

By the Committee on Regulated Industries

315-2209A-98

1 A bill to be entitled
2 An act relating to pari-mutuel wagering;
3 reviving and reenacting s. 550.09515, F.S.,
4 relating to thoroughbred horse taxes; reviving
5 and reenacting s. 550.2625, F.S., relating to
6 thoroughbred horse purses; amending s. 550.615,
7 F.S.; providing that certain permitholders are
8 required or authorized to make broadcast
9 signals available to other permitholders;
10 amending s. 26 of chapter 96-364, Laws of
11 Florida, abrogating the expiration of certain
12 amendments to ss. 550.09515, 550.2625, F.S.;
13 providing an effective date.

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

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17 Section 1. Notwithstanding subsection (5) of section
18 550.09515, Florida Statutes, as created by section 1 of
19 chapter 93-123, Laws of Florida, and notwithstanding section
20 26 of chapter 96-364, Laws of Florida, section 550.09515,
21 Florida Statutes, shall not stand repealed on July 1, 1998,
22 but is revived and reenacted to read:

23 550.09515 Thoroughbred horse taxes; abandoned interest
24 in a permit for nonpayment of taxes.--

25 (1) Pari-mutuel wagering at thoroughbred horse
26 racetracks in this state is an important business enterprise,
27 and taxes derived therefrom constitute a part of the tax
28 structure which funds operation of the state. Thoroughbred
29 horse permitholders should pay their fair share of these taxes
30 to the state. This business interest should not be taxed to
31 such an extent as to cause any racetrack which is operated

1 under sound business principles to be forced out of business.
2 Due to the need to protect the public health, safety, and
3 welfare, the gaming laws of the state provide for the
4 thoroughbred horse industry to be highly regulated and taxed.
5 The state recognizes that there exist identifiable differences
6 between thoroughbred horse permitholders based upon their
7 ability to operate under such regulation and tax system and at
8 different periods during the year.

9 (2)(a) Notwithstanding the provisions of s.
10 550.0951(3)(a), the tax on handle for live thoroughbred horse
11 performances shall be subject to the following:

12 1. The tax on handle per performance for live
13 thoroughbred performances is 2.25 percent of handle for
14 performances conducted during the period beginning on January
15 3 and ending March 16; .70 percent of handle for performances
16 conducted during the period beginning March 17 and ending May
17 22; and 1.5 percent of handle for performances conducted
18 during the period beginning May 23 and ending January 2.

19 2. If any thoroughbred permitholder conducts
20 performances during more than one time period or if
21 performances are conducted during more than one period at any
22 facility, the tax on handle per performance is double the sum
23 of the tax percentages for the periods in which performances
24 are being conducted, except:

25 a. Pursuant to s. 550.01215, two permitholders, by
26 mutual written agreement, may agree to the operation by one of
27 them in the other permitholder's tax period for up to 3 days,
28 if the 3 days are either the first 3 days or the last 3 days
29 of the racing period in which the permitholders intend to
30 operate.

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1 b. If, on March 31 of any year, there is no
2 permitholder holding a license for operating any one of the
3 three race periods set forth in this section or if the
4 permitholder who is licensed to operate in any period fails to
5 operate for 10 consecutive days, a permitholder already
6 licensed to operate in another period may apply for and be
7 issued a license to operate the period in question, in
8 addition to the period already licensed.

9 c. Two permitholders who operated in different periods
10 in the preceding fiscal year may, by mutual written agreement,
11 switch periods for the current racing season, even if it
12 results in either permitholder or the facility of a
13 permitholder being operated in two different periods.

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15 However, any thoroughbred permitholder whose total handle on
16 live performances during the 1991-1992 state fiscal year was
17 not greater than \$34 million is authorized to conduct live
18 performances at any time of the year and shall pay 0.5 percent
19 on live handle per performance.

20 3. For the period beginning on April 1 and ending May
21 23 during the state fiscal year 1992-1993, any permitholder
22 which has operated less than 51 racing days in the last 18
23 months may operate said period and pay 1.25 percent tax on
24 live handle per performance. In the event this provision
25 takes effect after April 1, 1993, it shall be construed to
26 apply retroactively from April 1, 1993, through May 23, 1993.

