.com/division/consumers/understanding-insurance/service-warranty-overview, (Last visited Feb. 18, 2025).
[16] *Id.*
[17] *Id.*
[18] *Id.*
[19] S. 634.3077(1), F.S., and S. 634.406(3), F.S.
[20] S. 634.406(3), F.S.
[21] S. 634.406(3)(a), F.S.
[22] S. 634.406(3), F.S.
[23] S. 634.406(4), F.S.
[24] S. 634.406(4)(b), F.S.
[25] S. 634.406(6)(a), F.S.

- Companies exceeding the 7-to-1 ratio must hold at least $750,000 in net assets and secure CLI from an insurer with a policyholder surplus of at least $100 million or $200 million, depending on circumstances.[26]

Exemptions for Large Companies

- Warranty associations (or their parent companies) with a net worth of at least $100 million may be exempt from maintaining an unearned premium reserve or purchasing CLI.[27]
- These companies must submit audited financial statements and regular financial reports to regulators to prove they meet the exemption criteria.[28]

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Insurance & Banking Subcommittee | 17 Y, 0 N, As CS | 3/5/2025 | Lloyd | Herrera |
| THE CHANGES ADOPTED BY THE COMMITTEE: | requires that contracts covering accidental damage from handling must be backed by contractual liability insurance, unless issued by an association exempt from the applicable financial requirements. | | | |
| Commerce Committee | | | Lloyd | Herrera |

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**THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.**

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[26] S. 634.406(6)(b), F.S.
[27] S. 634.406(7)(a), F.S.
[28] S. 634.406(7)(a)(1), F.S.

A bill to be entitled

An act relating to home and service warranty association financial requirements; amending s. 634.3077, F.S.; making technical changes; amending s. 634.406, F.S.; revising the circumstances under which certain service warranty associations are not required to establish unearned premium reserves or to maintain contractual liability insurance and are authorized to allow their premiums to exceed specified ratios; amending s. 634.414, F.S.; requiring service warranty contracts that include coverage for certain accidental damage to be covered by contractual liability policies; providing exceptions; providing an effective date.

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

**Section 1. Subsection (3) of section 634.3077, Florida Statutes, is amended to read:**

634.3077 Financial requirements.—

(3) An association may not be required to set up an unearned premium reserve if it has purchased contractual liability insurance which demonstrates to the satisfaction of the office that 100 percent of its claim exposure is covered by such insurance. Such contractual liability insurance shall be

obtained from an insurer or insurers that hold a certificate of authority to do business within the state or from an insurer or insurers approved by the office as financially capable of meeting the obligations incurred pursuant to the policy or policies. For purposes of this subsection, the contractual liability policy or policies shall contain the following provisions:

(a) In the event that the home warranty association is unable to fulfill its obligation under its contracts issued in this state for any reason, including insolvency, bankruptcy, or dissolution, the contractual liability insurer or insurers will pay losses and unearned premiums under such plans directly to persons making claims under such contracts.

(b) The insurer or insurers issuing the policy or policies shall assume full responsibility for the administration of claims in the event of the inability of the association to do so.

(c) The policy or policies may not be canceled or not renewed by the insurer or insurers or the association unless 60 days' written notice thereof has been given to the office by the insurer or insurers before the date of such cancellation or nonrenewal.

(d) The contractual liability insurance policy or policies shall insure all home warranty contracts that were issued while the policy or policies were ~~was~~ in effect whether or not the

premium has been remitted to the insurer or insurers.

**Section 2. Subsections (3) and (4), paragraphs (b) and (c) of subsection (6), and paragraph (a) of subsection (7) of section 634.406, Florida Statutes, are amended to read:**

634.406 Financial requirements.—

(3) An association will not be required to establish an unearned premium reserve if it has purchased contractual liability insurance which demonstrates to the satisfaction of the office that 100 percent of its claim exposure is covered by such policy or policies. The contractual liability insurance shall be obtained from an insurer or insurers that hold ~~holds~~ a certificate of authority to do business within the state. For the purposes of this subsection, the contractual liability policy or policies shall contain the following provisions:

(a) In the event that the service warranty association does not fulfill its obligation under contracts issued in this state for any reason, including insolvency, bankruptcy, or dissolution, the contractual liability insurer or insurers will pay losses and unearned premium refunds under such plans directly to the person making a claim under the contract.

(b) The insurer or insurers issuing the contractual liability policy or policies shall assume full responsibility for the administration of claims in the event of the inability of the association to do so.

(c) The policy or policies may not be canceled or not

renewed by either the insurer or insurers or the association unless 60 days' written notice thereof has been given to the office by the insurer or insurers before the date of such cancellation or nonrenewal.

(d) The contractual liability insurance policy or policies shall insure all service warranty contracts which were issued while the policy or policies were ~~was~~ in effect whether or not the premium has been remitted to the insurer or insurers.

(e) In the event the issuer or issuers of the contractual liability policy or policies are ~~is~~ fulfilling the service warranty covered by policy or policies and in the event the service warranty holder cancels the service warranty, it is the responsibility of the contractual liability policy issuer or issuers to effectuate a full refund of unearned premium to the consumer. This refund shall be subject to the cancellation fee provisions of s. 634.414. The salesperson or agent shall refund to the contractual liability policy issuer or issuers the unearned pro rata commission.

(f) An association may not utilize both the unearned premium reserve and contractual liability insurance simultaneously. However, an association shall be allowed to have contractual liability coverage on service warranties previously sold and sell new service warranties covered by the unearned premium reserve, and the converse of this shall also be allowed. An association must be able to distinguish how each individual

service warranty is covered.

(4) No warrantor may allow its gross written premiums in force to exceed a 7-to-1 ratio to net assets; however, a company may exceed this requirement if:

(a) The company:

1.~~(a)~~ Holds licenses issued pursuant to the provisions of part I and this part;~~, and~~

2.~~(b)~~ Maintains net assets of at least $2.5 million;~~,~~ and

3.~~(c)~~ Utilizes contractual liability insurance which reimburses the service warranty association for 100 percent of its paid claims;~~,~~ and

(b)~~(d)~~ The insurer or insurers issuing the contractual liability insurance policy or policies maintain ~~maintains~~ a policyholder surplus of at least $100 million and are ~~is~~ rated "A" or higher by A.M. Best Company.

(6) An association that holds a license under this part may allow its premiums for service warranties written under this part to exceed the ratio to net assets limitations of this section if the association meets all of the following:

(b) Uses a contractual liability insurance policy or policies approved by the office that:

1. Reimburse ~~Reimburses~~ the service warranty association for 100 percent of their ~~its~~ claims liability and are ~~is~~ issued by an insurer or insurers that maintain ~~maintains~~ a policyholder surplus of at least $100 million; or

2. Comply ~~Complies~~ with subsection (3) and are ~~is~~ issued by an insurer or insurers that maintain ~~maintains~~ a policyholder surplus of at least $200 million.

(c) The insurer or insurers issuing the contractual liability insurance policy or policies:

1. Are ~~Is~~ rated "A" or higher by A.M. Best Company or an equivalent rating by another national rating service acceptable to the office.

2. In conjunction with the warranty association's filing of the quarterly and annual reports, provide ~~provides~~, on a form prescribed by the commission, a statement certifying the gross written premiums in force reported by the warranty association and a statement that all of the warranty association's gross written premium in force is covered under the contractual liability policy or policies, regardless of whether it has been reported.

(7) An association licensed under this part and holding no other license under part I or part II of this chapter is not required to establish an unearned premium reserve or maintain contractual liability insurance and may allow its premiums to exceed the ratio to net assets limitation of this section if the association complies with the following:

(a) The association or, if the association is a direct or indirect wholly owned subsidiary of a parent corporation, its parent corporation has, and maintains at all times, a minimum

net worth of at least $100 million and provides the office with one of the following:

1. A copy of the association's annual audited financial statements or the audited consolidated financial statements of the association's parent corporation, prepared by an independent certified public accountant in accordance with generally accepted accounting principles, which clearly demonstrate the net worth of the association or its parent corporation to be $100 million and a quarterly written certification to the office that such entity continues to maintain the net worth required under this paragraph.

2. The association's, or its parent corporation's, Form 10-K, Form 10-Q, or Form 20-F as filed with the United States Securities and Exchange Commission or such other documents required to be filed with a recognized stock exchange, which shall be provided on a quarterly and annual basis within 10 days after the last date each such report must be filed with the Securities and Exchange Commission, the National Association of Security Dealers Automated Quotation system, or other recognized stock exchange.

Failure to timely file the documents required under this paragraph may, at the discretion of the office, subject the association to suspension or revocation of its license under this part.

**Section 3. Subsection (5) is added to section 634.414, Florida Statutes, to read:**

634.414 Forms; required provisions.—

(5) Each service warranty contract that includes coverage for accidental damage from handling must be covered by the contractual liability policy referred to in s. 634.406(3), unless issued by an association not required to establish an unearned premium reserve or maintain contractual liability insurance under s. 634.406(7).

**Section 4.** This act shall take effect July 1, 2025.

# HB 655

# FLORIDA HOUSE OF REPRESENTATIVES
# BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

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|---|---|
| **BILL #:** HB 655 | **COMPANION BILL:** SB 1226 (DiCeglie) |
| **TITLE:** Pet Insurance and Wellness Programs | **LINKED BILLS:** None |
| **SPONSOR(S):** Tuck | **RELATED BILLS:** None |

**Committee References**

Insurance & Banking
17 Y, 0 N

➤

Commerce

## SUMMARY


**Effect of the Bill:**

The bill creates necessary regulatory statutes to facilitate the production of pet insurance policies for sale within the state, encompassing various aspects such as defining pet insurance, establishing disclosure requirements, and regulating the marketing and sales practices of wellness programs. It expands the definition of property insurance to include coverage for pets, covering accidents and illnesses explicitly. Additionally, the bill imposes training requirements for agents and brokers involved in selling pet insurance policies and outlines enforcement measures, including penalties for violations under the Florida Insurance Code.

**Fiscal or Economic Impact:**

The bill may have an indeterminate fiscal impact on the private sector and state government expenditures.



JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY


## ANALYSIS

**EFFECT OF THE BILL:**

*Expansion of Property Insurance Definition to Include Pet Coverage*

This bill amends the definition of "property insurance" to explicitly include pet insurance coverage for accidents and for illnesses or diseases of pets. It clarifies that property insurance may contain a provision for accidental death or injury as part of a multiple peril homeowner's policy, which is considered incidental to the property insurance and is not subject to the provisions of the code applicable to life or health insurance. (Section 1).

*Regulation of Sales Practices for Pet Wellness Programs*

The bill defines unfair methods of competition and unfair or deceptive acts or practices related to the sales practices for pet wellness programs. It prohibits pet insurance agents from marketing a wellness program as pet insurance. If a wellness program is sold by a pet insurance agent, several conditions must be met, including:

- The purchase of the wellness program cannot be a prerequisite to the purchase of pet insurance.
- The costs of the wellness program must be separate and identifiable from any pet insurance policy sold by the agent.
- The terms and conditions of the wellness program must be distinct from any pet insurance policy sold by the agent.
- The products or coverages available through the wellness program cannot duplicate those available through the pet insurance policy.
- The advertising of the wellness program must not be misleading. (Section 2).

*Pet Insurance Definitions and Usage*

The bill creates necessary regulatory statutes to facilitate the production of pet insurance policies for sale within the state. The bill applies to policies issued to residents of the state, those sold or offered within the state's boundaries, as well as policies delivered or issued for delivery in the state.

The bill defines pet insurance as coverage designed for accidents and illnesses or diseases of pets, facilitating reimbursement for expenses linked to veterinary medical advice, diagnosis, care, or treatment, encompassing prescribed medications. Additionally, it introduces definitions for various terms, including chronic conditions, congenital anomaly or disorder, hereditary disorder, orthopedic condition, pet insurance policy, preexisting condition, renewal, veterinarian, waiting period, and wellness program.

The bill mandates that if pet insurers incorporate the defined terms within a pet insurance policy, they must adhere to the provided definition verbatim. Additionally, the pet insurer is required to ensure accessibility of these definitions to policyholders. (Section 3).

*Disclosure Requirements for Pet Insurance Policies*

The bill requires pet insurers to disclose coverage exclusions for chronic conditions, congenital anomalies, hereditary disorders, and preexisting conditions, along with any other applicable exclusions. Additionally, they must disclose policy provisions limiting coverage, changes in coverage or premiums, and differentiate between the underwriting company and the marketed brand.

Pet insurers must allow a 30-day review period for policyholders to return policies for a refund if unsatisfied, provided no claims have been filed. They must also disclose the basis for determining claim payments, including benefit schedules and fee limitations, and any required medical examinations before policy purchase.

Further, the bill requires pet insurers to clearly disclose waiting periods and their requirements to applicants. Pet insurers must provide a summary of policy provisions and written disclosures including contact details for regulatory offices and the insurer or agent. These disclosures are in addition to any other disclosures required by law or regulation. (Section 3).

*Preexisting Conditions, Waiting Periods, and Policy Renewals*

The bill allows pet insurers to issue policies excluding coverage for preexisting conditions, provided that appropriate disclosure is made to the applicant or policyholder, with the burden of proving the applicability of the exclusion resting on the insurer. Additionally, pet insurers are permitted to impose waiting periods before the effective date of a new policy, not exceeding 30 days for certain conditions,[1] with provisions for waiving the waiting period upon completion of a medical examination, the costs of which are typically paid by the policyholder. These waiting periods and their requirements must be clearly disclosed to applicants before policy purchase.

The bill prohibits pet insurers from requiring medical examinations for policy renewals and mandates compliance with the Florida Insurance Code for additional benefits included in policies. Furthermore, it ensures that an applicant's eligibility for pet insurance is not tied to participation in a wellness program. (Section 3).

*Marketing and Sales of Wellness Programs*

The bill prohibits pet insurers and their agents from misrepresenting wellness programs as pet insurance. It mandates that if wellness programs are offered alongside pet insurance, they must be separate and not required for pet insurance purchase. Additionally, the costs, terms, and products of wellness programs must be distinct from pet insurance. Clear disclosures must be provided to applicants and policyholders regarding the nature of wellness programs, and wellness benefits within pet insurance policies are recognized as insurance. (Section 3).

[1] "Certain conditions" referenced in this sentence include illnesses, diseases, or orthopedic conditions not resulting from an accident, as specified within the context of the bill

*Agent and Broker Training Requirements*

The bill requires specific training for agents and brokers involved in selling pet insurance policies. Agents and brokers must obtain appropriate licensing and complete specified training before engaging in the sale, solicitation, or negotiation of pet insurance policies. Pet insurers are responsible for ensuring that their agents and brokers receive training on preexisting conditions, waiting periods, and the distinctions between pet insurance and wellness programs. Additionally, training must cover chronic conditions, congenital anomalies, hereditary disorders, and administrative aspects of pet insurance policies. Satisfaction of training requirements from other states with substantially similar provisions is recognized as meeting the training standards in the state. (Section 3).

*Enforcement, Applicability, and Rulemaking Authority*

A violation of the bill's requirements will be a violation of the Florida Insurance Code. Additionally, it clarifies that while all other relevant insurance laws apply to pet insurance, the specific regulations outlined in this bill take precedence over any conflicting general provisions. The bill does not restrict the types of exclusions pet insurers can employ in their policies nor does it mandate the inclusion of any specific limitations or exclusions. Furthermore, the bill grants the commission the authority to adopt rules and regulations essential for the effective administration of this section. (Section 3).

The bill provides an effective date of January 1, 2026. (Section 4).

**RULEMAKING:**

Sufficient rulemaking authority for the FSC and OIR to administer the bill's provisions is provided.

***Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.***

**FISCAL OR ECONOMIC IMPACT:**

STATE GOVERNMENT:

The bill necessitates the incorporation of pet insurance into the information technology systems of OIR, resulting in a one-time impact. However, OIR existing resources have the capacity to absorb this impact.[2]

PRIVATE SECTOR:

The bill may positively impact the private sector if the regulatory efficiency it establishes results in lower production costs for pet insurance providers.

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

National Association of Insurance Commissioners

[2] Email from Kevin James, Deputy Legislative Affairs Director, Department of Management Services, HB 1465 Bill Analysis (Jan. 25, 2024). The bill analysis has not yet been received; however, DMS provided similar information in its analysis of last year's legislation, and this section of the bill remains identical to last year's version.

The National Association of Insurance Commissioners (NAIC) serves as the insurance standard-setting and regulatory support body in the United States.[3] Comprised of insurance regulators from all 50 states, the District of Columbia, and five U.S. territories, the NAIC aids state regulators in fulfilling their public service mandate.[4] It achieves this by setting standards and regulatory best practices, facilitating the exchange of information, offering regulatory support services, and educating consumers, industry professionals, and government stakeholders on the state-based insurance regulatory framework of the United States.[5]

Office of Insurance Regulation

The Office of Insurance Regulation (OIR) regulates specified insurance products, insurers, and other risk bearing entities in Florida.[6] The Financial Services Commission (FSC), composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture, serves as agency head of the OIR for purposes of rulemaking. Further, the FSC appoints the OIR commissioner.

