A bill to be entitled An act relating to pari-mutuel wagering; amending s. 550.01215, F.S.; revising language with respect to periods of operation for certain permitholders; amending s. 550.0951, F.S.; providing that no admission tax shall be imposed on any free passes or complimentary cards for admission to pari-mutuel events; revising the tax on handle for thoroughbred racing; amending s. 550.5251, F.S.; revising the hours of operation for thoroughbred racing permitholders; amending s. 550.6305, F.S.; revising language with respect to intertrack wagering and guest track payments; providing a procedure when required payments are not made; providing recovery for the nondefaulting party; amending s. 550.2625, F.S.; revising language with respect to the purse requirements for certain horseracing events; reenacting s. 550.2625(2)(e), F.S., relating to the sum of purse accounts used for Florida Owners' Awards; repealing s. 550.09515, F.S., relating to thoroughbred horse taxes and abandoned interest in permit for nonpayment of taxes; repealing s. 550.2425, F.S., relating to a racing laboratory at horse racetrack facilities; repealing s. 550.615(11), F.S., relating to certain thoroughbred permitholders who conduct intertrack wagering; repealing s. 550.655, F.S., relating to backside medical and health benefits; amending ss. 550.26352, 550.334, and

1 550.3551, F.S.; conforming cross references to the act; providing an effective date. 2 3 4 Be It Enacted by the Legislature of the State of Florida: 5 6 Section 1. Subsections (1) and (5) of section 7 550.01215, Florida Statutes, are amended to read: 8 550.01215 License application; periods of operation; 9 bond, conversion of permit. --10 (1) Each permitholder shall annually, during the period between December 15 and January 4, file in writing with 11 the division its application for a license to conduct 12 13 performances during the next state fiscal year. Each 14 application shall specify the number, dates, and starting 15 times of all performances which the permitholder intends to conduct. It shall also specify which performances will be 16 17 conducted as charity or scholarship performances. In addition, 18 each application for a license shall include, for each 19 permitholder which elects to operate a cardroom, the dates and periods of operation the permitholder intends to operate the 20 cardroom or, for each thoroughbred permitholder which elects 21 to receive or rebroadcast out-of-state races after 7 p.m. 22 23 between the hours of 7 p.m. and 10 p.m., the dates for all performances which the permitholder intends to conduct. 24 25 Permitholders shall be entitled to amend their applications 26 through February 28. 27 Except as provided in s. 550.5251 for thoroughbred 28 racing, the division shall issue each license no later than 29 March 15. Each permitholder shall operate all performances at 30 the date and time specified on its license. The division

shall have the authority to approve minor changes in racing

dates after a license has been issued. The division may approve changes in racing dates after a license has been issued when there is no objection from any operating permitholder located within 50 miles of the permitholder requesting the changes in operating dates. In the event of an objection, the division shall approve or disapprove the change in operating dates based upon the impact on operating permitholders located within 50 miles of the permitholder requesting the change in operating dates. In making the determination to change racing dates, the division shall take into consideration the impact of such changes on state revenues.

Section 2. Subsections (2) and (3) of section 550.0951, Florida Statutes, are amended to read:

550.0951 Payment of daily license fee and taxes.--

- (2) ADMISSION TAX.--
- (a) An admission tax equal to 15 percent of the admission charge for entrance to the permitholder's facility and grandstand area, or 10 cents, whichever is greater, is imposed on each person attending a horserace, dograce, or jai alai game. The permitholder shall be responsible for collecting the admission tax.
- (b) No admission tax under this chapter or chapter 212 shall be imposed on any free passes or complimentary cards issued to persons for which there is no cost to the person for admission to pari-mutuel events. An admission tax is imposed on any free passes or complimentary cards issued to guests by permitholders in an amount equal to the tax imposed on the regular and usual admission charge for entrance to the permitholder's facility and grandstand area.