27 4. In the event any licenses have been issued to any
28 thoroughbred permitholders for racing dates prior to April 26,
29 1993, then, notwithstanding the provisions of s. 550.525(2),
30 amendments may be filed to the racing dates up to May 1, 1993.

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1 (b) For purposes of this section, the term "handle"
2 shall have the same meaning as in s. 550.0951, and shall not
3 include handle from intertrack wagering.

4 (3)(a) The permit of a thoroughbred horse permitholder
5 who does not pay tax on handle for live thoroughbred horse
6 performances for a full schedule of live races during any 2
7 consecutive state fiscal years shall be void and shall escheat
8 to and become the property of the state unless such failure to
9 operate and pay tax on handle was the direct result of fire,
10 strike, war, or other disaster or event beyond the ability of
11 the permitholder to control. Financial hardship to the
12 permitholder shall not, in and of itself, constitute just
13 cause for failure to operate and pay tax on handle.

14 (b) In order to maximize the tax revenues to the
15 state, the division shall reissue an escheated thoroughbred
16 horse permit to a qualified applicant pursuant to the
17 provisions of this chapter as for the issuance of an initial
18 permit. However, the provisions of this chapter relating to
19 referendum requirements for a pari-mutuel permit shall not
20 apply to the reissuance of an escheated thoroughbred horse
21 permit. As specified in the application and upon approval by
22 the division of an application for the permit, the new
23 permitholder shall be authorized to operate a thoroughbred
24 horse facility anywhere in the same county in which the
25 escheated permit was authorized to be operated,
26 notwithstanding the provisions of s. 550.054(2) relating to
27 mileage limitations.

28 (4) In the event that a court of competent
29 jurisdiction determines any of the provisions of this section
30 to be unconstitutional, it is the intent of the Legislature
31 that the provisions contained in this section shall be null

1 and void and that the provisions of s. 550.0951 shall apply to
2 all thoroughbred horse permitholders beginning on the date of
3 such judicial determination. To this end, the Legislature
4 declares that it would not have enacted any of the provisions
5 of this section individually and, to that end, expressly finds
6 them not to be severable.

7 Section 2. Notwithstanding section 26 of chapter
8 96-364, Laws of Florida, subsection (2) of section 550.2625,
9 Florida Statutes, shall not stand repealed on July 1, 1998,
10 but is revived and reenacted to read:

11 550.2625 Horseracing; minimum purse requirement,
12 Florida breeders' and owners' awards.--

13 (2) Each permitholder conducting a horserace meet is
14 required to pay from the takeout withheld on pari-mutuel pools
15 a sum for purses in accordance with the type of race
16 performed.

17 (a) A permitholder conducting a thoroughbred horse
18 race meet under this chapter must pay from the takeout
19 withheld a sum not less than 7.5 percent of all contributions
20 to pari-mutuel pools conducted during the race meet as purses.
21 In addition to the 7.5 percent minimum purse payment,
22 permitholders conducting live thoroughbred performances shall
23 be required to pay as additional purses .375 percent of live
24 handle for performances conducted during the period beginning
25 on January 3 and ending March 16; .225 percent for
26 performances conducted during the period beginning March 17
27 and ending May 22; and .6 percent for performances conducted
28 during the period beginning May 23 and ending January 2.
29 Except that any thoroughbred permitholder whose total handle
30 on live performances during the 1991-1992 state fiscal year
31 was not greater than \$34 million is not subject to this

1 additional purse payment. A permitholder authorized to conduct
2 thoroughbred racing may withhold from the handle an additional
3 amount equal to 1 percent on exotic wagering for use as
4 owners' awards, and may withhold from the handle an amount
5 equal to 2 percent on exotic wagering for use as overnight
6 purses. No permitholder may withhold in excess of 20 percent
7 from the handle without withholding the amounts set forth in
8 this subsection.

9 (b)1. A permitholder conducting a harness horse race
10 meet under this chapter must pay to the purse pool from the
11 takeout withheld a purse requirement that totals an amount not
12 less than 8 percent of all contributions to pari-mutuel pools
13 conducted during the race meet. An amount not less than 7.5
14 percent of the total handle shall be paid from this purse pool
15 as purses.