As part of their regulatory oversight, the OIR may suspend or revoke an insurer's certificate of authority under certain conditions.[7] The OIR is responsible for examining the affairs, transactions, accounts, records, and assets of each insurer that holds a certificate of authority to transact insurance business in Florida.[8] As part of the examination process, all persons being examined must make available to the OIR the accounts, records, documents, files, information, assets, and matters in their possession or control that relate to the subject of the examination.[9] The OIR is also authorized to conduct market conduct examinations to determine compliance with applicable provisions of the Insurance Code.[10]

Current Situation - Pet Insurance

Pet insurance offers coverage for accidents and illnesses primarily for household pets, notably dogs and cats.[11] While classified and regulated as Property and Casualty (P/C) insurance[12], it parallels human health insurance in providing annual coverage subject to predetermined rates and conditions.[13] Originating in the U.S. in 1980, pet insurance has experienced significant expansion since its inception.[14]

The North American Pet Health Insurance Association (NAPHIA) serves as the leading advocacy group, representing over 99 percent of the U.S. and Canada pet health insurance industry.[15] Notably, in 2017, NAPHIA members witnessed growth, with total premium volume reaching approximately $1.03 billion in the U.S., marking a substantial 23.2 percent increase from the previous year.[16] In the U.S. and its territories, direct written premiums amounted to roughly $640 billion.[17] Despite the rapid growth, pet insurance still represents a small percentage of the total P/C market.[18]

Pet insurance policies typically cover various veterinary expenses, including[19]:

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[3] NAIC, *Our Story*, https://content.naic.org/about (last visited Feb. 28, 2025).
[4] *Id*.
[5] *Id*.
[6] S. 20.121(3)(a), F.S.
[7] S. 624.418, F.S.
[8] S. 624.316(1)(a), F.S.
[9] S. 624.318(2), F.S.
[10] The Code is comprised of chs. 624-632, 634-636, 641, 642, 648, and 651, F.S. *See* S. 624.3161, F.S.
[11] National Association of Insurance Commissioners, *A Regulator's* (last visited Feb. 28, 2025).
[12] Casualty insurance is a broad category of insurance coverage for individuals, employers, and businesses against loss of property, damage, or other liabilities. Casualty insurance includes vehicle insurance, liability insurance, and theft insurance. Liability losses are losses that occur as a result of the insured's interactions with others or their property. *See* Investopedia, *Casualty Insurance: Definition, Types, and Examples,* https://www.investopedia.com/terms/c/casualtyinsurance.asp (last visited Feb. 28, 2025).
[13] *Id*.
[14] *Id*.
[15] *Id*.
[16] *Id* at 4.
[17] *Id*.
[18] *Id*.
[19] Forbes, *What Does Pet Insurance Cover?*, https://www.forbes.com/advisor/pet-insurance/what-does-pet-insurance-cover/ (last visited March 3, 2025).

- Accidents: coverage for injuries resulting from accidents, such as broken bones or ingesting foreign objects.
- Illnesses: coverage for treatments related to illnesses such as cancer, diabetes, or infections.
- Routine Care: some policies offer optional coverage for routine care, including vaccinations, wellness exams, and dental cleanings.
- Hereditary and Congenital Conditions: certain policies may cover hereditary and congenital conditions, although these often have specific limitations and waiting periods.

In 2017, a survey by the American Pet Products Association revealed that approximately 68 percent of U.S. households, totaling around 84.65 million families, had at least one pet, including dogs, cats, or other animals.[20] Of these households, about 60 million owned at least one dog, and 47 million had at least one cat.[21] Despite this large number of pet owners, there's considerable room for growth in the pet insurance sector.[22] However, only about 1.5 million dogs and 300,000 cats were insured in 2017, representing less than 2 percent of dogs and less than 0.5 percent of cats owned in the country.[23] In the U.S., there are roughly 90 million household dogs and 95 million household cats, indicating a substantial potential market for pet insurance coverage.[24]

Pet insurance coverage in the U.S. has seen consistent annual growth rates of 15 percent to 20 percent over the past five years.[25] The distribution of pet insurance is notably concentrated in larger urban areas, with California and New York emerging as the primary markets.[26] For a visual representation of the distribution of pets and Gross Written Premiums (GWP) by state, please refer to the chart below.[27] According to data from NAPHIA members, the total premium volume in the U.S. reached approximately $3.9 billion by the end of 2023, with a slight slowdown in growth observed in 2023.[28]

**U.S. Market (Full)** Pets and GWP Distribution by State (2023)

| STATE | PETS | GWP |
|---|---|---|
| California | 18.3% | 20.1% |
| New York | 7.5% | 8.7% |
| Florida | 6.2% | 6.6% |
| Texas | 5.7% | 5.1% |
| New Jersey | 4.9% | 5.3% |
| Pennsylvania | 4.5% | 4.3% |
| Massachusetts | 4.3% | 4.9% |
| Washington | 3.9% | 4.1% |
| Illinois | 3.2% | 3.3% |
| Virginia | 3.0% | 3.1% |
| Colorado | 2.9% | 3.1% |
| North Carolina | 2.7% | 2.4% |
| Ohio | 2.3% | 1.9% |
| Georgia | 2.2% | 1.9% |
| Maryland | 2.1% | 2.3% |
| Connecticut | 1.9% | 2.2% |
| Michigan | 1.9% | 1.6% |
| Arizona | 1.9% | 1.9% |

| STATE | PETS | GWP |
|---|---|---|
| Oregon | 1.7% | 1.6% |
| Nevada | 1.4% | 1.3% |
| Minnesota | 1.3% | 1.1% |
| Wisconsin | 1.3% | 1.0% |
| South Carolina | 1.2% | 1.0% |
| Tennessee | 1.2% | 1.0% |
| Indiana | 1.2% | 0.9% |
| Missouri | 1.0% | 0.7% |
| New Hampshire | 0.9% | 0.9% |
| Utah | 0.7% | 0.6% |
| Maine | 0.6% | 0.6% |
| Louisiana | 0.6% | 0.5% |
| Rhode Island | 0.6% | 0.5% |
| Hawaii | 0.6% | 0.6% |
| Kentucky | 0.6% | 0.5% |
| Alabama | 0.5% | 0.4% |
| Iowa | 0.5% | 0.4% |
| Kansas | 0.4% | 0.3% |

| STATE | PETS | GWP |
|---|---|---|
| Oklahoma | 0.4% | 0.3% |
| District of Columbia | 0.4% | 0.4% |
| New Mexico | 0.4% | 0.3% |
| Idaho | 0.4% | 0.3% |
| Delaware | 0.3% | 0.3% |
| Alaska | 0.3% | 0.3% |
| Vermont | 0.3% | 0.3% |
| Nebraska | 0.3% | 0.2% |
| Arkansas | 0.3% | 0.2% |
| Montana | 0.2% | 0.2% |
| West Virginia | 0.2% | 0.2% |
| Mississippi | 0.2% | 0.1% |
| North Dakota | 0.1% | 0.1% |
| Wyoming | 0.1% | 0.1% |
| Other: Puerto Rico | 0.1% | 0.1% |
| South Dakota | 0.1% | 0.1% |

[20] National Association of Insurance Commissioners, *A Regulator's Guide to Pet Insurance*, p. 4 https://content.naic.org/sites/default/files/publication-pin-op-pet-insurance.pdf (last visited Feb. 28, 2025).
[21] *Id.*
[22] *Id.*
[23] *Id.*
[24] *Id.*
[25] *Id.* at 7.
[26] *Id.*
[27] NAPHIA, *State of the Industry Report 2023 Highlights*, p. 24, NAPHIA-SOI2024-Report-Highlights_Public-May16.pdf (last visited Feb. 28, 2025).
[28] *Id.* at 10.

As companion animals live longer, veterinary care costs are rising, prompting more pet owners to consider insurance for managing expenses related to preventive care, illnesses, and emergencies. In 2023, the North American pet insurance industry surpassed $4 billion in premiums, with over 6.25 million pets insured—a 20.9% increase from 2022.[29] Data from NAPHIA indicates the average annual premium for pet insurance varies based on the type of plan.[30] In 2023, for dogs, Accident & Illness plans averaged $675.61, while Embedded Wellness plans cost $1,263.39.[31] For cats, the costs were $383.30 for Accident & Illness plans and $625.99 for Embedded Wellness. Accident Only policies remain the most affordable, averaging $204.16 for dogs and $116.11 for cats.[32]

Development of Regulatory Standards for the Pet Insurance Industry

In April 2019, the Pet Insurance Working Group was tasked with reviewing NAIC's "A Regulator's Guide to Pet Insurance" to determine if a model law or guideline was necessary to establish appropriate regulatory standards for the pet insurance industry.[33] Subsequently, a request for Model Law development related to pet insurance was adopted during the NAIC 2019 Spring National Meeting, addressing various aspects such as definitions, disclosures, violations, producer licensing, preexisting conditions, reimbursement benefits, and regulations.[34] During the NAIC's Summer 2022 National Meeting in members voted to adopt the Pet Insurance Model Act, which includes key provisions concerning pet wellness programs, preexisting conditions, consumer protections, and training for insurance producers.[35] Currently, California, Delaware, Louisiana, Maine, Maryland, Nebraska, New Hampshire, the Northern Mariana Islands, Vermont, and Washington have adopted a substantially similar version of the NAIC model.[36]

**Current Situation – Florida**

Currently, several companies offer pet insurance in Florida; however, Florida law does not separately regulate pet insurance. Below are companies that provide pet insurance:[37]

| Companies | Average Monthly Cost | Waiting Periods | Maximum Annual Limits |
|---|---|---|---|
| Pets Best | • $54 for dogs<br>• $22 for cats | • 14 days for illnesses<br>• Two days for injuries<br>• Six months for orthopedic conditions | $5,000 - Unlimited |
| Spot Pet Insurance | • $73 for dogs<br>• $36 for cats | • 14 days for illnesses<br>• 14 days for injuries | $2,500 - Unlimited |
| Embrace | • $52 for dogs<br>• $37 for cats | • 48 hours for accidents<br>• 14 days for illnesses | $5,000 - $30,000 |

[29] NAPHIA, North American Pet Health Insurance Industry Continued Exceptional Growth Rate In 2023, https://naphia.org/news/soi-report-2024/ (Last visited Feb. 28, 2024).
[30] *Id.* at 20.
[31] *Id.*
[32] *Id.*
[33] NAIC, *Pet Insurance*, https://content.naic.org/cipr-topics/pet-insurance (last visited March 3, 2025).
[34] *Id.*
[35] *Id.*
[36] NAIC, *Pet Insurance Model Act*, https://content.naic.org/sites/default/files/model-law-state-page-633_0.pdf (last visited March 3, 2025).
[37] Market Watch, *The Best Pet Insurance Companies in Florida (2024),* https://www.marketwatch.com/guides/pet-insurance/pet-insurance-florida/ (last visited March 3, 2025).

| | | | |
|---|---|---|---|
| | | • Six months for orthopedic conditions | |
| ASPCA Pet Health Insurance | • $54 for dogs<br>• $24 for cats | • 14 days for illnesses<br>• 14 days for accidents | $3,000 - $10,000 |

**RECENT LEGISLATION:**

| YEAR | BILL # | HOUSE SPONSOR(S) | SENATE SPONSOR | OTHER INFORMATION |
|---|---|---|---|---|
| 2024 | CS/CS/HB 1465 | Tuck | DiCeglie | The bill died in the Senate Fiscal Policy Committee. |

**OTHER RESOURCES:**

Pet Insurance Model Act

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Insurance & Banking Subcommittee | 17 Y, 0 N | | Lloyd | Herrera |
| Commerce Committee | | | Lloyd | Herrera |

A bill to be entitled

An act relating to pet insurance and wellness programs; amending s. 624.604, F.S.; revising the definition of the term "property insurance" to include a pet insurance option; amending s. 626.9541, F.S.; providing that certain practices relating to pet wellness programs are unfair methods of competition and unfair or deceptive acts or practices; creating s. 627.71545, F.S.; providing a short title; providing purpose; providing applicability; providing construction; providing definitions; requiring pet insurers that use such defined terms in their pet insurance policies to use and include the statutory definitions in their policies; requiring pet insurers to also make such definitions available on their websites or their program administrators' websites; requiring pet insurers to make certain disclosures to pet insurance applicants and policyholders; requiring pet insurers to provide a summary of their bases or formulas for determination of claim payments under a pet insurance policy on their websites or their program administrators' websites; requiring pet insurers to disclose certain requirements for required medical examinations of a pet by a veterinarian; requiring pet insurers to create a document with a

summary of certain disclosures, to post such document on their websites or their program administrators' websites, and, upon issuance or delivery of a policy to a policyholder, to provide such document to the policyholder; requiring additional written disclosures; providing that certain required disclosures are in addition to disclosures required by the Florida Insurance Code or the Financial Services Commission rules; authorizing pet insurance applicants and policyholders to examine and return insurance policies and riders under certain circumstances; requiring that premiums be refunded under certain circumstances; requiring that pet insurance policies and riders have a specified notice printed on or attached to the first page; authorizing pet insurers to issue policies that exclude coverage on the basis of preexisting conditions with appropriate written disclosure to the applicant or policyholder; providing that the pet insurer has a specified burden of proof with regard to such exclusions; authorizing pet insurers to issue new policies that impose a waiting period of up to a specified period of time for specified illnesses, diseases, or conditions; prohibiting pet insurers from issuing policies imposing a waiting period for accidents; requiring pet

insurers who issue a policy that imposes a waiting period to include a provision allowing for waiver of the waiting period upon completion of a medical examination of the covered pet by a veterinarian; authorizing pet insurers to require an examination to be conducted by a veterinarian after the purchase of the policy; providing requirements and authorizations relating to such examination; prohibiting a pet insurer from requiring a medical examination of the covered pet to renew a policy; requiring that certain benefits comply with certain provisions of the Florida Insurance Code; prohibiting insurance applicants' eligibility from being based on participation or lack of participation in wellness programs; requiring pet insurers to ensure that their agents are trained on specified topics; providing rulemaking authority; providing an effective date.

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

**Section 1. Section 624.604, Florida Statutes, is amended to read:**

624.604 "Property insurance" defined.—"Property insurance" is insurance on real or personal property of every kind and of every interest therein, whether on land, water, or in the air,

against loss or damage from any and all hazard or cause, and against loss consequential upon such loss or damage, other than noncontractual legal liability for any such loss or damage. Property insurance may include pet insurance that provides coverage for accidents and for illnesses of pets. Property insurance may contain a provision for accidental death or injury as part of a multiple peril homeowner's policy. Such insurance, which is incidental to the property insurance, is not subject to the provisions of this code applicable to life or health insurance. Property insurance does not include title insurance, as defined in s. 624.608.

**Section 2. Paragraph (hh) is added to subsection (1) of section 626.9541, Florida Statutes, to read:**

626.9541 Unfair methods of competition and unfair or deceptive acts or practices defined.—

(1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS.—The following are defined as unfair methods of competition and unfair or deceptive acts or practices:

(hh) Sales practices for pet wellness programs.—

1. A pet insurance agent may not market a wellness program as pet insurance.

2. If a wellness program is sold by a pet insurance agent:

a. The purchase of the wellness program may not be a prerequisite to the purchase of pet insurance;

b. The costs of the wellness program must be separate and

identifiable from any pet insurance policy sold by the pet insurance agent;

c. The terms and conditions of the wellness program must be separate from any pet insurance policy sold by the agent;

d. The products or coverages available through the wellness program may not duplicate the products or coverages available through the pet insurance policy; and

e. The advertising of the wellness program must not be misleading.

**Section 3. Section 627.71545, Florida Statutes, is created to read:**

627.71545 Pet insurance; noninsurance wellness programs.—

(1) This section may be cited as the "Pet Insurance Act."

(2) The purpose of this section is to promote the public welfare by creating a comprehensive regulatory framework within which pet insurance may be sold in this state.

(3) This section applies to all of the following:

(a) Pet insurance policies that are issued to any resident of this state or that are sold, solicited, negotiated, or offered in this state.

(b) Pet insurance policies or certificates that are delivered or issued for delivery in this state.

(4)(a) This section may not be construed to prohibit or limit the types of exclusions pet insurers may use in their policies or to require pet insurers to include in such policies

any of the limitations or exclusions specified in subsection (9).

(b) All other applicable provisions of the Florida Insurance Code apply to pet insurance, except that this section supersedes any general provisions of the Florida Insurance Code which otherwise apply to pet insurance.

(5)(a) As used in this section, the term:

1. "Chronic condition" means a condition that can be treated or managed, but not cured.

2. "Congenital anomaly or disorder" means a condition that is present from birth, whether inherited or caused by the environment, and that may cause or contribute to illness or disease.