- (c) A permitholder may issue tax-free passes to its officers, officials, and employees or other persons actually engaged in working at the racetrack, including accredited press representatives such as reporters and editors, and may also issue tax-free passes to other permitholders for the use of their officers and officials. The permitholder shall file with the division a list of all persons to whom tax-free passes are issued <u>under this paragraph</u>.
- (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.
- (a) The tax on handle for thoroughbred horse racing, harness horse racing, and quarter horse racing is 3.3 percent of the handle.
- (b) The tax on handle for dogracing is 7.6 percent of the handle and for jai alai is 7.1 percent of the handle.
- (c)1. The tax on handle for intertrack wagering is 3.3 percent of the handle if the host track is a horse track, 7.6 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 on rebroadcasts of simulcast horseraces is 2.4 percent of the handle. The tax on handle for thoroughbred racing for all wagers placed at the thoroughbred track facility is 2.25 percent of the handle if racing is conducted between January 3 and March 16 of each year; and 0.7 percent of the handle if racing is conducted between March 17 and May

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22 of each year; and 1.5 percent of the handle if racing is conducted between May 23 and January 2 of each year. However, any thoroughbred permitholder whose total handle on live performances during the 1991-1992 state fiscal year was not greater than \$34 million is authorized to conduct live performances at any time of the year and shall pay 0.5 percent on live handle per performance. The tax on handle for intertrack wagering on rebroadcasts of simulcast horseraces is 2.4 percent of the handle. The tax shall be deposited into the General Revenue Fund.

- Effective October 1, 1996, 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 (8), on races or games received from the same class of permitholder located within the same market area is 6 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 division by the permitholder during the current state fiscal year exceeds the total tax on intertrack handle paid to the division by the permitholder during the 1992-1993 state fiscal year.
- 3. Any guest track that imposes a surcharge on each winning ticket cashed pursuant to s. 550.6335 shall pay an additional tax equal to 5 percent of the surcharge so imposed. Any taxes so imposed shall be deposited into the General Revenue Fund.

Section 3. Subsection (4) of section 550.5251, Florida Statutes, is amended to read:

550.5251 Florida thoroughbred racing; certain permits; operating days.--

(4) A thoroughbred racing permitholder may not begin any race later than 7 p.m. However, any thoroughbred permitholder in a county in which the authority for cardrooms has been approved by the board of county commissioners may elect not to operate a cardroom when conducting live races during its current race meet and instead to receive and rebroadcast out-of-state races after the hour between the hours of 7 p.m. and 10 p.m.on any day during which the permitholder conducts live races. However, such permitholder may not engage in both operating a cardroom and receiving or rebroadcasting out-of-state races after 7 p.m. Permitholders shall be required to elect between either operating a cardroom or engaging in simulcasting after 7 p.m. at the time of submitting its application for its annual license pursuant to this section s. 550.01215.

Section 4. Paragraph (g) of subsection (9) of section 550.6305, Florida Statutes, is amended, and subsection (12) is added to said section, 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.

- (g)1. Any thoroughbred permitholder which accepts wagers on a simulcast signal must make the signal available to any permitholder that is eligible to conduct intertrack wagering under the provisions of ss. 550.615-550.6345.
- 2. Any thoroughbred permitholder which accepts wagers on a simulcast signal received after 6 p.m. must make such signal available to any permitholder that is eligible to conduct intertrack wagering under the provisions of ss. 550.615-550.6345, including any permitholder located as specified in s. 550.615(6). Such guest permitholders are authorized to accept wagers on such simulcast signal, notwithstanding any other provision of this chapter to the contrary.
- 3. Any thoroughbred permitholder which accepts wagers on a simulcast signal received after 6 p.m. must make such signal available to any permitholder that is eligible to conduct intertrack wagering under the provisions of ss. 550.615-550.6345, including any permitholder located as specified in s. 550.615(9). Such guest permitholders are authorized to accept wagers on such simulcast signals for a number of performances not to exceed that which constitutes a full schedule of live races for a quarter horse permitholder pursuant to s. 550.002(11), notwithstanding any other provision of this chapter to the contrary, except that the restrictions provided in s. 550.615(9)(a) apply to wagers on such simulcast signals.

