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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 wagering 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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