3. "Hereditary disorder" means an abnormality that is genetically transmitted from parent to offspring and may cause illness or disease.

4. "Orthopedic conditions" means a condition that affects the bones, skeletal muscle, cartilage, tendons, ligaments, or joints. The term includes, but is not limited to, elbow dysplasia, hip dysplasia, intervertebral disc degeneration, patellar luxation, and cranial cruciate ligament rupture, but does not include any cancer or any metabolic, hematopoietic, or autoimmune disease.

5. "Pet insurance" means an insurance policy that provides coverage for accidents and for illnesses and diseases of pets.

Such insurance reimburses a policyholder for expenses associated with medical advice, diagnosis, care, or treatment provided by a veterinarian, including, but not limited to, the cost of drugs prescribed by the veterinarian.

6. "Pet insurance policy" or "policy" includes pet insurance certificates.

7. "Preexisting condition" means a condition for which any of the following is true before the effective date of or during a waiting period applicable to a pet insurance policy:

a. A veterinarian provided medical advice.

b. The pet received previous treatment.

c. Based on information from verifiable sources, the pet had signs or symptoms directly related to the condition for which a claim is being made.

A condition for which coverage is afforded on a policy is not deemed to be a preexisting condition on any renewal of the policy.

8. "Renewal" means the issuance and delivery at the end of an insurance policy period of a policy that supersedes the policy previously issued and delivered by the same pet insurer or affiliated pet insurer and that provides types and limits of coverage substantially similar to those contained in the policy being superseded.

9. "Veterinarian" means a health care practitioner who is

licensed to engage in the practice of veterinary medicine in this state under chapter 474.

10. "Waiting period" means the period of time specified in a pet insurance policy which is required to run before some or all of the coverage in the policy may begin. This period may not be applied to renewals of existing coverage.

11. "Wellness program" means a subscription or reimbursement-based program that is separate from an insurance policy and that provides goods and services to promote the general health, safety, or well-being of the covered pet. If the subscription or program includes language such as "undertakes to indemnify another," "pays a specified amount upon determinable contingencies," or "provides coverage for a fortuitous event," the subscription or program is transacting in the business of insurance and is subject to the Florida Insurance Code. This definition is not intended to classify a contract directly between a service provider and a pet owner which involves only the two parties as being the business of insurance, unless other indications of insurance also exist.

(b) If a pet insurer uses any of the terms defined in paragraph (a) in a pet insurance policy, the pet insurer must use the definition of each term as provided in paragraph (a) and must include each such definition in the policy. The pet insurer must also make such definitions available through a clear and conspicuous link on the main page of the website of the pet

insurer or the pet insurer's program administrator.

(6)(a) A pet insurer transacting pet insurance must disclose the following to pet insurance applicants and policyholders:

1. Whether the policy excludes coverage due to any of the following:

a. A chronic condition;

b. A congenital anomaly or disorder;

c. A hereditary disorder; or

d. A preexisting condition.

2. If the policy includes any other exclusions not listed in subparagraph 1., the following information in a statement in the disclosure: "Other exclusions may apply. Please refer to the exclusions section of the policy for more information."

3. Any policy provision that limits coverage through a waiting period, a deductible, a coinsurance payment, or an annual or lifetime policy limit. Waiting periods and applicable requirements must be clearly and prominently disclosed to applicants before the policy purchase.

4. Whether the pet insurer reduces coverage or increases premium based on the policyholder's claims history, the age of the covered pet, or a change in the geographic location of the policyholder.

5. Whether the underwriting company differs from the brand name used to market and sell the pet insurance.

(b) Before issuing a pet insurance policy, a pet insurer shall, through a clear and conspicuous link on the main page of the pet insurer's or the pet insurer's program administrator's website, provide a summary description of the basis or formula for the pet insurer's determination of claim payments under the policy.

1. A pet insurer that uses a benefit schedule to determine claim payments under a pet insurance policy must clearly disclose both of the following:

a. The applicable benefit schedule in the policy.

b. All benefit schedules used by the pet insurer under its pet insurance policies through a clear and conspicuous link on the main page of the pet insurer's or pet insurer's program administrator's website.

2. A pet insurer that determines claim payments under a pet insurance policy based on usual and customary fees, or any other reimbursement limitation based on prevailing veterinary service provider charges, shall do both of the following:

a. Include a usual and customary fee limitation provision in the policy which clearly describes the pet insurer's basis or formula for determining usual and customary fees and the manner in which that basis or formula is applied in calculating claim payments.

b. Disclose the pet insurer's basis for determining usual and customary fees through a clear and conspicuous link on the

main page of the pet insurer's or pet insurer's program administrator's website.

(c) If any medical examination of the pet by a veterinarian is required to effectuate coverage, the pet insurer must clearly and conspicuously disclose any requirement for the examination before the policy is purchased and must disclose that examination documentation may result in a preexisting condition exclusion.

(d) A pet insurer shall create a summary of all policy disclosures required in paragraphs (a), (b), and (c) in a separate document entitled "Insurer Disclosure of Important Policy Provisions." The pet insurer shall post the document through a clear and conspicuous link on the main page of the pet insurer's or pet insurer's program administrator's website.

(e) At the time a pet insurance policy is issued or delivered to a policyholder, the pet insurer shall provide the policyholder with a copy of the Insurer Disclosure of Important Policy Provisions document required under paragraph (d), in at least 12-point type. At such time, the pet insurer shall also include a written disclosure with all of the following:

1. Contact information for the Division of Consumer Services of the department, including a link and toll-free telephone number, for consumers to submit inquiries and complaints relating to pet insurance products regulated by the department or office.

2. The address and customer service telephone number of the pet insurance agent.

(f) The disclosures required in this subsection are in addition to any other disclosures required by the Florida Insurance Code or rules prescribed by the commission.

(7) Unless the policyholder has filed a claim under the pet insurance policy, a pet insurance applicant or policyholder may examine and return the policy or rider to the pet insurer or pet insurance agent or broker within 30 days after the applicant or policyholder obtains the receipt and is entitled to the premium refunded if, after examining the policy or rider, he or she is not satisfied for any reason.

(8) A pet insurance policy and rider must have a notice prominently printed on or attached to the first page which includes specific instructions to accomplish a return, in type at least as large as any type appearing on the policy or rider contract and in substantially the following language:

You have 30 days after the date you receive this policy, certificate, or rider to review and return it to the company if you decide not to keep it. You do not have to tell the company why you are returning it. If you decide not to keep policy, certificate, or rider, simply return it to the company at the company's administrative office, or to the insurance

agent or broker from whom you bought it, as long as you have not filed a claim. You must return the policy, certificate, or rider within 30 days after the day you first receive it in order to receive a refund. The company must refund the full amount of any premium paid within 30 days after it receives the returned policy, certificate, or rider. The premium refund will be sent directly to the person who paid it. The policy, certificate, or rider will be void as if it had never been issued.

(9)(a) A pet insurer may issue a policy that excludes coverage on the basis of one or more preexisting conditions with appropriate written disclosure to the applicant or policyholder. The pet insurer has the burden of proving that the preexisting condition exclusion applies to the condition for which a claim is being made.

(b)1. A pet insurer may issue a new policy imposing a waiting period that does not exceed 30 days after effectuation of coverage for illnesses or diseases or for orthopedic conditions not resulting from an accident. A pet insurer may not issue a policy imposing a waiting period for accidents.

2. A pet insurer issuing a policy that imposes a waiting period must include a provision in its contract which allows the waiting period to be waived upon completion of a medical

examination of the pet by a veterinarian. The pet insurer may require the examination to be conducted by a veterinarian after the purchase of the policy.

a. A medical examination required under this subparagraph must be paid for by the policyholder, unless the policy specifies that the pet insurer will pay for the examination.

b. A pet insurer may specify requirements for the examination and require documentation that the requirements have been satisfied, provided that the specifications do not unreasonably restrict the ability of the applicant or policyholder to waive the waiting period.

(c) A pet insurer may not require a medical examination of the covered pet for the policyholder to renew a policy.

(d) If a pet insurer includes any prescriptive, wellness, or noninsurance benefit in the policy form, the benefit is made part of the policy contract and must comply with all of the applicable provisions of the Florida Insurance Code.

(e) An applicant's eligibility to purchase a pet insurance policy may not be based on his or her participation, or lack of participation, in a separate wellness program.

(10)(a) A pet insurer must ensure that its agents are trained on the topics specified in paragraph (b) and that its agents have been appropriately trained on the coverages and conditions of its pet insurance products.

(b) The training required under this subsection must

include information on all of the following topics:

1. Preexisting conditions and waiting periods.

2. The differences between pet insurance and noninsurance wellness programs.

3. Chronic conditions, congenital anomalies or disorders, and hereditary disorders and the way pet insurance policies address those conditions or disorders.

4. Rating, underwriting, renewal, and other related administrative topics.

(11) The commission may adopt rules necessary to administer this section.

**Section 4.** This act shall take effect January 1, 2026.

# FLORIDA HOUSE OF REPRESENTATIVES
# BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

| | |
|---|---|
| **BILL #:** HB 6015 | **COMPANION BILL:** None |
| **TITLE:** Limitation of Size of Individual Wine Containers | **LINKED BILLS:** None |
| **SPONSOR(S):** Oliver | **RELATED BILLS:** HB 161 Hinson; SB 578 (Leek) |

**Committee References**

Industries & Professional Activities
16 Y, 0 N
➤
Commerce

## SUMMARY

**Effect of the Bill:**

The bill provides an exception to the limitations on the size of individual wine containers by allowing the sale of wine in **any** container holding 5.16 gallons instead of only allowing the sale of wine in **reusable** containers holding 5.16 gallons.

**Fiscal or Economic Impact:**

The bill may have a positive fiscal impact on wine sellers by relaxing the limitation on the types of individual wine containers.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

The bill provides an exception to the limitations on the size of individual wine containers by allowing the sale of wine in any container holding 5.16 gallons instead of only allowing the sale of wine in reusable containers holding 5.16 gallons. (Section 1).

The effective date of the bill is July 1, 2025. (Section 2).

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

Alcoholic Beverages

In Florida, the Beverage Law[1] regulates the manufacture, distribution, and sale of wine, beer, and liquor by manufacturers, distributors, and vendors.[2] The Division of Alcoholic Beverages and Tobacco (Division) in the Department of Business and Professional Regulation (DBPR) administers and enforces the Beverage Law.[3]

The Beverage Law defines "alcoholic beverages" as "distilled spirits and all beverages containing one-half of 1 percent or more alcohol by volume."[4]

[1] S. 561.01(6), F.S., provides that "The Beverage Law" includes chapters 561, 562, 563, 564, 565, 567, and 568, F.S.
[2] *See* s. 561.14, F.S.
[3] Ss. 561.02, and 561.08, F.S.
[4] S. 561.01(4), F.S.

The license and registration classifications used in the Beverage Law include the following:[5]

- "Manufacturers" are those "licensed to manufacture alcoholic beverages and distribute the same at wholesale to licensed distributors and to no one else within the state, unless authorized by statute."
- "Distributors" are those "licensed to sell and distribute alcoholic beverages at wholesale to persons who are licensed to sell alcoholic beverages."
- "Importers" are those licensed to sell, or to cause to be sold, shipped, and invoiced, alcoholic beverages to licensed manufacturers or licensed distributors, and to no one else in this state.
- "Vendors" are those "licensed to sell alcoholic beverages at retail only" and may not "purchase or acquire in any manner for the purpose of resale any alcoholic beverages from any person not licensed as a vendor, manufacturer, bottler, or distributor under the Beverage Law."

Wine Container Limitations

"Wine" is defined as all beverages made from fresh fruits, berries, or grapes, either by natural fermentation or by natural fermentation with brandy added, in the manner required by the laws and regulations of the United States, and includes all sparkling wines, champagnes, combination of the aforesaid beverages, sake, vermouths, and like products. Sugar, flavors, and coloring materials may be added to wine to make it conform to the consumer's taste, except that the ultimate flavor or the color of the product may not be altered to imitate a beverage other than wine or to change the character of the wine.[6]

Current law governing limitations of the size of wine containers:[7]

- Prohibits the sale of wine in an individual container that holds more than one gallon except for:
  - Wine sold in a **reusable** container holding 5.16 gallons; or
  - Wine sold in a glass container holding 4.5 liters, 6 liters, 9 liters, 12 liters, or 15 liters.
- Authorizes qualified distributors and manufacturers to sell wine to other qualified distributors and manufacturers in any size container.
- Requires wine sold or offered for sale by a licensed vendor to be consumed off-premises to be in the unopened original container, except for restaurants in certain situations.
- Provides that violations are a second-degree misdemeanor, punishable by a maximum $500 fine and 60 days in prison.

**RECENT LEGISLATION:**

| YEAR | BILL # | HOUSE SPONSOR(S) | SENATE SPONSOR | OTHER INFORMATION |
|---|---|---|---|---|
| 2024 | CS/HB 583 | LaMarca | Trumbull | The bill became law on July 1, 2024. |
| 2023 | HB 523 | LaMarca | Trumbull | The bill passed the House, but died in the Senate. |
| 2022 | HB 6031 | LaMarca, Trumbull | Brandes | The bill passed the House, but died in the Senate. |
| 2021 | HB 6073 | LaMarca | Brandes | The bill passed the House, but died in the Senate. |

[5] s. 561.14, F.S.
[6] S. 564.01, F.S.
[7] Ss. 564.05, and 564.09, F.S.

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Industries & Professional Activities Subcommittee | 16 Y, 0 N | 3/6/2025 | Anstead | Brackett |
| Commerce Committee | | | Hamon | Brackett |

A bill to be entitled

An act relating to limitation of size of individual wine containers; amending s. 564.05, F.S.; revising an exception to the maximum allowable capacity for an individual container of wine sold in this state; providing an effective date.

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

**Section 1. Section 564.05, Florida Statutes, is amended to read:**

564.05 Limitation of size of individual wine containers; penalty.—It is unlawful for a person to sell within this state wine in an individual container holding more than 1 gallon of such wine, unless such wine is in a ~~reusable~~ container holding 5.16 gallons or a glass container holding 4.5 liters, 6 liters, 9 liters, 12 liters, or 15 liters. However, qualified distributors and manufacturers may sell wine to other qualified distributors or manufacturers in any size container. Except as provided in s. 564.09, wine sold or offered for sale by a licensed vendor to be consumed off the premises shall be in the unopened original container. A person convicted of a violation of this section commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

**Section 2.** This act shall take effect July 1, 2025.



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

# FLORIDA HOUSE OF REPRESENTATIVES
# BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

| | |
|---|---|
| **BILL #:** PCS for CS/HB 105 | **COMPANION BILL:** SB 408 (Burgess) |
| **TITLE:** Thoroughbred Permitholders | **LINKED BILLS:** None |
| **SPONSOR(S):** Commerce Committee | **RELATED BILLS:** None |

**Committee References**

Orig. Comm.: Commerce

## SUMMARY

**Effect of the Bill:**

The bill removes live racing requirements for thoroughbred permitholders under certain conditions. The bill requires thoroughbred permitholders to provide the Florida Gaming Control Commission (Commission) with notice prior to ending live racing. The bill allows certain thoroughbred permitholders that do not conduct live racing to retain the ability to continue to hold and/or apply for a slot machine and/or cardroom license.

The bill amends requirements related to thoroughbred purses and certain agreements related to live racing. It changes the current purse structure, and the allocation structure for breeders awards, stallion awards and Florida-bred purse supplements. It also revises contracting requirements between the horsemen's associations and permitholders.

The bill creates a pathway for certain thoroughbred permitholders to operate racing at a licensed thoroughbred training center, and prohibits converted thoroughbred permitholders from obtaining slot machine and cardroom licenses under certain conditions.