No thoroughbred permitholder shall be required to continue to rebroadcast a simulcast signal to any in-state permitholder if the average per performance gross receipts returned to the host permitholder over the preceding 30-day period were less

than \$100. Subject to the provisions of s. 550.615(4), as a condition of receiving rebroadcasts of thoroughbred simulcast signals under this paragraph, a guest track permitholder must accept intertrack wagers on all live races conducted by all then-operating thoroughbred permitholders a thoroughbred permitholder located in a county where there are only three permits, one for thoroughbred, one for greyhound, and one for jai alai.

- payment of money due to the host track by 3 p.m. Friday of each week for intertrack and interstate wagers accepted at the guest track for the preceding Wednesday through Tuesday, or the host track fails to make correct payment of money due to the guest track by 3 p.m. Friday of each week for intertrack and interstate wagers accepted at the host track, the nonpaying track shall be in default. The nondefaulting track may notify the defaulting track by facsimile or express service, or any other method in which a receipt is provided, that the track is in default of payments required by this section. If payment is not received by the nondefaulting track within 48 hours after the receipt of notice by the defaulting track, then, notwithstanding any other provision of this chapter to the contrary:
- (a) If the nondefaulting track is the host track, then the host track shall have the right to discontinue transmission of the signals and prohibit the acceptance of wagers thereon by the guest track.
- (b) The nondefaulting track shall be entitled to recover interest on all delinquent payments at the rate of 12 percent per annum from the due date through the date of payment irrespective of whether litigation is initiated.

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1 (c) If litigation is initiated to collect sums due 2 from the defaulting track, the venue shall be in the county 3 where the nondefaulting track is located and the prevailing 4 party in such litigation shall be entitled to recover its 5 attorney's fees and court costs from the defaulting party, 6 including those incurred in connection with any appeal.

Section 5. Paragraph (a) of subsection (2) and paragraph (d) of subsection (3) of section 550.2625, Florida Statutes, are amended to read:

550.2625 Horseracing; minimum purse requirement, Florida breeders' and owners' awards.--

- (2) 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.
- (a) A permitholder conducting a thoroughbred horse race meet under this chapter must pay as purses a sum not less than 7.875 percent of live handle for performances conducted between January 1 and March 31 of each year; and not less than 7.95 percent of live handle for performances conducted between April 1 and December 31 of each year. Any permitholder whose total handle on live performances during the 1991-1992 state fiscal year was not greater than \$34 million shall pay 7.5 percent of live handle for all performances conducted from the takeout withheld a sum not less than 7.5 percent of all contributions to pari-mutuel pools conducted during the race meet as purses. In addition to the 7.5 percent minimum purse payment, permitholders conducting live thoroughbred performances shall be required to pay as additional purses 30 .375 percent of live handle for performances conducted during the period beginning on January 3 and ending March 16; .225

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percent for performances conducted during the period beginning March 17 and ending May 22; and .6 percent for performances conducted during the period beginning May 23 and ending January 2. Except that any thoroughbred permitholder whose total handle on live performances during the 1991-1992 state fiscal year was not greater than \$34 million is not subject to this additional purse payment. A permitholder authorized to conduct thoroughbred racing may withhold from the handle an additional amount equal to 1 percent on exotic wagering for use as owners' awards, and may withhold from the handle an amount equal to 2 percent on exotic wagering for use as overnight purses. No permitholder may withhold in excess of 20 percent from the handle without withholding the amounts set forth in this subsection.

