

By Representative Fasano

1 A bill to be entitled
2 An act relating to pari-mutuel wagering;
3 amending s. 550.0745, F.S.; providing for
4 reconversion of certain permits; authorizing a
5 daily license fee tax credit; amending s.
6 550.0951, F.S.; authorizing certain
7 permitholders to transfer daily license fee tax
8 credits to certain permitholders and to receive
9 reimbursement for such credits; authorizing the
10 adoption of implementing rules; revising tax
11 rates for greyhound permitholders; amending s.
12 550.09514, F.S.; providing a formula for the
13 distribution of greyhound purses; requiring
14 greyhound permitholders to produce weekly purse
15 payment reports; requiring greyhound
16 permitholders to make direct payment of purses
17 to greyhound owners based on certain amounts;
18 amending s. 550.155, F.S.; revising approval
19 requirements with respect to capital
20 improvements; amending s. 849.086, F.S.;
21 providing for municipal approval of cardrooms
22 and distribution of pari-mutuel wagering trust
23 funds; providing effective dates.

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

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27 Section 1. Subsection (5) is added to section
28 550.0745, Florida Statutes, to read:

29 550.0745 Conversion of pari-mutuel permit to summer
30 jai alai permit.--

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1 (5) A permittee who has converted a greyhound permit
2 pursuant to this section and who has operated live jai alai
3 each year since conversion of the permit may elect to convert
4 the permit to a greyhound permit at any time during the
5 1998-1999 fiscal year. Upon conversion, any such permit holder
6 shall, during its initial fiscal year of operation, receive
7 the credit provided in s. 550.0951(1) based on the number of
8 games conducted during its last fiscal year of operation prior
9 to conversion times the daily license fee applicable to such
10 games.

11 Section 2. Effective July 1, 1998, subsection (1) and
12 paragraph (c) of subsection (3) of section 550.0951, Florida
13 Statutes, are amended to read:

14 550.0951 Payment of daily license fee and taxes.--

15 (1)(a) DAILY LICENSE FEE.--Each person engaged in the
16 business of conducting race meetings or jai alai games under
17 this chapter, hereinafter referred to as the "permitholder,"
18 "licensee," or "permittee," shall pay to the division, for the
19 use of the division, a daily license fee on each live or
20 simulcast pari-mutuel event of \$100 for each horserace and \$80
21 for each dograce and \$40 for each jai alai game conducted at a
22 racetrack or fronton licensed under this chapter. Effective
23 October 1, 1996, in addition to the tax exemption specified in
24 s. 550.09514(1) of \$360,000 or \$500,000 per greyhound
25 permitholder per state fiscal year, each greyhound
26 permitholder shall receive in the current state fiscal year a
27 tax credit equal to the number of live greyhound races
28 conducted in the previous state fiscal year times the daily
29 license fee specified for each dograce in this subsection
30 applicable for the previous state fiscal year. This tax
31 credit and the exemption in s. 550.09514(1) shall be

1 applicable to the tax on live handle under subsection (3)
2 except during any charity or scholarship performances
3 conducted pursuant to s. 550.0351. Effective October 1, 1996,
4 each permitholder shall pay daily license fees not to exceed
5 \$500 per day on any simulcast races or games on which such
6 permitholder accepts wagers regardless of the number of
7 out-of-state events taken or the number of out-of-state
8 locations from which such events are taken. This license fee
9 shall be deposited with the Treasurer to the credit of the
10 Pari-mutuel Wagering Trust Fund.

11 (b) Each permitholder authorized a maximum tax savings
12 of \$500,000 per state fiscal year pursuant to s. 550.09514(1),
13 which cannot utilize the full amount of the daily license fee
14 credit, may, after notifying the division in writing, elect
15 once per state fiscal year on a form provided by the division
16 to transfer such credit or any portion thereof to any
17 greyhound permitholder which acts as a host track to such
18 permitholder for the purpose of intertrack wagering. Once an
19 election to transfer such credit is filed with the division it
20 shall not be rescinded. The division shall disapprove the
21 credit transfer when the amount of credit or portion thereof
22 is unavailable to the transferring permitholder or when the
23 permitholder, who is entitled to transfer the credit or who is
24 entitled to receive the credit, owes taxes to the state
25 pursuant to a deficiency letter or administrative complaint
26 issued by the division. Upon approval of the transfer by the
27 division, the transferred tax credit shall be effective for
28 the first performance of the next biweekly pay period as
29 specified in subsection (5). The daily license fee credit
30 transferred to such host track may be applied by such host
31 track against its taxes on live racing as provided in this