**Fiscal or Economic Impact:**

The bill may have an indeterminate fiscal impact on state government and the private sector. The extent to which thoroughbred permitholders will elect to conduct live racing is unknown.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

**Live Racing Requirements**

The bill removes live racing requirements, under certain conditions, for certain thoroughbred permitholders who apply for a pari-mutuel wagering operating license. (Section 1)

The bill provides that a thoroughbred permitholder that does not conduct live racing:

- Retains its permit;
- Is a pari-mutuel facility;
- If such permitholder has been issued a slot machine license, the facility where such permit is located:
  - Remains an eligible slot machine facility;
  - Continues to be eligible for a slot machine license; and
  - Is exempt from thoroughbred horse racing purses and awards agreement requirements, and slot machine gaming area requirements;
- Is eligible, but not required, to be a guest track; and
- Remains eligible for a cardroom license. (Section 1)

The bill requires thoroughbred permitholders to give notice prior to ending live racing and to continue to offer a full schedule of live racing until the end of such notice period. The notice cannot be made prior to July 1, 2027, and the term of the notice must ensure that live racing continues for at least three (3) years after the date of the notice. Thus, the earliest date that a thoroughbred permitholder may elect to end live racing is July 1, 2030. (Section 1)

**Thoroughbred Purses and Awards**

The bill requires purse supplements to be given to the owners of Florida-bred racehorses as breeders' awards, and given as stallion awards to be used to incentivize the ownership and the breeding of registered Florida-bred horses; and requires the awards to be given at a uniform rate pursuant to an annual plan developed by the commission. The plan must be developed with input from the Department of Agriculture and Consumer Services (DACS), the thoroughbred racing and breeding industry, and the public, and must be published in the Florida Register by January 1 for implementation during the next licensed racing year. (Section 2)

Permitholders must make payments for awards to the commission to be deposited in the Pari-mutuel Wagering Trust Fund by the 5th day of each month, which will be made available for distribution according to the commission's annual plan, as follows:

- .955 % of pari-mutuel pools from wagering on race meets, including intertrack, interstate simulcast and Breeder's Cup races conducted outside the state.
- 3.475 % of gross revenue from host tracks for live racing in this state that is broadcast out-of-state. (Section 2)

The bill sets standards for registering horses in order to be considered for certain breeder's awards and allows the Florida Thoroughbred Breeders' Association to charge a fee of $75 for registration. The bill disqualifies stallions that are removed from the state for any period of time between February 1 and June 15 of any year for any reason from receiving a Florida stallion award. (Section 2)

Purses are required to be funded from pari-mutuel pools conducted by the permitholder and the bill provides for discipline by the commission for failure to do so. A thoroughbred permit must pay as purses during its race meets an amount equal to 7.0 percent of all wagers placed as purses during its current race meet. (Section 2)

The bill requires the commission, rather than the horsemen's association, to maintain complete records related to races conducted at thoroughbred tracks. The bill allows the commission to adopt emergency rules for purposes of implementation, the commission is not required to make certain findings and such rules are exempt from certain provisions of chapter 120.26, F.S. (Section 2)

The bill requires any funds in the possession of the Florida Thoroughbred Breeders' Association related to payments from permitholders to be paid to the commission for deposit into the Pari-mutuel Wagering Trust Fund. (Section 2)

**Horseracing, Minimum Purse Requirement, and Florida Breeders' and Owners' Awards**

The bill repeals s. 550.2625, F.S., which governs the purse structure and the availability of breeder awards in horse racing meets in this state. (Section 3)

**Limited Thoroughbred Racing Permits**

For thoroughbred permitholders that hold a permit in accordance with s. 550.3345, F.S., the bill creates a pathway for such thoroughbred permitholders to operate racing at a licensed thoroughbred training center and requires such permitholders to continue to offer a full schedule of live racing if the permitholder wants to obtain a cardroom license. (Section 4)

**Intertrack Wagering, Purses, Breeders' Awards**

The bill repeals s. 550.625, F.S., which governs the purse amounts from intertrack wagering for certain host tracks. (Section 6)

**License to Conduct Slot Machine Gaming**

The bill removes live racing requirements and makes conforming changes for thoroughbred permitholders with a slot machine license. (Section 8)

**DACS Distribution of Funds for Florida Thoroughbred Breeding and Racing**

The bill revises the requirements that DACS distribute funds, from the Florida Agricultural Promotional Campaign Trust Fun, to the thoroughbred breeding and racing industry, as follows:

- **Requires one million five hundred thousand dollars** to be used for a program established by DACS for the recruitment and retention of thoroughbred stallions and mares for breeding, as follows:
  - Requires DACS to adopt rules to administer a grant program to implement this section which shall be available to new stallions and mares registered with the Florida Thoroughbred Breeders' Association, Inc. (association), after of the effective date of this act.
  - Authorizes funds to be used to assist with the cost of relocation of out of state stallions and mares and to subsidize the costs of breeding to registered Florida stallions. Reimbursement rates under the program shall be as follows:
    - **$25,000** available after verification by DACS of the relocation and the registration with the association of a new stallion from out of state. No more than ten new stallions each year that relocate to Florida and register with the association may be eligible for funds these funds.
    - **Up to $15,000 in additional funds** for each stallion registered with the association after the effective date of this act subject to performance criteria as a stud established by the department for payment at the conclusion of the first foaling season following year after its registration.
    - **$1,500** per mare that has previously been bred to a thoroughbred stallion in an out of state location upon the mare's relocation to Florida and the mare's registration with the association after the effective date of this act to assist in the costs associated with the mare's relocation to Florida and registration with the association.
    - **$1,000** per mare located in Florida that at the time of registration with the association has not previously been bred to a thoroughbred stallion.
- **Requires three million five hundred thousand dollars** to be used for the reimbursement of stallion fees to the owner of mares registered with the association after the mare produces a live foal from a breeding with a stallion participating in the program, as follows:
  - The owner of a mare may seek reimbursement after the mare produces a live foal and the foal's registration with the association
  - The owners of mares registered with the association may seek reimbursement for stallion stud fees from DACS under the following criteria:
    - Owners of mares may only seek reimbursement for stallion stud fees which were $10,000 or less at the time of the breeding. DACS is authorized to adjust this cap in its annual program beginning with the 2028 breeding season.
    - The owner of a mare registered with the association before the effective date of this act or the owner of a mare registered after the effective date of this act that received reimbursement for a stallion stud fee resulting in a live foal must receive reimbursement of fifty percent of the stallion fee, up to $7,500. DACS is authorized to adjust this cap in its annual program beginning with the 2029 breeding season.
    - The owner of a mare registered with the association after the effective date of this act must receive a reimbursement of one hundred percent of the stallion stud fee, up to $10,000 for its first live foal that the mare produces from a breeding to a stallion participating in the program.
- Authorizes the owner of any horse participating in or receiving funds from this program to only sell the participating mare or stallion in a private sale or via a public sale at a sales venue located in Florida and licensed by DACS.
- Authorizes DACS to adopt emergency rules, forms, and audit procedures, without being subject to the:
  - Findings requirements.
  - 90 day effective timeframe.

        - Specifies that such rules remain in effect until replaced by other emergency rules or by rules adopted under the nonemergency rulemaking procedures of the Administrative Procedure Act.
- Authorizes the association to charge a maximum registration fee of $75 for each registered mare participating in the program.
- Requires the association to submit annually to the Commission and DACS by July 30 a report detailing the new and current owners and horses participating in the program.
- Revises the distribution of certain funds to Gulfstream Park Racing Association, Inc., to be used as purses in thoroughbred races conducted by either Gulfstream Park Racing Association or Gulfstream Park Thoroughbred Aftercare and Retirement Association at their current pari-mutuel facility as allowed under s. 550.475 and s. 550.3345(2)(d), F.S., and for the maintenance and operation of its facility. (Section 9)

**Cardroom Licensing**

The bill removes the requirement for live racing for thoroughbred permitholders with a cardroom license. Such permitholders are no longer required to conduct at least 90 percent of the live performances during the initial year of licensure. (Section 10)

**Effective Date**

The bill provides an effective date of July 1, 2025. (Section 11)

**RULEMAKING:**

The bill allows the commission to adopt emergency rules for purposes of implementation and the commission is not required to make certain findings. Further, such rules are exempt from certain provisions of chapter 120.

***Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.***

**FISCAL OR ECONOMIC IMPACT:**

STATE GOVERNMENT:

The Revenue Estimating Conference (REC) is expected to estimate the potential impacts of the bill in February, 2025. The bill may have an insignificant impact on state government revenues. It is unknown how many thoroughbred permitholders will elect to terminate live racing.

PRIVATE SECTOR:

Individuals and businesses associated with thoroughbred horse racing will experience an indeterminate impact associated with the election by thoroughbred permitholders to conduct or not conduct live racing. Removing live race requirements for such permitholders may reduce certain expenditures related to these activities.

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

**Pari-mutuel Wagering**

Since approximately 1931, pari-mutuel wagering activities (PMW) have been authorized in Florida for jai alai, greyhound racing, and horseracing. These activities are overseen and regulated[1] by the Division of Pari-Mutuel Wagering (Division) at the Florida Gaming Control Commission (Commission), which is housed within the Department of Legal Affairs, Office of the Attorney General.[2] The Commission issues permits and operating

[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 DBPR.
[2] *See* ss. 16.71-16.716, F.S.

licenses for PMW activities. Only PMW permitholders under certain conditions are authorized to conduct other gaming activities like operating a cardroom or operating slot machines at their PMW facilities.

## Live Racing Requirements

Currently, only thoroughbred permitholders are required to conduct live racing in order to operate other PMW activities. For example, in order to hold a cardroom license, thoroughbred permitholders are required to run a certain number of live races each year.

Greyhound permitholders are prohibited from conducting live racing.

Jai alai permitholders, harness horse racing permitholders, and quarter horse racing permitholders have the option to conduct live racing or games but are not required to do so.[3]

A greyhound permitholder, jai alai permitholder, harness horse racing permitholder, or quarter horse racing permitholder that does not conduct live racing or games:[4]

- Retains its permit;
- Is a pari-mutuel facility as defined in s. 550.002(23), F.S.;
- Is eligible, but not required, to be a guest track, and if the permitholder is a harness horse racing permitholder, is eligible to be a host track for purposes of intertrack wagering and simulcasting pursuant to ss. 550.3551, 550.615, 550.625, and 550.6305, F.S.;
- Remains eligible for a cardroom license; and
- If previously issued a slot machine license, remains eligible for such license.

## Pari-mutuel Wagering Permitting and Licensure

The Florida Pari-mutuel Wagering Act (Act)[5] provides specific permitting and licensing requirements for the pari-mutuel industry.[6] Permitholders apply for an operating license annually to conduct pari-mutuel wagering activities.[7] Certain permitholders are also authorized to operate cardrooms[8] and slot machines at their facility.[9]

Currently, there are three pari-mutuel operating licenses that were issued for fiscal year 2024-2025 to conduct live thoroughbred racing performances. These licenses and their locations include:[10]

- Gulfstream Park Racing Association Inc., operates at Gulfstream Park in Broward County.
- Gulfstream Park Thoroughbred After Racing Program, Inc., operates at Gulfstream Park in Broward County.
- Tampa Bay Downs, Inc., operates at Tampa Bay Downs in Hillsborough County.

## Slot Machine Licensing

In order to apply to conduct slot machine gaming a permitholder must first obtain permission from the voters of the county where the applicant's facility is located by referendum as specified in s. 23, Art. X of the State Constitution.[11] Currently, slot machines are only authorized in eight licensed PMW facilities[12] located in Miami-Dade and Broward counties, and are also authorized by Compact on the Seminole Tribe of Florida's tribal property.[13]

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[3] S. 550.01215, F.S.(1)(b)1., F.S.
[4] *Id*.
[5] *See* ch. 550, F.S.
[6] S. 550.054(1), F.S.
[7] S. 550.0115, F.S.
[8] S. 849.086, F.S.
[9] S. 551.104, F.S.
[10] Email from Henry Mahler, Director of Legislative Affairs, Florida Gaming Control Commission, RE: Thoroughbred Permitholders (Jan. 31, 2025).
[11] S. 551.104(2), F.S.
[12] S. 551.104(3), F.S.
[13] S. 551.101, F.S.

Thoroughbred permitholders are required to conduct a full schedule of live racing, as defined in s. 550.002(10), F.S., in order to maintain their slot machine license.[14]

## Cardroom Licensing

On order to apply for a cardroom license an applicant must first obtain a majority vote of the governing body of the municipality or county the facility is located in.[15]

Municipalities are authorized to prohibit the establishment of a cardroom on or after July 1, 2021, within their jurisdiction. This does not apply to a licensed pari-mutuel permitholder who held an operating license for the conduct of pari-mutuel wagering for fiscal year 2020-2021 in the municipality's jurisdiction or to a cardroom that was previously approved by the municipality.[16]

A cardroom license may only be issued to a licensed PMW permitholder, and operated at the same facility at which the permitholder is authorized to conduct PMW activities.[17]

A pari-mutuel permitholder, other than a converted quarter horse to thoroughbred permitholder or a purchaser, transferee, or assignee holding a valid permit for the conduct of pari-mutuel wagering, may not be issued a license for the operation of a cardroom if the permitholder did not hold an operating license for the conduct of pari-mutuel wagering for fiscal year 2020-2021.[18]

In order for an initial cardroom license to be issued to a converted quarter horse to thoroughbred permitholder, the applicant must have requested, as part of its pari-mutuel annual license application, to conduct at least a full schedule of live racing.[19]

Currently, in order for a cardroom license to be renewed by a thoroughbred permitholder, it must run a certain number of races each year:

> "conduct at least 90 percent of the total number of live performances conducted by such permitholder during either the state fiscal year in which its initial cardroom license was issued or the state fiscal year immediately prior thereto if the permitholder ran at least a full schedule of live racing or games in the prior year".[20]

## Thoroughbred Purses and Awards

A slot machine license may not be issued, or renewed, to an applicant holding a permit to conduct pari-mutuel wagering meets of thoroughbred racing unless the applicant has on file with the Commission a binding written agreement between the applicant and the:[21]

- Florida Horsemen's Benevolent and Protective Association, Inc., governing the payment of purses on live thoroughbred races conducted at the licensee's pari-mutuel facility.
- Florida Thoroughbred Breeders' Association, Inc., governing the payment of breeders', stallion, and special racing awards on live thoroughbred races conducted at the licensee's pari-mutuel facility.

The agreements may direct the payment of such purses and awards from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses and awards are subject to the terms of chapter 550, F.S. All sums for breeders', stallion, and special racing awards are remitted monthly to the Florida

[14] S. 551.104(4)(c), F.S.
[15] S. 849.086(16)(a), F.S.
[16] *S.* 849.086(16)(b), F.S.
[17] S. 849.086(5)(a), F.S.
[18] S. 849.086(5)(c), F.S.
[19] *Id.*
[20] *Id.*
[21] S. 551.104(10)(a)1., F.S.

Thoroughbred Breeders' Association, Inc., for the payment of awards subject to the administrative fee authorized in s. 550.2625(3), F.S.[22]

"Purse" means the cash portion of the prize for which a race or game is contested.[23] "Breeders' and stallions' awards" means financial incentives paid to encourage the agricultural industry to breeding racehorses in this state.[24]

Current law provides that "the purse structure and the availability of breeder awards are important factors in attracting the entry of well-bred horses in racing meets in this state which in turn helps to produce maximum racing revenues for the state and the counties."[25] Each permitholder conducting a horserace meet is required to pay from the takeout withheld on pari-mutuel pools a sum for purses in accordance with the type of race performed.[26] Each horseracing permitholder conducting any thoroughbred race is required to pay a sum on all pari-mutuel pools conducted during any such race for the payment of breeders', stallion, or special racing awards.[27]

**Limited Thoroughbred Racing Permits**

Current law allowed a holder of a quarter horse racing permit to, within 1 year after the effective date of this law, which became effective in 2009, to apply to the Commission for a transfer of the quarter horse racing permit to a not-for-profit corporation, designated by the Florida Thoroughbred Breeders' Association, to request that the Commission convert the quarter horse racing permit to a permit authorizing the holder to conduct thoroughbred racing.[28]

The quarter horse racing permit nor its conversion to a limited thoroughbred permit are subject to the mileage limitation or the ratification election as set forth under s. 550.054(2) or s. 550.0651, F.S. After the conversion issuance of the initial license to conduct thoroughbred racing, the not-for-profit corporation is required to annually apply to the Commission for a thoroughbred racing license.[29]

Racing under the permit may take place only at the location for which the original quarter horse racing permit was issued, which may be leased by the not-for-profit corporation for that purpose; however, the not-for-profit corporation may, without the conduct of any ratification election pursuant to s. 550.054(13) or s. 550.0651, F.S., move the location of the permit to another location in the same county provided that such relocation is approved under the zoning and land use regulations of the applicable county or municipality.[30]

A converted permit and a license issued to the not-for-profit corporation under chapter 849 are not eligible for transfer to another person or entity.[31]

Unless otherwise provided, after conversion, the permit and the not-for-profit corporation are treated under the laws of this state as a thoroughbred permit and as a thoroughbred permitholder, respectively, with the exception of certain tax on handle and intertrack wagering requirements in ss. 550.09515(3) and 550.6308, F.S.[32]

**Intertrack Wagering, Purses, Breeders' Awards**

Currently, a host track racing under either a thoroughbred or quarter horse permit is required to pay an amount equal to 7.0 percent of all wagers placed pursuant to intertrack wagering, as purses during its current race meet. However, up to 0.50 percent of these wagers placed may, at the option of the host track, be deducted from the

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[22] *Id.*
[23] S. 550.002(28), F.S.
[24] S. 550.002(2), F.S.
[25] S. 550.2625(1), F.S.
[26] *See* s. 550.2625(2)(a), F.S.
[27] *See* s. 550.2625(3), F.S.
[28] S. 550.3345(1), F.S.
[29] S. 550.3345(2), F.S.
[30] S. 550.3345(2)(d), F.S.
[31] S. 550.3345(2)(e), F.S.
[32] S. 550.3345(3), F.S.

amount retained by the host track for purses to supplement the awards program for owners of Florida-bred horses.[33]

A host track racing under a harness permit is required to pay an amount equal to 7 percent of all wagers placed pursuant to intertrack wagering as purses during its current race meet. If a host track underpays or overpays purses, the provisions of s. 550.2625, F.S., apply to the overpayment or underpayment.[34]

Of all wagers placed pursuant to intertrack wagering, if the host track is:[35]

- A thoroughbred track, an amount equal to 0.75 percent is paid to the Florida Thoroughbred Breeders' Association, Inc., for the payment of breeders' awards;
- A harness track, an amount equal to 1 percent is paid to the Florida Standardbred Breeders and Owners Association, Inc., for the payment of breeders' awards, stallion awards, stallion stakes, additional purses, and prizes for, and the general promotion of owning and breeding, Florida-bred standardbred horses; or
- A quarter horse track, an amount equal to 1 percent is paid to the Florida Quarter Horse Breeders and Owners Association, Inc., for the payment of breeders' awards and general promotion.