(3) Each horseracing permitholder conducting any thoroughbred race under this chapter, including any intertrack race taken pursuant to ss. 550.615-550.6305 or any interstate simulcast taken pursuant to s. 550.3551(3) shall pay a sum equal to 0.75 percent on all pari-mutuel pools conducted during any such race for the payment of breeders' and stallion awards as authorized in this section. This subsection also applies to all Breeder's Cup races conducted outside this state taken pursuant to s. 550.3551(3). 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 host track is required to pay 3.3 percent of the gross revenue derived from such out-of-state broadcasts as breeders' and stallion awards. The Florida Thoroughbred Breeders' Association is authorized to receive these payments from the permitholders and make payments of awards earned. The Florida Thoroughbred Breeders' Association has the right

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to withhold up to 10 percent of the permitholder's payments under this section as a fee for administering the payments of awards and for general promotion of the industry. The permitholder shall remit these payments to the Florida Thoroughbred Breeders' Association by the 5th day of each calendar month for such sums accruing during the preceding calendar month and shall report such payments to the division as prescribed by the division. With the exception of the 10-percent fee, the moneys paid by the permitholders shall be maintained in a separate, interest-bearing account, and such payments together with any interest earned shall be used exclusively for the payment of breeders' awards and stallion awards in accordance with the following provisions:

(d) 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 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 prior to 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 prior to 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 association may charge the owner, owners, or breeder a reasonable fee for this service.

Section 6. Effective July 1, 1998, paragraph (e) of subsection (2) of section 550.2625, Florida Statutes, is reenacted to read:

550.2625 Horseracing; minimum purse requirement, Florida breeders' and owners' awards.--

- (2) 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.
- (e) An amount equal to 8.5 percent of the purse account generated through intertrack wagering and interstate simulcasting will be used for Florida Owners' Awards as set forth in subsection (3). Any thoroughbred permitholder with an average blended takeout which does not exceed 20 percent and with an average daily purse distribution excluding sponsorship, entry fees, and nominations exceeding \$225,000 is exempt from the provisions of this subsection.

Section 7. Sections 550.09515, 550.2425, and 550.655 and subsection (11) of section 550.615, Florida Statutes, are repealed.

Section 8. Subsections (1), (3), (4), (5), and (6) of section 550.26352, Florida Statutes, are amended to read:

550.26352 Breeders' Cup Meet; pools authorized; conflicts; taxes; credits; transmission of races; rules; application.--

- (1) Notwithstanding any provision of this chapter to the contrary, there is hereby created a special thoroughbred race meet which shall be designated as the "Breeders' Cup Meet." The Breeders' Cup Meet shall be conducted at the facility of the Florida permitholder selected by Breeders' Cup Limited to conduct the Breeders' Cup Meet. The Breeders' Cup Meet shall consist of 3 days: the day on which the Breeders' Cup races are conducted, the preceding day, and the subsequent day. Upon the selection of the Florida permitholder as host for the Breeders' Cup Meet and application by the selected permitholder, the division shall issue a license to the selected permitholder to operate the Breeders' Cup Meet.

  Notwithstanding s. 550.09515(2)(a), The Breeders' Cup Meet may be conducted on dates which the selected permitholder is not otherwise authorized to conduct a race meet.
- (3) If the permitholder conducting the Breeders' Cup Meet is located within 35 miles of one or more permitholders scheduled to conduct a thoroughbred race meet on any of the 3 days of the Breeders' Cup Meet, then operation on any of those 3 days by the other permitholders is prohibited. As compensation for the loss of racing days caused thereby, such operating permitholders shall receive a credit against the taxes otherwise due and payable to the state under <a href="s.ss.">s.ss.</a>
  550.0951 and 550.09515. This credit shall be in an amount equal to the operating loss determined to have been suffered by the operating permitholders as a result of not operating on

the prohibited racing days, but shall not exceed a total of \$500,000. The determination of the amount to be credited shall be made by the division upon application by the operating permitholder. The tax credits provided in this subsection shall not be available unless an operating permitholder is required to close a bona fide meet consisting in part of no fewer than 10 scheduled performances in the 15 days immediately preceding or 10 scheduled performances in the 15 days immediately following the Breeders' Cup Meet. Such tax credit shall be in lieu of any other compensation or consideration for the loss of racing days. There shall be no replacement or makeup of any lost racing days.