16 2. An amount not to exceed 0.5 percent of the total
17 handle on all harness horse races that are subject to the
18 purse requirement of subparagraph 1., must be available for
19 use to provide medical, dental, surgical, life, funeral, or
20 disability insurance benefits for occupational licensees who
21 work at tracks in this state at which harness horse races are
22 conducted. Such insurance benefits must be paid from the
23 purse pool specified in subparagraph 1. An annual plan for
24 payment of insurance benefits from the purse pool, including
25 qualifications for eligibility, must be submitted by the
26 Florida Standardbred Breeders and Owners Association for
27 approval to the division. An annual report of the implemented
28 plan shall be submitted to the division. All records of the
29 Florida Standardbred Breeders and Owners Association
30 concerning the administration of the plan must be available
31 for audit at the discretion of the division to determine that

1 the plan has been implemented and administered as authorized.
2 If the division finds that the Florida Standardbred Breeders
3 and Owners Association has not complied with the provisions of
4 this section, the division may order the association to cease
5 and desist from administering the plan and shall appoint the
6 division as temporary administrator of the plan until the
7 division reestablishes administration of the plan with the
8 association.

9 (c) A permitholder conducting a quarter horse race
10 meet under this chapter shall pay from the takeout withheld a
11 sum not less than 6 percent of all contributions to
12 pari-mutuel pools conducted during the race meet as purses.

13 (d) The division shall adopt reasonable rules to
14 ensure the timely and accurate payment of all amounts withheld
15 by horserace permitholders regarding the distribution of
16 purses, owners' awards, and other amounts collected for
17 payment to owners and breeders. Each permitholder that fails
18 to pay out all moneys collected for payment to owners and
19 breeders shall, within 10 days after the end of the meet
20 during which the permitholder underpaid purses, deposit an
21 amount equal to the underpayment into a separate
22 interest-bearing account to be distributed to owners and
23 breeders in accordance with division rules.

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

1 Section 3. Subsection (11) of section 550.615, Florida
2 Statutes, is amended to read:

3 550.615 Intertrack wagering.--

4 (11) Notwithstanding any other provision of this
5 section, any thoroughbred permitholder that conducts
6 performances during the period beginning May 23 and ending
7 January 2 or during the period beginning January 3 and ending
8 March 16 must make available any live pari-mutuel event
9 conducted and any simulcast pari-mutuel event received by such
10 permitholder to any thoroughbred permitholder that conducts
11 performances during the period beginning March 17 and ending
12 May 22, and such guest permitholder is authorized to accept
13 wagers on such signals. Notwithstanding s. 550.0951(3)(c),
14 the tax on wagers accepted by the guest permitholder on such
15 events shall be 2 percent. This subsection applies only to
16 thoroughbred permitholders located in any area of the state
17 where there are three or more thoroughbred permitholders
18 within 25 miles of each other.

19 Section 4. Section 26 of chapter 96-364, Laws of
20 Florida, is amended to read:

21 Section 26. Effective July 1, 1998, the amendments to
22 subsection (3) of section 550.0951 and subsections (2) and
23 (3) of section 550.09511, ~~subsection (2) of section 550.09515,~~
24 ~~and subsection (2) of section 550.2625,~~ Florida Statutes,
25 shall expire and the text of said subsections shall revert to
26 that in existence immediately prior to chapter 96-364, Laws of
27 Florida, ~~this act~~ becoming law and as set forth in that the
28 act without the amendments to such subsections, specified in
29 that this act, except that any amendments to such text enacted
30 other than by that this act shall be preserved and continue to
31 operate to the extent that such amendments are not dependent

1 upon the portions of said text which expire pursuant to the
2 provisions of that ~~this~~ act. The Statutory Revision Division
3 of the Joint Legislative Management Committee shall include in
4 an appropriate reviser's bill any amendments to said section
5 which are necessary to give effect to the legislative intent
6 expressed in this section.

7 Section 5. This act shall take effect upon becoming a
8 law.

9
10 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
11 COMMITTEE SUBSTITUTE FOR
12 SB 440

13 Reenacts existing provisions relating to taxes on live and
14 simulcast handle of thoroughbred permitholders and relating to
minimum purses for thoroughbreds.

15 Requires that a certain thoroughbred permitholder make
16 broadcast signals available to another thoroughbred
permitholder in a market area; provides that the tax on wagers
17 at the guest facility for such events will be 2% (instead of
3.3% on intertrack wagers and 2.4% on simulcast wagers).

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