The law also provides certain requirements for payment to a breeders' organization with regard to any other amounts received by the respective breeders' and owners' associations as so designated.[36]

**DACS Distribution of Funds for Florida Thoroughbred Breeding and Racing**

Current law relating to the promotion of Florida thoroughbred breeding and racing at Florida thoroughbred tracks, outlines the distribution of funds to encourage these activities. The law encourages the agricultural activity of breeding thoroughbred racehorses in Florida and thoroughbred racing at Florida tracks.[37]

DACS is responsible for distributing funds from the Florida Agricultural Promotional Campaign Trust Fund to achieve these goals. The law provides:[38]

- Purses or purse supplements for Florida-bred or Florida-sired horses registered with the association that participate in Florida thoroughbred races.
- Stallion Awards to the owners of thoroughbred stallions appropriately registered with the association and siring association -registered Florida-breds that finish first in a listed black-type stakes race at a Florida thoroughbred track.

Recipients of funds under this section are required to submit a report to DACS detailing how all funds were used in the prior fiscal year.[39]

[33] S. 550.625(1), F.S.
[34] *Id.*
[35] S. 550.625(2)
[36] S. 550.625(3), F.S.
[37] See s. 571.265, F.S.
[38] S. 571.265(3), F.S.
[39] S. 571.265(4), F.S.

**RECENT LEGISLATION:**

| YEAR | BILL # | HOUSE SPONSOR(S) | SENATE SPONSOR | OTHER INFORMATION |
|---|---|---|---|---|
| 2021A | CS/CS/HB 7A | Latvala, Robinson, W. | Hutson | Removed requirements for greyhound permitholders, jai alai permitholders, and harness horse permitholders to conduct live racing or games. |

**OTHER RESOURCES:**

Florida Gaming Control Commission

Florida Thoroughbred Horsemen's Association

Florida Thoroughbred Breeders' and Owners' Association

Gulfstream Park

Tampa Bay Downs

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Orig. Comm.: Commerce Committee | | | Hamon | Thompson |

A bill to be entitled

An act relating to pari-mutuel wagering; amending s. 550.01215, F.S.; authorizing thoroughbred permitholders to elect not to conduct live racing or games; specifying that such permitholders retain certain permits, eligibility, exemptions, and licenses; providing that certain permitholders are eligible to be a guest track, providing a timeframe that certain thoroughbred permitholders may not offer live racing, providing notice requirements; amending s. 550.26165, F.S.; providing legislative purpose; requiring certain moneys to be used for a specified purpose; requiring such awards be given at a uniform rate pursuant to a specified plan developed in a certain manner; requiring such plan be published in the Florida Administrative Register by a certain date; authorizing the commission to use flexibility in the development and implementation of a certain program; providing the source of amounts available for distribution; requiring permitholders to make certain payments by a specified date; revising thoroughbred breeders' awards; providing eligibility requirements for awards; requiring a specified association to maintain certain records; authorizing such association to require a fee for specified services; providing a

maximum for such fee; requiring purses be funded in a specified manner and paid at a specified rate; requiring awards to be paid on by a certain time; requiring the Florida Gaming Control Commission maintain certain records; requiring a certain association to remit specified funds to the state immediately; requiring such funds to be placed in a specified account; authorizing awards to be paid for races in other states or countries; requiring the commission to adopt certain rules; providing underpayment requirements for permitholders; authorizing the commission to adopt emergency rules; repealing s. 550.2625, F.S., relating to Horseracing; minimum purse requirement; Florida breeders' and owners' awards; amending s. 550.3345, F.S.; revising provisions related to the conversion of quarter horse permits to a limited thoroughbred permit; authorizing such permit locations to be moved to a licensed thoroughbred training center; providing for the licensing of thoroughbred training centers; authorizes the commission to adopt rules for such licensing and oversight; provides for board membership of the not-for-profit corporation; provides legislative findings; preempts certain local laws, charters, ordinances, resolutions, regulations, policies, initiatives, or

referendums; provides application; amending s. 550.3351, F.S.; revising the entity responsible for approving changes to live racing minimums; repealing s. 550.625, F.S., relating to Intertrack wagering; purses; breeders' awards; amending s. 550.6305, F.S.; making conforming changes; amending s. 551.104, F.S.; revising specified requirements for thoroughbred permitholders who have certain licenses; amending s. 571.265, F.S.; relating to promotion of Florida thoroughbred breeding and racing at Florida thoroughbred tracks; amending s. 849.086, F.S.; revising requirements for certain permitholders who have cardroom licenses; providing an effective date.

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

**Section 1. Paragraph (b) of subsection (1) of section 550.01215, Florida Statutes, is amended to read:**

550.01215 License application; periods of operation; license fees; bond.—

(1) Each permitholder shall annually, during the period between January 15 and February 4, file in writing with the commission its application for an operating license for a pari-mutuel facility for the conduct of pari-mutuel wagering during the next state fiscal year, including intertrack and simulcast

race wagering. Each application for live performances must specify the number, dates, and starting times of all live performances that the permitholder intends to conduct. It must also specify which performances will be conducted as charity or scholarship performances.

(b)1. A greyhound permitholder may not conduct live racing. A jai alai permitholder, thoroughbred permitholder, harness horse racing permitholder, or quarter horse racing permitholder may elect not to conduct live racing or games. ~~A thoroughbred permitholder must conduct live racing.~~ A greyhound permitholder, jai alai permitholder, thoroughbred permitholder, harness horse racing permitholder, or quarter horse racing permitholder that does not conduct live racing or games retains its permit; is a pari-mutuel facility as defined in s. 550.002(23); if such permitholder has been issued a slot machine license, the facility where such permit is located remains an eligible facility as defined in s. 551.102(4), continues to be eligible for a slot machine license pursuant to s. 551.104(3), and is exempt from ss. 551.104(10) ~~ss. 551.104(4)(c) and (10)~~ and 551.114(2); is eligible, but not required, to be a guest track and, if the permitholder is a harness horse racing permitholder or a thoroughbred permitholder, to be a host track for purposes of intertrack wagering and simulcasting pursuant to ss. 550.3551, 550.615, 550.625, and 550.6305; and remains eligible for a cardroom license. A thoroughbred permitholder who

operates a slot machine facility or cardroom shall offer a full schedule of live racing until such permitholder notifies the commission that it will no longer offer live racing. Notice under this subparagraph is not valid unless it is delivered on or after July 1, 2027, and contains the date on which the permitholder will no longer offer live racing which may not be earlier than a date 3 years after the date of the notice. The permitholder is not required to deliver such notice when relocating pursuant to s. 550.3345 or s. 550.475.

2. A permitholder or licensee may not conduct live greyhound racing or dogracing in connection with any wager for money or any other thing of value in the state. The commission may deny, suspend, or revoke any permit or license under this chapter if a permitholder or licensee conducts live greyhound racing or dogracing in violation of this subparagraph. In addition to, or in lieu of, denial, suspension, or revocation of such permit or license, the commission may impose a civil penalty of up to $5,000 against the permitholder or licensee for a violation of this subparagraph. All penalties imposed and collected must be deposited with the Chief Financial Officer to the credit of the General Revenue Fund.

**Section 2. Section 550.26165, Florida Statutes, is amended to read:**

(Substantial rewording of section.
See s. 550.26165, F.S., for present text.)

550.26165 Breeders' incentives, purses and special racing awards plan.—

(1) A purse structure for racehorse owners competitive with the purses offered in other states is an important factor in attracting the entry of well-bred horses in race meets in this state. The availability of awards to the owners and the breeders of Florida-bred racehorses, including the owners of Florida based stallions, is an important factor used to incentivize the purchase of Florida-bred horses at auction and to induce well-bred stallions and mares to engage in breeding activities in the state. In turn, the availability of these financial awards help to assure the containing viability of the thoroughbred industry in the state while simultaneously producing maximum revenues from licensed racing activity for the state and the counties. The purpose of this section is to encourage the agricultural activity of owning, breeding, and racing Florida-bred racehorses.

(2) Moneys dedicated in this chapter for use as purse supplements to the owners of Florida-bred racehorses, as breeders' awards, and as stallion awards are to be used to incentivize the ownership and the breeding of registered Florida-bred horses. Such awards shall be given at a uniform rate pursuant to an annual plan developed by the commission. The plan shall be developed with input from the Florida Department of Agriculture and Consumer Services, stakeholders in the

thoroughbred racing and breeding industry, and the general public and published in the Florida Administrative Register by January 1 for implementation during the next licensed racing year. The awards programs described in this chapter must be responsive to rapidly changing incentive programs in other states and to accomplish this goal, the commission is hereby authorized to use flexibility in the design and implementation of a competitive awards programs. The plan approved by the commission shall allocate, for distribution by category, breeders' awards, stallion awards and Florida-bred purse supplements available for distribution in the ensuing licensing year. The amount available for distribution shall be derived from the following sources:

(a) A minimum amount equal to 8.5 percent of the purse account generated through intertrack wagering and interstate simulcasting.

(b) A minimum amount equal to 0.955 percent on all pari-mutuel pools conducted on all wagering during each race meet, including any intertrack race taken pursuant to ss. 550.615-550.6305 or any interstate simulcast taken pursuant to s. 550.3551(3). This paragraph also applies to all Breeder's Cup races conducted outside this state taken pursuant to s. 550.3551(3).

(c) A minimum amount equal to 3.475 percent of the gross revenue derived by the thoroughbred permitholder when serving as

the host track for wagering on any race originating live in this state which is broadcast out-of-state to any location at which wagers are accepted pursuant to s. 550.3551(2).

The permitholder conducting the races shall make the payments authorized in this section to the commission for deposit into the Pari-mutuel Wagering Trust Fund. The permitholder shall remit such payments to the commission by the 5th day of each calendar month for such sums accruing during the preceding calendar month and provide any corresponding reporting as prescribed by the commission. Such payments together with any interest earned shall be used exclusively for the payment of breeders', stallion, or special racing awards in accordance with the plan established pursuant to this section.

(3) In order for a breeder of a Florida-bred thoroughbred horse to be eligible to receive a breeder's award, the horse must have been registered as a Florida-bred horse with the Florida Thoroughbred Breeders' Association and the Jockey Club certificate for the horse must show that it has been duly registered as a Florida-bred horse. The Florida Thoroughbred Breeders' Association may charge the registrant a reasonable fee for this verification and registration not to exceed $75 per horse.

(4) In order for an owner of the sire of a thoroughbred horse winning a stakes race to be eligible to receive a stallion

award, the stallion must have been registered with the Florida Thoroughbred Breeders' Association and the live breeding of the registered Florida-bred horse must have occurred in this state. The stallion must be standing permanently in this state during the period of time between February 1 and June 15 of each year or, if the stallion is dead, must have stood permanently in this state for a period of not less than 1 year immediately before its death. The removal of a stallion from this state during the period of time between February 1 and June 15 of any year for any reason, other than exclusively for prescribed medical treatment, as approved by the Florida Thoroughbred Breeders' Association, renders the owner or owners of the stallion ineligible to receive a stallion award under any circumstances for offspring sired before removal, however, if a removed stallion is returned to this state, all offspring sired subsequent to the return make the owner or owners of the stallion eligible for the stallion award but only for those offspring sired subsequent to such return to this state. The Florida Thoroughbred Breeders' Association shall maintain complete records showing the date the stallion arrived in this state for the first time, whether or not the stallion remained in the state permanently, the location of the stallion, and whether the stallion is still standing in this state and complete records showing awards earned, received, and distributed. The Florida Thoroughbred Breeders' Association may

charge the stallion owner a reasonable fee for this service not to exceed $75 per stallion.

(5) Purses shall be funded from the pari-mutuel pools conducted by the permitholder. A thoroughbred permit shall pay as purses during its race meets an amount equal to 7.0 percent of all wagers placed pursuant to the provisions of s. 550.615, as purses during its current race meet.

(6) A permitholder conducting a thoroughbred horse race under the provisions of this chapter shall, within 30 days after the end of the race meet during which the race is conducted, certify to the commission such information relating to the thoroughbred horses winning a stakes or other horserace at the meet as may be required to determine the eligibility for payment of breeders', stallion, and special racing awards.

(7) The commission shall maintain complete records showing the starters and winners in all races conducted at thoroughbred tracks in this state and shall maintain complete records showing awards earned, received, and distributed.

(8) Any funds in the possession of the Florida Thoroughbred Breeders' Association that had been paid to it by any thoroughbred permitholder as required by any provision of chapter 550 or chapter 551 in effect when the payment was made shall be immediately paid to the commission for deposit to the Pari-mutuel Wagering Trust Fund. The commission shall authorize payment from such funds to any breeder or stallion owner

entitled to an award that has not been previously paid by the Florida Thoroughbred Breeders' Association in accordance with the applicable plan of distribution.

(9) Breeders' awards or stallion awards authorized under this chapter, if authorized by a rule of the commission, may be paid with respect to thoroughbred horse races taking place in other states or countries.

(10) The commission shall adopt reasonable rules to ensure the timely and accurate payment of all amounts withheld by horserace permitholders regarding the distribution of purses, owners' awards, and other amounts collected for payment to owners and breeders pursuant to this section and this chapter.

(11) Each permitholder that fails to pay out all moneys collected for payment to owners and breeders shall, within 10 days after the end of the meet during which the permitholder underpaid purses, deposit an amount equal to the underpayment into a separate interest-bearing account established by the commission, which moneys shall be distributed to owners and breeders in accordance with commission rules.

(12) The commission may at any time adopt emergency rules pursuant to s. 120.54 to implement this section. The Legislature finds that such emergency rulemaking power is necessary for the preservation of the rights and welfare of the people in order to provide additional funds to benefit the statewide thoroughbred racing and breeding industry. The Legislature further finds that

the unique nature of breeding and racing operations require, from time to time, that the commission respond as quickly as is practicable to changes in the marketplace. Therefore, in adopting such emergency rules, the commission need not make the findings required by s. 120.54(4)(a). Emergency rules adopted under this section are exempt from s. 120.54(4)(c) and shall remain in effect until replaced by other emergency rules or by rules adopted under the nonemergency rulemaking procedures of the Administrative Procedure Act.

**Section 3.** Section 550.2625, Florida Statutes, is repealed.

**Section 4. Paragraph (d) of subsection (2) of section 550.3345, Florida Statutes, is amended and subsections (4) and (5) are added to that section, to read:**

550.3345 Conversion of quarter horse permit to a limited thoroughbred permit.—

(2) Notwithstanding any other provision of law, the holder of a quarter horse racing permit issued under s. 550.334 may, within 1 year after the effective date of this section, apply to the commission for a transfer of the quarter horse racing permit to a not-for-profit corporation formed under state law to serve the purposes of the state as provided in subsection (1). The board of directors of the not-for-profit corporation must be comprised of 11 members, 4 of whom shall be designated by the applicant, 4 of whom shall be designated by the Florida

Thoroughbred Breeders' Association, and 3 of whom shall be designated by the other 8 directors, with at least 1 of these 3 members being an authorized representative of another thoroughbred permitholder in this state. The not-for-profit corporation shall submit an application to the commission for review and approval of the transfer in accordance with s. 550.054. Upon approval of the transfer by the commission, and notwithstanding any other provision of law to the contrary, the not-for-profit corporation may, within 1 year after its receipt of the permit, request that the commission convert the quarter horse racing permit to a permit authorizing the holder to conduct pari-mutuel wagering meets of thoroughbred racing. Neither the transfer of the quarter horse racing permit nor its conversion to a limited thoroughbred permit shall be subject to the mileage limitation or the ratification election as set forth under s. 550.054(2) or s. 550.0651. Upon receipt of the request for such conversion, the commission shall timely issue a converted permit. The converted permit and the not-for-profit corporation shall be subject to the following requirements:

(d) Racing under the permit may take place only at the location for which the original quarter horse racing permit was issued, which may be leased by the not-for-profit corporation for that purpose; however, the not-for-profit corporation may, without the conduct of any ratification election pursuant to s. 550.054(13) or s. 550.0651, move the location of racing under

the permit to either:

1. Another location in the same county provided that such relocation is approved under the zoning and land use regulations of the applicable county or municipality; or.