1 subsection. The greyhound permitholder host track to which
2 such daily license fee credit is transferred shall reimburse
3 such permitholder the exact monetary value of such transferred
4 credit as actually applied against the taxes of the host
5 track. The division shall ensure that all transfers of credit
6 are made in accordance with this subsection and shall have the
7 authority to adopt rules to ensure the implementation of this
8 section.

9 (3) TAX ON HANDLE.--Each permitholder shall pay a tax
10 on contributions to pari-mutuel pools, the aggregate of which
11 is hereinafter referred to as "handle," on races or games
12 conducted by the permitholder. The tax is imposed daily and is
13 based on the total contributions to all pari-mutuel pools
14 conducted during the daily performance. If a permitholder
15 conducts more than one performance daily, the tax is imposed
16 on each performance separately.

17 (a) The tax on handle for thoroughbred horse racing,
18 harness horse racing, and quarter horse racing is 3.3 percent
19 of the handle.

20 (b) The tax on handle for dogracing is 7.6 percent of
21 the handle and for jai alai is 7.1 percent of the handle.

22 (c)1. The tax on handle for intertrack wagering is 3.3
23 percent of the handle if the host track is a horse track, 7.6
24 percent if the host track is a dog track, and 7.1 percent if
25 the host track is a jai alai fronton. The tax on handle for
26 intertrack wagering on rebroadcasts of simulcast horseraces is
27 2.4 percent of the handle. The tax shall be deposited into
28 the General Revenue Fund. Except for those greyhound
29 intertrack wagers taxed pursuant to subparagraph 2., a
30 greyhound host permitholder shall receive a tax credit of 1.6
31 percent of the intertrack wagering handle on greyhound races

1 broadcast to guest tracks to be applied to the tax on handle
2 imposed by this subsection.

3 2. ~~Effective October 1, 1996,~~The tax on handle for
4 intertrack wagers accepted by any dog track located in an area
5 of the state in which there are only three permitholders, all
6 of which are greyhound permitholders, located in three
7 contiguous counties, from any greyhound permitholder also
8 located within such area or any dog track or jai alai fronton
9 located as specified in s. 550.615(6) or (8), on races or
10 games received from the same class of permitholder located
11 within the same market area is 6 percent if the host facility
12 is a greyhound permitholder and, if the host facility is a jai
13 alai permitholder, the rate shall be 6.1 percent except that
14 it shall be 2.3 percent on handle at such time as the total
15 tax on intertrack handle paid to the division by the
16 permitholder during the current state fiscal year exceeds the
17 total tax on intertrack handle paid to the division by the
18 permitholder during the 1992-1993 state fiscal year.

19 3. Any guest track that imposes a surcharge on each
20 winning ticket cashed pursuant to s. 550.6335 shall pay an
21 additional tax equal to 5 percent of the surcharge so imposed.
22 Any taxes so imposed shall be deposited into the General
23 Revenue Fund.

24 Section 3. Subsection (2) of section 550.09514,
25 Florida Statutes, is amended to read:

26 550.09514 Greyhound dogracing taxes; purse
27 requirements.--

28 (2)(a) The division shall determine for each greyhound
29 permitholder the annual purse percentage rate of live handle
30 for the state fiscal year 1993-1994 by dividing total purses
31 paid on live handle by the permitholder, exclusive of payments

1 made from outside sources, during the 1993-1994 state fiscal
2 year by the permitholder's live handle for the 1993-1994 state
3 fiscal year. Each permitholder shall pay as purses for live
4 races conducted during its current race meet a percentage of
5 its live handle not less than the percentage determined under
6 this paragraph, exclusive of payments made by outside sources,
7 for its 1993-1994 state fiscal year.