- (4) Notwithstanding any provision of  $\underline{s.ss.}550.0951$  and  $\underline{550.09515}$ , the permitholder conducting the Breeders' Cup Meet shall pay no taxes on the handle included within the pari-mutuel pools of said permitholder during the Breeders' Cup Meet.
- shall receive a credit against the taxes otherwise due and payable to the state under <u>s.ss.</u>550.0951 and 550.09515 generated during said permitholder's next ensuing regular thoroughbred race meet. This credit shall be in an amount not to exceed \$800,000 and shall be utilized by the permitholder to pay the purses offered by the permitholder during the Breeders' Cup Meet in excess of the purses which the permitholder is otherwise required by law to pay. The amount to be credited shall be determined by the division upon application of the permitholder which is subject to audit by the division.
- (6) The permitholder conducting the Breeders' Cup Meet shall receive a credit against the taxes otherwise due and

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payable to the state under  $\underline{s.ss.}550.0951$  and  $\underline{550.09515}$  generated during said permitholder's next ensuing regular thoroughbred race meet. This credit shall be in an amount not to exceed \$800,000 and shall be utilized by the permitholder for such capital improvements and extraordinary expenses as may be necessary for operation of the Breeders' Cup Meet. The amount to be credited shall be determined by the division upon application of the permitholder which is subject to audit by the division.

Section 9. Paragraph (b) of subsection (7) of section 550.334, Florida Statutes, is amended to read:

550.334 Quarter horse racing; substitutions.-- (7)

(b) Any permittee operating within an area of 50 air miles of a licensed thoroughbred track may not substitute thoroughbred races under this section while a thoroughbred horse race meet is in progress within that 50 miles. Any permittee operating within an area of 125 air miles of a licensed thoroughbred track may not substitute live thoroughbred races under this section while a thoroughbred permittee who pays the appropriate taxes under s. 550.09515(2)(a) is conducting a thoroughbred meet within that 125 miles. These mileage restrictions do not apply to any permittee that holds a nonwagering permit issued pursuant to s. 550.505. Races comprised of thoroughbred horses under this section registered with the Jockey Club may not be permitted during the period beginning September 1 and ending January 5 of each year in any county where there are one or more licensed dog tracks conducting race meets. This section does not affect the competitive award of matinee performances to jai alai frontons or dog tracks in opposition to races

comprised of thoroughbred horses registered with the Jockey Club under this section.

Section 10. Paragraph (c) of subsection (3) of section 550.3551, Florida Statutes, is amended to read:

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

- (3) Any horse track licensed under this chapter may receive broadcasts of horseraces conducted at other horse racetracks located outside this state at the racetrack enclosure of the licensee during its racing meet.
- (c) All forms of pari-mutuel wagering are allowed on races broadcast under this section, and all money wagered by patrons on such races shall be computed as part of the total amount of money wagered at each racing performance for purposes of taxation under ss. 550.0951 and 7550.09512, and 550.09515. Section 550.2625(2)(a), (b), and (c) does not apply to any money wagered on races broadcast under this section. Similarly, the takeout shall be increased by breaks and uncashed tickets for wagers on races broadcast under this section, notwithstanding any contrary provision of this chapter.

Section 11. Except as otherwise provided herein, this act shall take effect upon becoming a law.

1	*******
2	HOUSE SUMMARY
3	Revises provisions of law relating to thoroughbred horse
4	racing to: 1. Revise provisions relating to periods of
5	operation to provide for the rebroadcast of out-of-state races after 7 p.m.
6 7	<ol> <li>Provide that no admission tax shall be charged on any free passes or complimentary cards for admission to pari-mutuel events.</li> </ol>
8	3. Revise the tax on handle for thoroughbred events.
9	4. Revise language with respect to intertrack wagering and quest track payments and to provide a
10	procedure when required payments between tracks are not made so that the nondefaulting party may recover.  5. Revise language with respect to purse
11	requirements. 6. Repeal provisions relating to a racing
12	laboratory at horse racetrack facilities and a provision relating to backside medical and health benefits.
13	refacing to backsfue medical and nearth benefits.
14	See bill for details.
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