2. To a licensed thoroughbred training center located in a county which has previously authorized pari-mutuel wagering pursuant to subsection (4). In order to be licensed as a thoroughbred training center, it must be designed and operated for the purpose of training, boarding, and caring for thoroughbred racehorses and be capable of providing instruction for sundry equestrian activities related to this breed of horse. The facility must have permanent stabling for at least 1,000 horses and operate multiple racecourses of varying surfaces for the training of thoroughbred racing. Each racecourse must be at least 50 feet wide and 3200 feet in length. The training facility may include riding arenas, viewing stands, pastures, grooming and veterinary care areas, and related amenities. Nothwithstanding any other provision of law, such training center may not operate a cardroom, or be issued a cardroom operating license unless such training center operated a valid cardroom license issued prior to January 1, 2025 directly under its permit. Notwithstanding any other provision of law, such training center may not operate a slot machine facility, or be issued a slot machine facility operating license.

(4) In order to foster and protect the statewide

importance and impact of thoroughbred racing and breeding throughout the state, the commission may adopt rules for the licensing and oversight of thoroughbred training centers in Florida which host live thoroughbred racing in conjunction with their training activities. Racing at such facilities shall only be conducted by a permit converted under this section that has provided sufficient evidence to the commission that the governance of the not-for-profit corporation is controlled by board comprised of three appointees from owner of the training center, an individual appointed by the chair of the commission, and an individual appointed by the Commissioner of the Department of Agriculture and Consumer Services. The board members may expand the board membership and make additional appointments to the board from time to time pursuant to the bylaws of the corporation.

(5) The Legislature finds and declares that it has exclusive preemptive authority over the conduct of all aspects of the business operations conducted at licensed thoroughbred training centers authorized under this section to conduct pari-mutuel wagering activities at such facilities, including but not limited to the regulation of all equestrian activities, all wagering activities and land use. As provided by law, only the commission shall administer this section and regulate the equestrian and pari-mutuel wagering activities conduced at, and land use applicable to, licensed thoroughbred training centers

as authorized in this section and the rules adopted by the commission with respect thereto. Any provision of a local law, a charter, an ordinance, a resolution, a regulation, a policy, an initiative, or a referendum which is in conflict with this section and which existed before, on, or after July 1, 2025, is prohibited, void, and expressly preempted to the state.

**Section 5. Paragraph (a) of subsection (6) of section 550.3551, Florida Statutes, is amended to read:**

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

(6)(a) A permitholder conducting live races or games may not conduct fewer than eight live races or games on any authorized race day except as provided in this subsection. A thoroughbred permitholder may not conduct fewer than eight live races on any race day without the written approval of the ~~Florida Thoroughbred Breeders' Association and the Florida Horsemen's Benevolent and Protective Association, Inc., unless it is determined by the commission that another~~ entity that represents a majority of the thoroughbred racehorse owners and trainers conducting racing during the licensed meet ~~in the state~~. If conducting live racing, a harness permitholder may conduct fewer than eight live races on any authorized race day. Any harness horse permitholder may receive full-card broadcasts of harness horse races conducted at harness racetracks outside this state at the harness track of the permitholder and accept

wagers on such harness races.

**Section 6.** Section 550.625, Florida Statutes, is repealed.

**Section 7. Paragraphs (a), (b), and (e) of subsection (9) of section 550.6305, Florida Statutes, are amended to read:**

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

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

(a) For purposes of this section, "net proceeds" means the amount of takeout remaining after the payment of state taxes, purses required pursuant to s. 550.0951(3)(c)1., the cost to the permitholder required to be paid to the out-of-state horse track, and breeders' awards paid to the commission ~~Florida Thoroughbred Breeders' Association~~ and the Florida Standardbred Breeders and Owners Association, to be used as set forth in this chapter ~~s. 550.625(2)(a) and (b)~~.

(b) Notwithstanding any ~~the~~ provisions of this chapter to the contrary ~~subsection (1) and s. 550.625(1) and (2)(a)~~, the distribution of the net proceeds that are retained by a thoroughbred host track from the takeout on an out-of-state race rebroadcast under this subsection shall be as follows:

1. One-third of the remainder of such proceeds shall be

paid to the guest track;

2. One-third of the remainder of such proceeds shall be retained by the host track; and

3. One-third of the remainder of such proceeds shall be paid by the host track as purses at the host track.

(e) Notwithstanding any ~~the~~ provisions of this chapter to the contrary ~~subsection (1) and s. 550.625(1) and (2)(b)~~, the proceeds that are retained by a harness host facility from the takeout on a race broadcast under this subsection shall be distributed as follows:

1. Of the total intertrack handle on the broadcast, 1 percent shall be deducted from the proceeds and paid to the Florida Standardbred Breeders and Owners Association, Inc.~~, to be used as set forth in s. 550.625(2)(b)~~;

2. One-third of the remainder of such proceeds shall be paid to the guest facility;

3. One-third of the remainder of such proceeds shall be retained by the host facility; and

4. One-third of the remainder of said proceeds shall be paid by the host facility as purses at the host facility.

**Section 8. Paragraphs (d) through (i) of subsection (4) of section 551.104, Florida Statutes, are redesignated as paragraphs (c) through (h), respectively, and present paragraph (c) of subsection (4) and paragraph (a) of subsection (10) are amended, to read:**

551.104 License to conduct slot machine gaming.—

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

~~(c) If a thoroughbred permitholder, conduct no fewer than a full schedule of live racing or games as defined in s. 550.002(10). A permitholder's responsibility to conduct live races or games shall be reduced by the number of races or games that could not be conducted due to the direct result of fire, strike, war, hurricane, pandemic, or other disaster or event beyond the control of the permitholder.~~

~~(10)(a)1. No slot machine license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of thoroughbred racing unless the applicant has on file with the commission a binding written agreement between the applicant and the Florida Horsemen's Benevolent and Protective Association, Inc., governing the payment of purses on live thoroughbred races conducted at the licensee's pari-mutuel facility. In addition, no slot machine license or renewal thereof shall be issued to such an applicant unless the applicant has on file with the commission a binding written agreement between the applicant and the Florida Thoroughbred Breeders' Association, Inc., governing the payment of breeders', stallion, and special racing awards on live thoroughbred races conducted at the licensee's pari-mutuel~~

~~facility. The agreement governing purses and the agreement governing awards may direct the payment of such purses and awards from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses and awards shall be subject to the terms of chapter 550. All sums for breeders', stallion, and special racing awards shall be remitted monthly to the Florida Thoroughbred Breeders' Association, Inc., for the payment of awards subject to the administrative fee authorized in s. 550.2625(3).~~

~~2. No slot machine license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of quarter horse racing unless the applicant has on file with the commission a binding written agreement between the applicant and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the applicant's eligible facility, governing the payment of purses on live quarter horse races conducted at the licensee's pari-mutuel facility. The agreement governing purses may direct the payment of such purses from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses shall be subject to the terms of chapter 550.~~

**Section 9. Paragraph (b) of subsection (3) of section 571.265, Florida Statutes, is redesignated as paragraph (c), and paragraph (c) is added to subsection (1) and a new paragraph (b)**

**is added to subsection (3) of that section, to read:**

571.265 Promotion of Florida thoroughbred breeding and of thoroughbred racing at Florida thoroughbred tracks; distribution of funds.—

(1) For purposes of this section, the term:

(b) "Commission" means the Florida Gaming Control Commission.

(3) The department shall distribute the funds made available under this section as follows:

(a) Five million dollars shall be distributed to the association to be used for the following:

1. One million five hundred thousand dollars shall be used for a program established by the department for the recruitment and retention of thoroughbred stallions and mares for breeding. The department shall adopt rules and administer a grant program to implement this section which shall be available to new stallions and mares registered with the association after of the effective date of this act. Funds may be used to assist with the cost of relocation of out of state stallions and mares and to subsidize the costs of breeding to registered Florida stallions. Reimbursement rates under the program shall be as follows:

a. $25,000 shall be available after verification by the department of the relocation and the registration with the association of a new stallion from out of state. No more than ten new stallions each year that relocate to Florida and

register with the association may be eligible for funds under this paragraph.

b. Up to $15,000 in additional funds shall be available for each stallion registered with the association after the effective date of this act subject to performance criteria as a stud established by the department for payment at the conclusion of the first foaling season following year after its registration.

c. $1,500 per mare that has previously been bred to a thoroughbred stallion in an out of state location upon the mare's relocation to Florida and the mare's registration with the association after the effective date of this act to assist in the costs associated with the mare's relocation to Florida and registration with the association.

d. $1,000 per mare located in Florida that at the time of registration with the association has not previously been bred to a thoroughbred stallion.

2. Three million five hundred thousand dollars shall be used to provide for the reimbursement of stallion fees to the owner of mares registered with the association after the mare produces a live foal from a breeding with a stallion participating in the program. The owner of a mare may seek reimbursement after the mare produces a live foal and the foal's registration with the association. The owners of mares registered with the association may seek reimbursement for

stallion stud fees from the department under the following criteria:

a. Owners of mares may only seek reimbursement for stallion stud fees which were $10,000 or less at the time of the breeding.

b. The owner of a mare registered with the association before the effective date of this act or the owner of a mare registered after the effective date of this act that received reimbursement for a stallion stud fee resulting in a live foal under sub-paragraph c. shall receive reimbursement of fifty percent of the stallion fee, up to $7,500.

c. The owner of a mare registered with the association after the effective date of this act shall receive a reimbursement of one hundred percent of the stallion stud fee, up to $10,000 for its first live foal that the mare produces from a breeding to a stallion participating in the program.

d. The department may adjust the caps established under sub-paragraph a. in the annual program adopted by the department beginning with the 2028 breeding season and in sub-paragraph b. beginning with the 2029 breeding season.

3. The owner of any horse participating in or receiving funds from this program may only sell the participating mare or stallion in a private sale or via a public sale at a sales venue located in Florida and licensed by the department pursuant to s. 535.01.

4. The department may at any time adopt emergency rules, forms and audit procedures pursuant to s. 120.54. The Legislature finds that such emergency rulemaking power is necessary for the preservation of the rights and welfare of the people participating in the annual program in order to provide these additional funds to benefit the public. The Legislature further finds that the unique nature of thoroughbred breeding operations requires, from time to time, that the department respond as quickly as is practicable to changes in the marketplace. Therefore, in adopting such emergency rules, the department need not make the findings required by s. 120.54(4)(a). Emergency rules adopted under this section are exempt from s. 120.54(4)(c) and shall remain in effect until replaced by other emergency rules or by rules adopted under the nonemergency rulemaking procedures of the Administrative Procedure Act.

5. The association may charge a registration fee not to exceed $75 for each registered mare participating in the program and shall submit annually to the commission and the department by July 30 a report detailing the new and current owners and horses participating in the program.

~~1. Purses or purse supplements for Florida-bred or Florida-sired horses registered with the association that participate in Florida thoroughbred races.~~

~~2. Awards to breeders of Florida-bred horses registered~~

~~with the association that win, place, or show in Florida thoroughbred races.~~

~~3. Awards to owners of stallions who sired Florida-bred horses registered with the association that win Florida thoroughbred stakes races, if the stallions are registered with the association as Florida stallions standing in this state.~~

~~4. Other racing incentives connected to Florida-bred or Florida-sired horses registered with the association that participate in thoroughbred races in Florida.~~

~~5. Awards administration.~~

~~6. Promotion of the Florida thoroughbred breeding industry.~~

(b) Five million dollars shall be distributed to Tampa Bay Downs, Inc., to be used as purses in thoroughbred races conducted at its pari-mutuel facilities and for the maintenance and operation of that facility, pursuant to an agreement with its local majority horsemen's group.

(c) Fifteen million dollars shall be distributed to Gulfstream Park Racing Association, Inc., to be used as purses in thoroughbred races conducted by either Gulfstream Park Racing Association or Gulfstream Park Thoroughbred Aftercare and Retirement Association at their current pari-mutuel facility as allowed under s. 550.475 and s. 550.3345(2)(d) and for the maintenance and operation of its facility at its pari-mutuel facility and for the maintenance and operation of its facility,

pursuant to an agreement with the Florida Horsemen's Benevolent and Protective Association, Inc.

(d) Two and one-half million dollars shall be distributed as follows:

1. Two million dollars to Gulfstream Park Racing Association, Inc., and Gulfstream Park Thoroughbred Aftercare and Retirement Association, to be used as purses and purse supplements for Florida-bred or Florida-sired horses registered with the association that participate in thoroughbred races at the permitholder's pari-mutuel facility, or a facility as allowed under s. 550.475 and s. 550.3345(2)(d), pursuant to an annual plan established by the commission a written agreement filed with the department establishing the rates, procedures, and eligibility requirements entered into by the permitholder, the association, and the Florida Horsemen's Benevolent and Protective Association, Inc.

2. Five hundred thousand dollars to Tampa Bay Downs, Inc., to be used as purses and purse supplements for Florida-bred or Florida-sired horses registered with the association that participate in thoroughbred races at the permitholder's pari-mutuel facility, pursuant to an annual plan established by the commission. a written agreement filed with the department establishing the rates, procedures, and eligibility requirements entered into by the permitholder, the association, and the local majority horsemen's group at the permitholder's pari-mutuel

facility.

(4) If either permitholder referenced to in s. 571.265(b) and s. 571.265(c) elects to no longer offer live racing performances such permitholder allocation of the fund shall be distributed to any other permitholder which is licensed to offer a full calendar of live racing at location which is more than 125 miles from the location of a permitholder which did not elect to discontinue offering live performances. If there are more than one, the funds shall be prorated proportionately according to live race days. If there are no permitholders offering live racing performances outside the 125 mile restricted area, the nonelecting permitholder shall receive 100 percent of the funds subject to offering a full racing calendar.

(5)(4) On or before the first day of the August following each fiscal year in which a recipient under this section received or used funds pursuant to this section, each such recipient must submit a report to the department detailing how all funds were used in the prior fiscal year.

**Section 10. Paragraph (c) of subsection (5) and paragraph (d) of subsection (13) of section 849.086, Florida Statutes, are amended to read:**

849.086 Cardrooms authorized.—

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

(c) Notwithstanding any other provision of law, a pari-mutuel permitholder, other than a permitholder issued a permit pursuant to s. 550.3345 or a purchaser, transferee, or assignee holding a valid permit for the conduct of pari-mutuel wagering approved pursuant to s. 550.054(15)(a), may not be issued a license for the operation of a cardroom if the permitholder did not hold an operating license for the conduct of pari-mutuel wagering for fiscal year 2020-2021. In order for an initial cardroom license to be issued to a thoroughbred permitholder issued a permit pursuant to s. 550.3345, the applicant must have requested, as part of its pari-mutuel annual license application, to conduct at least a full schedule of live racing. ~~In order for a cardroom license to be renewed by a thoroughbred permitholder, the applicant must have requested, as part of its pari-mutuel annual license application, to conduct at least 90 percent of the total number of live performances conducted by such permitholder during either the state fiscal year in which its initial cardroom license was issued or the state fiscal year immediately prior thereto if the permitholder ran at least a full schedule of live racing or games in the prior year~~.

(13) TAXES AND OTHER PAYMENTS.—

(d)1. Each jai alai permitholder that conducts live performances and operates a cardroom facility shall use at least 4 percent of such permitholder's cardroom monthly gross receipts to supplement jai alai prize money during the permitholder's

next ensuing pari-mutuel meet.

~~2. Each thoroughbred permitholder or harness horse racing permitholder that conducts live performances and operates a cardroom facility shall use at least 50 percent of such permitholder's cardroom monthly net proceeds as follows: 47 percent to supplement purses and 3 percent to supplement breeders' awards during the permitholder's next ensuing racing meet.~~

2.~~3.~~ No cardroom license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of quarter horse racing and conducting live performances unless the applicant has on file with the commission a binding written agreement between the applicant and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the applicant's eligible facility, governing the payment of purses on live quarter horse races conducted at the licensee's pari-mutuel facility. The agreement governing purses may direct the payment of such purses from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses shall be subject to the terms of chapter 550.

**Section 11.** This act shall take effect July 1, 2025.

**COMMERCE COMMITTEE**

**PCS for CS/HB 105 by Rep. Anderson**
**Thoroughbred Permitholders**

**AMENDMENT SUMMARY**
**March 17, 2025**

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**Amendment 1 by Rep. Anderson (strike-all):**

- Retains the decoupling provisions in the bill.
- Requires thoroughbred permitholders to provide the Florida Gaming Control Commission with notice prior to ending live racing.
- Removes live racing requirements related to the tax on handle for intertrack wagering in the market area of certain thoroughbred permitholders.
- Amends requirements related to thoroughbred purses and certain agreements related to live racing.
    - Changes the current purse structure, and the allocation structure for breeders awards, stallion awards and Florida-bred purse supplements.
    - Revises contracting requirements between the horsemen's associations and permitholders.
- Creates a pathway for certain thoroughbred permitholders to operate racing at a licensed thoroughbred training center.
- Prohibits converted thoroughbred permitholders from obtaining slot machine and cardroom licenses under certain conditions.