8 (b)1. Except as otherwise provided herein, in addition
9 to the minimum purse percentage required by paragraph (a),
10 each permitholder shall pay as purses, for fiscal year
11 1996-1997, an amount equal to 75 percent of the permitholder's
12 tax credit pursuant to s. 550.0951(1).

13 2. Except as otherwise set forth herein, in addition
14 to the minimum purse percentage required by paragraph (a),
15 beginning July 1, 1997, each permitholder shall pay as purses
16 an amount equal to 75 percent of the daily license fees paid
17 by each permitholder for the 1994-1995 fiscal year. This purse
18 supplement shall be disbursed weekly during the permitholder's
19 race meet and determined by dividing the purse supplement by
20 the number of performances approved for the permitholder
21 pursuant to its annual license and multiplied by the number of
22 performances conducted each week.For the greyhound
23 permitholders in the county where there are two greyhound
24 permitholders located as specified in s. 550.615(6), such
25 permitholders shall pay in the aggregate an amount equal to 75
26 percent of the daily license fees paid by such permitholders
27 for the 1994-1995 fiscal year. These permitholders shall be
28 jointly and severally liable for such purse payments.

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30 The additional purses provided by this paragraph must be used
31 exclusively for purses other than stakes. The division shall

1 conduct audits necessary to ensure compliance with this
2 section.

3 (c)1. The division shall require sufficient
4 documentation from each greyhound permitholder regarding
5 purses paid on live racing ~~and greyhound intertrack and~~
6 ~~simulcast broadcasts~~ to assure that the annual purse
7 percentage rates paid by each permitholder on the live races
8 ~~intertrack or simulcast broadcasts~~ are not reduced below those
9 paid during the 1993-1994 state fiscal year. ~~In addition,~~ Each
10 greyhound permitholder when conducting live races shall pay
11 purses on wagers it accepts as a guest track on intertrack and
12 simulcast greyhound races at the same rate as it pays on live
13 races. Each greyhound permitholder while conducting live
14 greyhound races acting as a host track shall pay purses, at
15 the same rate as it pays on live races, on wagers accepted on
16 greyhound ~~such~~ races at a guest track which is not conducting
17 live racing and is located within the same market area as the
18 host.

19 2. For the purposes of this section, "net proceeds"
20 means the amount of contractual fee received by the host for
21 its services excluding the payment of pari-mutuel taxes and
22 the transmission cost of sending the broadcasts. One quarter
23 of the net proceeds received by a greyhound host track on
24 greyhound simulcast races shall be paid as purses at the host
25 track. Whenever net proceeds are retained by a greyhound host
26 track on greyhound intertrack broadcasts sent outside of its
27 market area, the host track shall pay purses at the host track
28 in an amount not less than .75 percent of the handle on such
29 greyhound races at the guest facility.

30 (d) Each greyhound permitholder shall, during the
31 permitholder's race meet, supply kennel operators and the

1 Division of Pari-Mutuel Wagering with a weekly report showing
2 purses paid on live greyhound races and all greyhound
3 intertrack and simulcast broadcasts, including both as a guest
4 and a host together with the handle or commission calculations
5 on which such purses were paid, so that the kennel operators
6 may determine statutory and contractual compliance.

7 (e) Each greyhound permitholder shall make direct
8 payment of purses to the greyhound owners who have filed with
9 such permitholder appropriate federal taxpayer identification
10 information based on the percentage amount agreed upon between
11 the kennel operator and the greyhound owner.

12 (f)~~(d)~~ Each greyhound permitholder who conducted live
13 racing in state fiscal year 1993-1994 shall submit to the
14 division by September 1, 1996, purse payment records and
15 copies of purse contracts pertaining to greyhound racing that
16 were in effect during state fiscal year 1993-1994.

