

By Senator Silver

38-685B-98

1 A bill to be entitled
2 An act relating to jai alai permitholders;
3 amending s. 550.01215, F.S.; allowing any jai
4 alai permitholder to apply, during a specified
5 period, for licensure to conduct performances
6 in fiscal year 1998-1999; requiring the
7 Division of Pari-mutuel Wagering to issue the
8 license within a specified period of time;
9 amending s. 550.09511, F.S.; qualifying the
10 provision that jai alai permitholders should
11 pay their fair share of taxes on pari-mutuel
12 wagering; providing that the amount of taxes on
13 handle and admissions which is imposed on such
14 a permitholder should not exceed the
15 permitholder's operating earnings and that
16 permitholders may apply any excess amount
17 against future taxes due; defining the term
18 "operating earnings"; providing an effective
19 date.

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

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23 Section 1. Subsection (10) is added to section
24 550.01215, Florida Statutes, to read:
25 550.01215 License application; periods of operation;
26 bond, conversion of permit.--
27 (10) Notwithstanding any other provision of this
28 section, any jai alai permitholder may apply for a license, or
29 for an amendment of its license, to conduct performances for
30 fiscal year 1998-1999 if the date of the application is later
31 than June 30, 1998, and earlier than July 11, 1998. The

1 division must issue such a license within 15 days after
2 receiving the application.

3 Section 2. Subsection (1) of section 550.09511,
4 Florida Statutes, is amended to read:

5 550.09511 Jai alai taxes; abandoned interest in a
6 permit for nonpayment of taxes.--

7 (1)(a) Pari-mutuel waging at jai alai frontons in
8 this state is an important business enterprise, and taxes
9 derived therefrom constitute a part of the tax structure which
10 funds operations of the state. Jai alai permitholders should
11 pay their fair share of these taxes to the state. As further
12 prescribed in paragraph (b), this business interest should not
13 be taxed to such an extent as to cause any fronton which is
14 operated under sound business principles to be forced out of
15 business. Due to the need to protect the public health,
16 safety, and welfare, the gaming laws of the state provide for
17 the jai alai industry to be highly regulated and taxed. The
18 state recognizes that there exist identifiable differences
19 between jai alai permitholders based upon their ability to
20 operate under such regulation and tax system.

21 (b) Under the taxation system set forth in this
22 section, which is based upon revenues instead of profits, a
23 jai alai permitholder should pay its fair share of taxes to
24 the state, but it should not be subjected to taxes that might
25 cause it to operate at a loss, impair its ability to service
26 debt or to maintain its fixed assets, or otherwise jeopardize
27 its existence and the jobs of its employees. Any jai alai
28 permitholder that has incurred state taxes on handle and
29 admissions in an amount that exceeds its operating earnings in
30 a fiscal year that ends during or after the 1997-1998 state
31 fiscal year is entitled to credit the excess amount of the

1 taxes against state pari-mutuel taxes due and payable after
2 June 30, 1998, during its next ensuing meets. As used in this
3 paragraph, the term "operating earnings" means total revenues
4 from pari-mutuel operations net of state taxes and fees less
5 total expenses but excluding from expenses any deductions for
6 interest, depreciation and amortization, payments to
7 affiliated entities other than for reimbursement of expenses
8 related to pari-mutuel operations, and any increase in an
9 officer's or director's annual compensation above the amount
10 paid during calendar year 1997.

11 Section 3. This act shall take effect July 1, 1998.

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14 SENATE SUMMARY

15 Allows any jai alai permitholder to apply, during the
16 period including July 1-10, 1998, for licensure to
17 conduct performances during fiscal year 1998-1999.
18 Requires such licensure to be issued within 15 days after
19 the application is made. Provides qualifications to the
20 provision that jai alai permitholders should pay their
21 fair share of taxes on pari-mutuel wagering. Provides
22 that the amount of state taxes on handle and admissions
23 which is imposed on such permitholders should not exceed
24 the permitholder's operating earnings and that
25 permitholders may apply any such excess amount of taxes
26 against future taxes due. Defines the term "operating
27 earnings."

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