COMMITTEE/SUBCOMMITTEE ACTION

| | | |
|---|---|---|
| ADOPTED | ____ | (Y/N) |
| ADOPTED AS AMENDED | ____ | (Y/N) |
| ADOPTED W/O OBJECTION | ____ | (Y/N) |
| FAILED TO ADOPT | ____ | (Y/N) |
| WITHDRAWN | ____ | (Y/N) |
| OTHER | | |

Committee/Subcommittee hearing bill: Commerce Committee
Representative Anderson offered the following:

**Amendment (with title amendment)**

Remove everything after the enacting clause and insert:

**Section 1. Paragraph (c) of subsection (3) of section 550.0951, Florida Statutes, is amended to read:**

550.0951 Payment of daily license fee and taxes; penalties.—

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

than one performance daily, the tax is imposed on each performance separately.

(c)1. The tax on handle for intertrack wagering is 2.0 percent of the handle if the host track is a horse track, 3.3 percent if the host track is a harness track, 5.5 percent if the host track is a dog track, and 7.1 percent if the host track is a jai alai fronton. The tax on handle for intertrack wagering is 0.5 percent if the host track and the guest track are thoroughbred permitholders or if the guest track is located outside the market area of the host track and within the market area of a thoroughbred permitholder ~~currently conducting a live race meet~~. The tax on handle for intertrack wagering on rebroadcasts of simulcast thoroughbred horseraces is 2.4 percent of the handle and 1.5 percent of the handle for intertrack wagering on rebroadcasts of simulcast harness horseraces. The tax shall be deposited into the Pari-mutuel Wagering Trust Fund.

2. The tax on handle for intertrack wagers accepted by any dog track located in an area of the state in which there are only three permitholders, all of which are greyhound permitholders, located in three contiguous counties, from any greyhound permitholder also located within such area or any dog track or jai alai fronton located as specified in s. 550.615(6) or (9), on races or games received from the same class of permitholder located within the same market area is 3.9 percent if the host facility is a greyhound permitholder and, if the

host facility is a jai alai permitholder, the rate shall be 6.1 percent except that it shall be 2.3 percent on handle at such time as the total tax on intertrack handle paid to the commission by the permitholder during the current state fiscal year exceeds the total tax on intertrack handle paid to the commission by the permitholder during the 1992-1993 state fiscal year.

**Section 2. Paragraph (b) of subsection (1) of section 550.01215, Florida Statutes, is amended to read:**

550.01215 License application; periods of operation; license fees; bond.—

(1) Each permitholder shall annually, during the period between January 15 and February 4, file in writing with the commission its application for an operating license for a pari-mutuel facility for the conduct of pari-mutuel wagering during the next state fiscal year, including intertrack and simulcast race wagering. Each application for live performances must specify the number, dates, and starting times of all live performances that the permitholder intends to conduct. It must also specify which performances will be conducted as charity or scholarship performances.

(b)1. A greyhound permitholder may not conduct live racing. A jai alai permitholder, <u>thoroughbred permitholder,</u> harness horse racing permitholder, or quarter horse racing permitholder may elect not to conduct live racing or games. ~~A~~

~~thoroughbred permitholder must conduct live racing.~~ A greyhound permitholder, jai alai permitholder, thoroughbred permitholder, harness horse racing permitholder, or quarter horse racing permitholder that does not conduct live racing or games retains its permit; is a pari-mutuel facility as defined in s. 550.002(23); if such permitholder has been issued a slot machine license, the facility where such permit is located remains an eligible facility as defined in s. 551.102(4), continues to be eligible for a slot machine license pursuant to s. 551.104(3), and is exempt from ss. 551.104(10) ~~ss. 551.104(4)(c) and (10)~~ and 551.114(2); is eligible, but not required, to be a guest track and, if the permitholder is a harness horse racing permitholder or a thoroughbred permitholder, to be a host track for purposes of intertrack wagering and simulcasting pursuant to ss. 550.3551, 550.615, 550.625, and 550.6305; and remains eligible for a cardroom license. A thoroughbred permitholder who operates a slot machine facility or cardroom shall offer a full schedule of live racing until such permitholder notifies the commission that it will no longer offer live racing. Notice under this subparagraph is not valid unless it is delivered on or after July 1, 2027, and contains the date on which the permitholder will no longer offer live racing which may not be earlier than a date 3 years after the date of the notice. The permitholder is not required to deliver such notice when relocating pursuant to s. 550.3345.

2. A permitholder or licensee may not conduct live greyhound racing or dogracing in connection with any wager for money or any other thing of value in the state. The commission may deny, suspend, or revoke any permit or license under this chapter if a permitholder or licensee conducts live greyhound racing or dogracing in violation of this subparagraph. In addition to, or in lieu of, denial, suspension, or revocation of such permit or license, the commission may impose a civil penalty of up to $5,000 against the permitholder or licensee for a violation of this subparagraph. All penalties imposed and collected must be deposited with the Chief Financial Officer to the credit of the General Revenue Fund.

**Section 3. Section 550.26165, Florida Statutes, is amended to read:**

(Substantial rewording of section.
See s. 550.26165, F.S., for present text.)

550.26165 Breeders' incentives, purses and special racing awards plan.—

(1) A purse structure for racehorse owners competitive with the purses offered in other states is an important factor in attracting the entry of well-bred horses in race meets in this state. The availability of awards to the owners and the breeders of Florida-bred racehorses, including the owners of Florida based stallions, is an important factor used to incentivize the purchase of Florida-bred horses at auction and

to induce well-bred stallions and mares to engage in breeding activities in the state. In turn, the availability of these financial awards help to assure the containing viability of the thoroughbred industry in the state while simultaneously producing maximum revenues from licensed racing activity for the state and the counties. The purpose of this section is to encourage the agricultural activity of owning, breeding, and racing Florida-bred racehorses.

(2) Moneys dedicated in this chapter for use as purse supplements to the owners of Florida-bred racehorses, as breeders' awards, and as stallion awards are to be used to incentivize the ownership and the breeding of registered Florida-bred horses. Such awards shall be given at a uniform rate pursuant to an annual plan developed by the commission. The plan shall be developed with input from the Florida Department of Agriculture and Consumer Services, stakeholders in the thoroughbred racing and breeding industry, and the general public and published in the Florida Administrative Register by January 1 for implementation during the next licensed racing year. The awards programs described in this chapter must be responsive to rapidly changing incentive programs in other states and to accomplish this goal, the commission is hereby authorized to use flexibility in the design and implementation of a competitive awards programs. The plan approved by the commission shall allocate, for distribution by category,

breeders' awards, stallion awards and Florida-bred purse supplements available for distribution in the ensuing licensing year. The amount available for distribution shall be derived from the following sources:

(a) A minimum amount equal to 0.955 percent on all pari-mutuel pools conducted on all wagering during each race meet, including any intertrack race taken pursuant to ss. 550.615-550.6305 or any interstate simulcast taken pursuant to s. 550.3551(3). This paragraph also applies to all Breeder's Cup races conducted outside this state taken pursuant to s. 550.3551(3).

(b) A minimum amount equal to 3.475 percent of the gross revenue derived by the thoroughbred permitholder when serving as the host track for wagering on any race originating live in this state which is broadcast out-of-state to any location at which wagers are accepted pursuant to s. 550.3551(2).

The permitholder conducting the races shall make the payments authorized in this section to the commission for deposit into the Pari-mutuel Wagering Trust Fund. The permitholder shall remit such payments to the commission by the 5th day of each calendar month for such sums accruing during the preceding calendar month and provide any corresponding reporting as prescribed by the commission. Such payments together with any interest earned shall be used exclusively for the payment of

breeders', stallion, or special racing awards in accordance with the plan established pursuant to this section.

(3) In order for a breeder of a Florida-bred thoroughbred horse to be eligible to receive a breeder's award, the horse must have been registered as a Florida-bred horse with the Florida Thoroughbred Breeders' Association and the Jockey Club certificate for the horse must show that it has been duly registered as a Florida-bred horse. The Florida Thoroughbred Breeders' Association may charge the registrant a reasonable fee for this verification and registration not to exceed $75 per horse.

(4) In order for an owner of the sire of a thoroughbred horse winning a stakes race to be eligible to receive a stallion award, the stallion must have been registered with the Florida Thoroughbred Breeders' Association and the live breeding of the registered Florida-bred horse must have occurred in this state. The stallion must be standing permanently in this state during the period of time between February 1 and June 15 of each year or, if the stallion is dead, must have stood permanently in this state for a period of not less than 1 year immediately before its death. The removal of a stallion from this state during the period of time between February 1 and June 15 of any year for any reason, other than exclusively for prescribed medical treatment, as approved by the Florida Thoroughbred Breeders' Association, renders the owner or owners of the stallion

ineligible to receive a stallion award under any circumstances for offspring sired before removal, however, if a removed stallion is returned to this state, all offspring sired subsequent to the return make the owner or owners of the stallion eligible for the stallion award but only for those offspring sired subsequent to such return to this state. The Florida Thoroughbred Breeders' Association shall maintain complete records showing the date the stallion arrived in this state for the first time, whether or not the stallion remained in the state permanently, the location of the stallion, and whether the stallion is still standing in this state and complete records showing awards earned, received, and distributed. The Florida Thoroughbred Breeders' Association may charge the stallion owner a reasonable fee for this service not to exceed $75 per stallion.

(5) Purses shall be funded from the pari-mutuel pools conducted by the permitholder. A thoroughbred permit shall pay as purses during its race meets an amount equal to 7.0 percent of all wagers placed pursuant to the provisions of s. 550.615, as purses during its current race meet.

(6) A permitholder conducting a thoroughbred horse race under the provisions of this chapter shall, within 30 days after the end of the race meet during which the race is conducted, certify to the commission such information relating to the thoroughbred horses winning a stakes or other horserace at the

meet as may be required to determine the eligibility for payment of breeders', stallion, and special racing awards.

(7) The commission shall maintain complete records showing the starters and winners in all races conducted at thoroughbred tracks in this state and shall maintain complete records showing awards earned, received, and distributed.

(8) Any funds in the possession of the Florida Thoroughbred Breeders' Association that had been paid to it by any thoroughbred permitholder as required by any provision of chapter 550 or chapter 551 in effect when the payment was made or by the Florida Department of Agriculture and Consumer Services as required by any provision of chapter 571 in effect when the payment was made shall be immediately paid to the commission for deposit to the Pari-mutuel Wagering Trust Fund. The commission shall authorize payment from such funds to any breeder or stallion owner entitled to an award that has not been previously paid by the Florida Thoroughbred Breeders' Association in accordance with the applicable plan of distribution.

(9) Breeders' awards or stallion awards authorized under this chapter, if authorized by a rule of the commission, may be paid with respect to thoroughbred horse races taking place in other states or countries.

(10) The commission shall adopt reasonable rules to ensure the timely and accurate payment of all amounts withheld by

horserace permitholders regarding the distribution of purses, owners' awards, and other amounts collected for payment to owners and breeders pursuant to this section and this chapter.

(11) Each permitholder that fails to pay out all moneys collected for payment to owners and breeders shall, within 10 days after the end of the meet during which the permitholder underpaid purses, deposit an amount equal to the underpayment into a separate interest-bearing account established by the commission, which moneys shall be distributed to owners and breeders in accordance with commission rules.

(12) The commission may at any time adopt emergency rules pursuant to s. 120.54 to implement this section. The Legislature finds that such emergency rulemaking power is necessary for the preservation of the rights and welfare of the people in order to provide additional funds to benefit the statewide thoroughbred racing and breeding industry. The Legislature further finds that the unique nature of breeding and racing operations require, from time to time, that the commission respond as quickly as is practicable to changes in the marketplace. Therefore, in adopting such emergency rules, the commission need not make the findings required by s. 120.54(4)(a). Emergency rules adopted under this section are exempt from s. 120.54(4)(c) and shall remain in effect until replaced by other emergency rules or by rules adopted under the nonemergency rulemaking procedures of the Administrative Procedure Act.

**Section 4.** Section 550.2625, Florida Statutes, is repealed.

**Section 5. Subsection (2) of section 550.3345, Florida Statutes, is amended and subsections (4) and (5) are added to that section, to read:**

550.3345 Conversion of quarter horse permit to a limited thoroughbred permit.—

(2) Notwithstanding any other provision of law, the holder of a quarter horse racing permit issued under s. 550.334 may, within 1 year after the effective date of this section, apply to the commission for a transfer of the quarter horse racing permit to a not-for-profit corporation formed under state law to serve the purposes of the state as provided in subsection (1). The board of directors of the not-for-profit corporation must be comprised of 11 members, 4 of whom shall be designated by the applicant, 4 of whom shall be designated by the commission ~~Florida Thoroughbred Breeders' Association~~, and 3 of whom shall be designated by the other 8 directors, with at least 1 of these 3 members being an authorized representative of another thoroughbred permitholder in this state. The not-for-profit corporation shall submit an application to the commission for review and approval of the transfer in accordance with s. 550.054. Upon approval of the transfer by the commission, and notwithstanding any other provision of law to the contrary, the not-for-profit corporation may, within 1 year after its receipt

of the permit, request that the commission convert the quarter horse racing permit to a permit authorizing the holder to conduct pari-mutuel wagering meets of thoroughbred racing. Neither the transfer of the quarter horse racing permit nor its conversion to a limited thoroughbred permit shall be subject to the mileage limitation or the ratification election as set forth under s. 550.054(2) or s. 550.0651. Upon receipt of the request for such conversion, the commission shall timely issue a converted permit. The converted permit and the not-for-profit corporation shall be subject to the following requirements:

(d) Racing under the permit may take place only at the location for which the original quarter horse racing permit was issued, which may be leased by the not-for-profit corporation for that purpose; however, the not-for-profit corporation may, without the conduct of any ratification election pursuant to s. 550.054(13) or s. 550.0651, move the location of racing under the permit to either:

1. Another location in the same county provided that such relocation is approved under the zoning and land use regulations of the applicable county or municipality; or.

2. To a licensed thoroughbred training center located in a county which has previously authorized pari-mutuel wagering. In order to be licensed as a thoroughbred training center, it must be designed and operated for the purpose of training, boarding, and caring for thoroughbred racehorses and be capable of

providing instruction for sundry equestrian activities related to this breed of horse. The facility must have permanent stabling for at least 1,000 horses and operate multiple racecourses of varying surfaces for the training of thoroughbred racing. Each racecourse must be at least 50 feet wide and 3200 feet in length. The training facility may include riding arenas, viewing stands, pastures, grooming and veterinary care areas, and related amenities. Notwithstanding any other provision of law, such training center may not operate a cardroom, and such permitholder operating the training center may not be issued a cardroom operating license unless such permitholder held a valid cardroom license issued before January 1, 2025. Notwithstanding any other provision of law, such training center may not operate a slot machine facility, and such permitholder operating the training center may not be issued a slot machine facility operating license.

(4) In order to foster and protect the statewide importance and impact of thoroughbred racing and breeding throughout the state, the commission may adopt rules for the licensing and oversight of thoroughbred training centers in Florida which host live thoroughbred racing in conjunction with their training activities. Racing at such facilities shall only be conducted by a permit converted under this section that has provided sufficient evidence to the commission that the governance of the not-for-profit corporation is controlled by

board comprised of three appointees from owner of the training center, an individual appointed by the chair of the commission, and an individual appointed by the Commissioner of the Department of Agriculture and Consumer Services. The board members may expand the board membership and make additional appointments to the board from time to time pursuant to the bylaws of the corporation.

(5) The Legislature finds and declares that it has exclusive preemptive authority over the conduct of all aspects of the business operations conducted at licensed thoroughbred training centers authorized under this section to conduct pari-mutuel wagering activities at such facilities, including but not limited to the regulation of all equestrian activities, all wagering activities and land use. As provided by law, only the commission shall administer this section and regulate the equestrian and pari-mutuel wagering activities conduced at, and land use applicable to, licensed thoroughbred training centers as authorized in this section and the rules adopted by the commission with respect thereto. Any provision of a local law, a charter, an ordinance, a resolution, a regulation, a policy, an initiative, or a referendum which is in conflict with this section and which existed before, on, or after July 1, 2025, is prohibited, void, and expressly preempted to the state.

**Section 6. Paragraph (a) of subsection (6) of section 550.3551, Florida Statutes, is amended to read:**

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

(6)(a) A permitholder conducting live races or games may not conduct fewer than eight live races or games on any authorized race day except as provided in this subsection. A thoroughbred permitholder may not conduct fewer than eight live races on any race day without the written approval of the ~~Florida Thoroughbred Breeders' Association and the Florida Horsemen's Benevolent and Protective Association, Inc., unless it is determined by the commission that another~~ entity that represents a majority of the thoroughbred racehorse owners and trainers conducting racing during the licensed meet ~~in the state~~. If conducting live racing, a harness permitholder may conduct fewer than eight live races on any authorized race day. Any harness horse permitholder may receive full-card broadcasts of harness horse races conducted at harness racetracks outside this state at the harness track of the permitholder and accept wagers on such harness races.

