

STORAGE NAME: h1459.grr

DATE: March 24, 1999

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
GOVERNMENTAL RULES AND REGULATIONS
ANALYSIS**

BILL #: HB 1459

RELATING TO: Video Lottery Administrative Trust Fund

SPONSOR(S): Representative Bitner

COMPANION BILL(S): SB 2184 (Identical), CS/H 1453 (Compare), and SB 2176 (Compare)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) REGULATED SERVICES YEAS 8 NAYS 0
 - (2) GOVERNMENTAL RULES AND REGULATIONS
 - (3) GENERAL GOVERNMENT APPROPRIATIONS
 - (4)
 - (5)
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I. SUMMARY:

HB 1459 creates the Video Lottery Administrative Trust Fund under the administration of the Department of the Lottery. Funds shall be credited to and distributed from the trust fund as provided in s. 24.1121, F.S., as set forth in HB 1453. Any balance in the trust fund at the end of any fiscal year shall remain in the trust fund. The trust fund shall be terminated on July 1, 2003.

HB 1459 shall take effect July 1, 1999, contingent upon passage of implementing legislation.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Gaming on video lottery terminals is not presently lawful in the state. Therefore, no trust fund exists to receive revenue from this source.

B. EFFECT OF PROPOSED CHANGES:

HB 1459 creates the Video Lottery Administrative Trust Fund under the administration of the Department of the Lottery. Funds shall be credited to and distributed from the trust fund as provided in s. 24.1121, F.S., which is created in Section 8 of HB 1453. Any balance in the trust fund at the end of any fiscal year shall remain in the trust fund and be available for carrying out the purposes of the trust fund.

Section 24.1121, F.S., creates the following requirements on the trust fund:

- ❖ Requires that 28.5 percent of the net terminal income from the operation of video lottery gaming in the state be credited to the Video Lottery Administrative Trust Fund for transfer to the Public Education Capital Outlay and Debt Service [PECO] Trust Fund.
- ❖ Requires that 2 percent of the net terminal income from the operation of video lottery gaming in the state be credited to the Video Lottery Administrative Trust Fund for transfer to the Administrative Trust Fund established pursuant to s. 24.120, F.S.
- ❖ Requires 8 percent of the net terminal income from the operation of video lottery gaming in the state be credited to the Video Lottery Administrative Trust Fund for transfer to the Video Lottery Purse Trust fund in the Department of Business and Professional Regulation to be distributed in accordance with s. 550.26315(1), F.S.
- ❖ Requires .25 percent of the net terminal income from the operation of video lottery gaming in the state be credited to the Video Lottery Administrative Trust Fund for transfer to the Department of Children and Family Services for the establishment and administration of a treatment program for compulsive gambling.
- ❖ Requires that 9.5 percent of the net terminal income from the operation of video lottery gaming in the state be credited to the Video Lottery Administrative Trust Fund for transfer to the Grants and Donations Trust Fund of the Department of Elderly Affairs.

The trust fund shall be terminated on or before July 1, 2003, and subject to a review prior to termination.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

N/A

b. Does the bill require or authorize an increase in any fees?

N/A

c. Does the bill reduce total taxes, both rates and revenues?

N/A

d. Does the bill reduce total fees, both rates and revenues?

N/A

e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

- (5) Are families penalized for not participating in a program?

N/A

- b. Does the bill directly affect the legal rights and obligations between family members?

N/A

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

- (1) parents and guardians?

N/A

- (2) service providers?

N/A

- (3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Creates s. 24.1126, Florida Statutes.

E. SECTION-BY-SECTION ANALYSIS:

Section 1. Creates s. 24.1126, F.S., to establish the Video Lottery Administrative Trust Fund in the Department of the Lottery. Allows any balance in the trust fund at the end of any fiscal year to remain in the trust fund for carrying out the purposes of the trust fund. Provides for review and termination of the fund.

Section 2. Provides that the bill will take effect July 1, 1999, contingent upon passage of implementing legislation.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

4. Total Revenues and Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

N/A

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

A technical amendment was adopted by the Committee on Regulated Services on March 17, 1999. The amendment inserts the bill number, HB 1453 (the main implementing legislation), which must also be adopted this session if this bill is to take effect.

VII. SIGNATURES:

COMMITTEE ON REGULATED SERVICES:

Prepared by:

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Staff Director:

Paul Liepshutz

AS REVISED BY THE COMMITTEE ON GOVERNMENTAL RULES AND REGULATIONS:

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