17 Section 4. Subsection (2) of section 550.155, Florida
18 Statutes, is amended to read:

19 550.155 Pari-mutuel pool within track enclosure;
20 takeouts; breaks; penalty for purchasing part of a pari-mutuel
21 pool for or through another in specified circumstances.--

22 (2) The permitholder's share of the takeout is that
23 portion of the takeout that remains after the pari-mutuel tax
24 imposed upon the contributions to the pari-mutuel pool is
25 deducted from the takeout and paid by the permitholder. The
26 takeout is deducted from all pari-mutuel pools but may be
27 different depending on the type of pari-mutuel pool. The
28 permitholder shall inform the patrons, either through the
29 official program or via the posting of signs at conspicuous
30 locations, as to the takeout currently being applied to handle
31 at the facility. A capital improvement proposed by a

1 permitholder licensed under this chapter to a pari-mutuel
2 facility existing on June 23, 1981, which capital improvement
3 requires, pursuant to any municipal or county ordinance,
4 resolution, or regulation, the qualification or approval of
5 the municipality or county wherein the permitholder conducts
6 its business operations, shall receive approval unless the
7 municipality or county is able to show that the proposed
8 improvement presents a justifiable and immediate hazard to the
9 health and safety of municipal or county residents, provided
10 the permitholder pays to the municipality or county the cost
11 of a building permit and provided the capital improvement
12 meets the following criteria:

13 (a) The improvement does not qualify as a development
14 of regional impact as defined in s. 380.06; and

15 (b) The improvement is contiguous to or within the
16 existing pari-mutuel facility site. To be contiguous, the
17 site of the improvement must share a sufficient common
18 boundary with the present pari-mutuel facility to allow full
19 and free access without crossing a public roadway, public
20 waterway, or similar barrier.

21 Section 5. Paragraph (h) of subsection (13) and
22 subsection (16) of section 849.086, Florida Statutes, are
23 amended to read:

24 849.086 Cardrooms authorized.--

25 (13) TAXES AND OTHER PAYMENTS.--

26 (h) One-quarter of the moneys deposited into the
27 Pari-mutuel Wagering Trust Fund pursuant to paragraph (g)
28 shall, by October 1 of each year, be distributed to counties
29 in which the cardrooms are located; however, if two or more
30 pari-mutuel racetracks are located within the same
31 incorporated municipality, the cardroom funds shall be

1 distributed to the municipality. If a pari-mutuel facility is
2 situated in such a manner that it is located in more than one
3 county, the site of the cardroom facility shall determine the
4 location for purposes of disbursement of tax revenues under
5 this paragraph. If the governing body of a municipality has
6 first approved the operation of a cardroom pursuant to
7 subsection (16), such municipality shall receive the cardroom
8 funds provided for in this subsection. However, the county
9 commission wherein such cardroom is located may also approve
10 the operation of the cardroom, which subsequent approval shall
11 not be required for operation of the cardroom, in which event
12 the cardroom funds provided by this subsection shall
13 thereafter be evenly divided between such county and
14 municipality.The division shall, by September 1 of each year,
15 determine: the amount of taxes deposited into the Pari-mutuel
16 Wagering Trust Fund pursuant to this section from each
17 cardroom licensee; the location by county of each cardroom;
18 whether the cardroom is located in the unincorporated area of
19 the county or within an incorporated municipality; and, the
20 total amount to be distributed to each eligible county and
21 municipality.

22 (16) COUNTY COMMISSION OR MUNICIPAL APPROVAL.--The
23 Division of Pari-mutuel Wagering shall not issue any license
24 under this section except upon proof in such form as the
25 division may prescribe that a majority of the county
26 commissioners in the county or a majority of the governing
27 body of the municipality where the applicant for such license
28 desires to conduct cardroom gaming has voted to approve such
29 activity within the county or municipality.

30 Section 6. Except as otherwise provided herein, this
31 act shall take effect upon becoming a law.

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HOUSE SUMMARY

Revises provisions of law with respect to pari-mutuel wagering to:

1. Provide for the reconversion by a permittee who has converted a greyhound permit and who has operated live jai alai each year since conversion of the permit back to a greyhound permit under described circumstances.
2. Authorize described permitholders to transfer daily license fee tax credits to certain permitholders and to receive reimbursement for such credits.
3. Revise tax rates for greyhound permitholders.
4. Provide a formula for the distribution of greyhound purses, to require greyhound permitholders to produce weekly purse payment reports, and to require greyhound permitholders to make direct payment of purses to greyhound owners based on certain amounts.
5. Revise approval requirements with respect to capital improvements.
6. Provide for municipal approval of cardrooms and distribution of described pari-mutuel wagering trust funds.

See bill for details.