**Section 7.** Section 550.625, Florida Statutes, is repealed.

**Section 8. Paragraphs (a), (b), and (e) of subsection (9) of section 550.6305, Florida Statutes, are amended to read:**

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

(9) A host track that has contracted with an out-of-state horse track to broadcast live races conducted at such out-of-

state horse track pursuant to s. 550.3551(5) may broadcast such out-of-state races to any guest track and accept wagers thereon in the same manner as is provided in s. 550.3551.

(a) For purposes of this section, "net proceeds" means the amount of takeout remaining after the payment of state taxes, purses required pursuant to s. 550.0951(3)(c)1., the cost to the permitholder required to be paid to the out-of-state horse track, and breeders' awards paid to the commission ~~Florida Thoroughbred Breeders' Association~~ and the Florida Standardbred Breeders and Owners Association, to be used as set forth in this chapter ~~s. 550.625(2)(a) and (b)~~.

(b) Notwithstanding any ~~the~~ provisions of this chapter to the contrary ~~subsection (1) and s. 550.625(1) and (2)(a)~~, the distribution of the net proceeds that are retained by a thoroughbred host track from the takeout on an out-of-state race rebroadcast under this subsection shall be as follows:

1. One-third of the remainder of such proceeds shall be paid to the guest track;

2. One-third of the remainder of such proceeds shall be retained by the host track; and

3. One-third of the remainder of such proceeds shall be paid by the host track as purses at the host track.

(e) Notwithstanding any ~~the~~ provisions of this chapter to the contrary ~~subsection (1) and s. 550.625(1) and (2)(b)~~, the proceeds that are retained by a harness host facility from the

takeout on a race broadcast under this subsection shall be distributed as follows:

1. Of the total intertrack handle on the broadcast, 1 percent shall be deducted from the proceeds and paid to the Florida Standardbred Breeders and Owners Association, Inc.~~, to be used as set forth in s. 550.625(2)(b)~~;

2. One-third of the remainder of such proceeds shall be paid to the guest facility;

3. One-third of the remainder of such proceeds shall be retained by the host facility; and

4. One-third of the remainder of said proceeds shall be paid by the host facility as purses at the host facility.

**Section 9. Paragraphs (d) through (i) of subsection (4) of section 551.104, Florida Statutes, are redesignated as paragraphs (c) through (h), respectively, and present paragraph (c) of subsection (4) and paragraph (a) of subsection (10) are amended, to read:**

551.104 License to conduct slot machine gaming.—

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

~~(c) If a thoroughbred permitholder, conduct no fewer than a full schedule of live racing or games as defined in s. 550.002(10). A permitholder's responsibility to conduct live races or games shall be reduced by the number of races or games~~

~~that could not be conducted due to the direct result of fire, strike, war, hurricane, pandemic, or other disaster or event beyond the control of the permitholder.~~

~~(10)(a)1. No slot machine license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of thoroughbred racing unless the applicant has on file with the commission a binding written agreement between the applicant and the Florida Horsemen's Benevolent and Protective Association, Inc., governing the payment of purses on live thoroughbred races conducted at the licensee's pari-mutuel facility. In addition, no slot machine license or renewal thereof shall be issued to such an applicant unless the applicant has on file with the commission a binding written agreement between the applicant and the Florida Thoroughbred Breeders' Association, Inc., governing the payment of breeders', stallion, and special racing awards on live thoroughbred races conducted at the licensee's pari-mutuel facility. The agreement governing purses and the agreement governing awards may direct the payment of such purses and awards from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses and awards shall be subject to the terms of chapter 550. All sums for breeders', stallion, and special racing awards shall be remitted monthly to the Florida Thoroughbred Breeders' Association, Inc., for the payment of awards subject to the~~

~~administrative fee authorized in s. 550.2625(3).~~

~~2. No slot machine license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of quarter horse racing unless the applicant has on file with the commission a binding written agreement between the applicant and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the applicant's eligible facility, governing the payment of purses on live quarter horse races conducted at the licensee's pari-mutuel facility. The agreement governing purses may direct the payment of such purses from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses shall be subject to the terms of chapter 550.~~

**Section 10. Section 571.265, Florida Statutes, is amended to read:**

571.265 Promotion of Florida thoroughbred breeding and of thoroughbred racing at Florida thoroughbred tracks; distribution of funds.—

(1) For purposes of this section, the term:

(b) "Commission" means the Florida Gaming Control Commission.

(3) The department shall distribute the funds made available under this section as follows:

(a) Five million dollars shall be distributed to the

commission ~~association~~ to be used for the following:

1. One million five hundred thousand dollars shall be used for a program established by the department for the recruitment and retention of thoroughbred stallions and mares for breeding. The department shall adopt rules and administer a grant program to implement this section which shall be available to new stallions and mares registered with the association after of the effective date of this act. Funds may be used to assist with the cost of relocation of out of state stallions and mares and to subsidize the costs of breeding to registered Florida stallions. Reimbursement rates under the program shall be as follows:

a. $25,000 shall be available after verification by the department of the relocation and the registration with the association of a new stallion from out of state. No more than ten new stallions each year that relocate to Florida and register with the association may be eligible for funds under this paragraph.

b. Up to $15,000 in additional funds shall be available for each stallion registered with the association after the effective date of this act subject to performance criteria as a stud established by the department for payment at the conclusion of the first foaling season following year after its registration.

c. $1,500 per mare that has previously been bred to a thoroughbred stallion in an out of state location upon the

mare's relocation to Florida and the mare's registration with the association after the effective date of this act to assist in the costs associated with the mare's relocation to Florida and registration with the association.

d. $1,000 per mare located in Florida that at the time of registration with the association has not previously been bred to a thoroughbred stallion.

2. Three million five hundred thousand dollars shall be used to provide for the reimbursement of stallion fees to the owner of mares registered with the association after the mare produces a live foal from a breeding with a stallion participating in the program. The owner of a mare may seek reimbursement after the mare produces a live foal and the foal's registration with the association. The owners of mares registered with the association may seek reimbursement for stallion stud fees from the department under the following criteria:

a. Owners of mares may only seek reimbursement for stallion stud fees which were $10,000 or less at the time of the breeding.

b. The owner of a mare registered with the association before the effective date of this act or the owner of a mare registered after the effective date of this act that received reimbursement for a stallion stud fee resulting in a live foal under sub-paragraph c. shall receive reimbursement of fifty

percent of the stallion fee, up to $7,500.

c. The owner of a mare registered with the association after the effective date of this act shall receive a reimbursement of one hundred percent of the stallion stud fee, up to $10,000 for its first live foal that the mare produces from a breeding to a stallion participating in the program.

d. The department may adjust the caps established under sub-paragraph a. in the annual program adopted by the department beginning with the 2028 breeding season and in sub-paragraph b. beginning with the 2029 breeding season.

3. The owner of any horse participating in or receiving funds from this program may only sell the participating mare or stallion in a private sale or via a public sale at a sales venue located in Florida and licensed by the department pursuant to s. 535.01.

4. The department may at any time adopt emergency rules, forms and audit procedures pursuant to s. 120.54. The Legislature finds that such emergency rulemaking power is necessary for the preservation of the rights and welfare of the people participating in the annual program in order to provide these additional funds to benefit the public. The Legislature further finds that the unique nature of thoroughbred breeding operations requires, from time to time, that the department respond as quickly as is practicable to changes in the marketplace. Therefore, in adopting such emergency rules, the

department need not make the findings required by s. 120.54(4)(a). Emergency rules adopted under this section are exempt from s. 120.54(4)(c) and shall remain in effect until replaced by other emergency rules or by rules adopted under the nonemergency rulemaking procedures of the Administrative Procedure Act.

5. The association may charge a registration fee not to exceed $75 for each registered mare participating in the program and shall submit annually to the commission and the department by July 30 a report detailing the new and current owners and horses participating in the program.

~~1. Purses or purse supplements for Florida-bred or Florida-sired horses registered with the association that participate in Florida thoroughbred races.~~

~~2. Awards to breeders of Florida-bred horses registered with the association that win, place, or show in Florida thoroughbred races.~~

~~3. Awards to owners of stallions who sired Florida-bred horses registered with the association that win Florida thoroughbred stakes races, if the stallions are registered with the association as Florida stallions standing in this state.~~

~~4. Other racing incentives connected to Florida-bred or Florida-sired horses registered with the association that participate in thoroughbred races in Florida.~~

~~5. Awards administration.~~

~~6. Promotion of the Florida thoroughbred breeding industry.~~

(b) Five million dollars shall be distributed to Tampa Bay Downs, Inc., to be used as purses in thoroughbred races conducted at its pari-mutuel facilities and for the maintenance and operation of that facility~~, pursuant to an agreement with its local majority horsemen's group~~.

(c) Fifteen million dollars shall be distributed to Gulfstream Park Racing Association, Inc., to be used as purses in thoroughbred races conducted by either Gulfstream Park Racing Association or Gulfstream Park Thoroughbred Aftercare and Retirement Association at their current pari-mutuel facility as allowed under s. 550.475 and s. 550.3345(2)(d) and for the maintenance and operation of its facility ~~at its pari-mutuel facility and for the maintenance and operation of its facility, pursuant to an agreement with the Florida Horsemen's Benevolent and Protective Association, Inc~~.

(d) Two and one-half million dollars shall be distributed as follows:

1. One ~~Two~~ million dollars to Gulfstream Park Racing Association, Inc., and Gulfstream Park Thoroughbred Aftercare and Retirement Association, to be used as purses and purse supplements for Florida-bred or Florida-sired horses registered with the association that participate in thoroughbred races at the permitholder's racing location ~~pari-mutuel facility~~,

pursuant to a written agreement filed with its majority horsemen's group ~~the department establishing the rates, procedures, and eligibility requirements entered into by the permitholder, the association, and the Florida Horsemen's Benevolent and Protective Association, Inc~~.

2. One million dollars to Gulfstream Park Racing Association, Inc., to be used as restricted purses for Florida-bred or Florida-sired horses registered with the association that participate in thoroughbred races conducted at the permitholder's pari-mutuel facility between May 1 and November 1 pursuant to a written agreement with its majority horsemen's group. The plan for payment of the restricted purses shall be submitted to the commission and incorporated into its annual plan for purses and purse supplements. Funds allocated under this paragraph shall be for racing purses only, and no administrative fees shall be deducted from these funds.

3. ~~2.~~ Five hundred thousand dollars to Tampa Bay Downs, Inc., to be used as purses and purse supplements for Florida-bred or Florida-sired horses registered with the association that participate in thoroughbred races at the permitholder's pari-mutuel facility, pursuant to an annual plan established by the commission~~. a written agreement filed with the department establishing the rates, procedures, and eligibility requirements entered into by the permitholder, the association, and the local majority horsemen's group at the permitholder's pari-mutuel~~

~~facility~~.

(4) If either permitholder referenced in s. 571.265(b) or (c) elects to no longer offer live racing performances, such permitholder's allocation of the fund shall be distributed to any other permitholder which is licensed to offer a full calendar of live racing at a location which is more than 125 miles from the location of a permitholder which did not elect to discontinue offering live performances. If there are more than one, the funds shall be prorated proportionately according to live race days. If there are no permitholders offering live racing performances outside the 125 mile restricted area, the nonelecting permitholder shall receive 100 percent of the funds subject to offering a full racing calendar.

(5)~~(4)~~ On or before the first day of the August following each fiscal year in which a recipient under this section received or used funds pursuant to this section, each such recipient must submit a report to the department detailing how all funds were used in the prior fiscal year.

**Section 11. Paragraph (c) of subsection (5) and paragraph (d) of subsection (13) of section 849.086, Florida Statutes, are amended to read:**

849.086 Cardrooms authorized.—

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

(c) Notwithstanding any other provision of law, a pari-mutuel permitholder, other than a permitholder issued a permit pursuant to s. 550.3345 or a purchaser, transferee, or assignee holding a valid permit for the conduct of pari-mutuel wagering approved pursuant to s. 550.054(15)(a), may not be issued a license for the operation of a cardroom if the permitholder did not hold an operating license for the conduct of pari-mutuel wagering for fiscal year 2020-2021. In order for an initial cardroom license to be issued to a thoroughbred permitholder issued a permit pursuant to s. 550.3345, the applicant must have requested, as part of its pari-mutuel annual license application, to conduct at least a full schedule of live racing. ~~In order for a cardroom license to be renewed by a thoroughbred permitholder, the applicant must have requested, as part of its pari-mutuel annual license application, to conduct at least 90 percent of the total number of live performances conducted by such permitholder during either the state fiscal year in which its initial cardroom license was issued or the state fiscal year immediately prior thereto if the permitholder ran at least a full schedule of live racing or games in the prior year~~.

(13) TAXES AND OTHER PAYMENTS.—

(d)1. Each jai alai permitholder that conducts live performances and operates a cardroom facility shall use at least 4 percent of such permitholder's cardroom monthly gross receipts to supplement jai alai prize money during the permitholder's

next ensuing pari-mutuel meet.

~~2. Each thoroughbred permitholder or harness horse racing permitholder that conducts live performances and operates a cardroom facility shall use at least 50 percent of such permitholder's cardroom monthly net proceeds as follows: 47 percent to supplement purses and 3 percent to supplement breeders' awards during the permitholder's next ensuing racing meet.~~

2.~~3.~~ No cardroom license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of quarter horse racing and conducting live performances unless the applicant has on file with the commission a binding written agreement between the applicant and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the applicant's eligible facility, governing the payment of purses on live quarter horse races conducted at the licensee's pari-mutuel facility. The agreement governing purses may direct the payment of such purses from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses shall be subject to the terms of chapter 550.

**Section 12.** This act shall take effect July 1, 2025.

717 ----------
718 **T I T L E A M E N D M E N T**
719 Remove everything before the enacting clause and insert:
720 An act relating to pari-mutuel wagering; amending s.
721 550.0951, F.S.; removing live racing requirements
722 regarding the payment of a certain tax on handle for
723 intertrack wagering; amending s. 550.01215, F.S.;
724 authorizing thoroughbred permitholders to elect not to
725 conduct live racing or games; specifying that such
726 permitholders retain certain permits, eligibility,
727 exemptions, and licenses; providing that certain
728 permitholders are eligible to be a guest track,
729 providing a timeframe that certain thoroughbred
730 permitholders may not offer live racing, providing
731 notice requirements; amending s. 550.26165, F.S.;
732 providing legislative purpose; requiring certain
733 moneys to be used for a specified purpose; requiring
734 such awards be given at a uniform rate pursuant to a
735 specified plan developed in a certain manner;
736 requiring such plan be published in the Florida
737 Administrative Register by a certain date; authorizing
738 the commission to use flexibility in the development
739 and implementation of a certain program; providing the
740 source of amounts available for distribution;
741 requiring permitholders to make certain payments by a

specified date; revising thoroughbred breeders' awards; providing eligibility requirements for awards; requiring a specified association to maintain certain records; authorizing such association to require a fee for specified services; providing a maximum for such fee; requiring purses be funded in a specified manner and paid at a specified rate; requiring awards to be paid on by a certain time; requiring the Florida Gaming Control Commission maintain certain records; requiring a certain association to remit specified funds to the state immediately; requiring such funds to be placed in a specified account; authorizing awards to be paid for races in other states or countries; requiring the commission to adopt certain rules; providing underpayment requirements for permitholders; authorizing the commission to adopt emergency rules; repealing s. 550.2625, F.S., relating to Horseracing; minimum purse requirement; Florida breeders' and owners' awards; amending s. 550.3345, F.S.; revising provisions related to the conversion of quarter horse permits to a limited thoroughbred permit; specifying that such thoroughbred racing permitholders are required to conduct a full schedule of live racing; authorizing such permit locations to be moved to a licensed thoroughbred training center;

providing for the licensing of thoroughbred training centers; authorizing the commission to adopt rules for such licensing and oversight; providing for board membership of the not-for-profit corporation; providing legislative findings; preempting certain local laws, charters, ordinances, resolutions, regulations, policies, initiatives, or referendums; provides application; amending s. 550.3351, F.S.; revising the entity responsible for approving changes to live racing minimums; repealing s. 550.625, F.S., relating to Intertrack wagering; purses; breeders' awards; amending s. 550.6305, F.S.; making conforming changes; amending s. 551.104, F.S.; revising specified requirements for thoroughbred permitholders who have certain licenses; amending s. 571.265, F.S.; relating to promotion of Florida thoroughbred breeding and racing at Florida thoroughbred tracks; amending s. 849.086, F.S.; revising requirements for certain permitholders who have cardroom licenses; providing an effective date.