

By Senators Sullivan, Geller and Silver

22-1016A-00

See HB 725

1 A bill to be entitled
2 An act relating to pari-mutuel wagering;
3 amending s. 550.0951, F.S.; providing that the
4 daily license fee tax credit provided by said
5 section and the \$360,000 or \$500,000 tax
6 exemption provided by s. 550.09514(1), F.S.,
7 may be applied to any tax imposed under ch.
8 550, F.S.; removing restrictions on the
9 transfer of the daily license fee tax credit by
10 greyhound permitholders; authorizing transfer
11 of the \$360,000 or \$500,000 tax exemption by a
12 greyhound permitholder to a greyhound
13 permitholder that acts as host track to such
14 permitholder for intertrack wagering; providing
15 for repayment; providing for rules; reducing
16 the taxes on handle for greyhound dogracing,
17 for intertrack wagering when the host track is
18 a dog track, and for intertrack wagers accepted
19 by certain dog tracks; providing exceptions;
20 removing the additional tax on the surcharge on
21 winning tickets; specifying the rate of the tax
22 on handle for greyhound simulcast races
23 received from outside the United States;
24 amending s. 550.09514, F.S.; revising
25 application and administration of the \$360,000
26 or \$500,000 tax exemption provided by said
27 section; providing for payment of additional
28 purses by greyhound permitholders in an amount
29 equal to a percentage of the tax reduction
30 resulting from the reduction of the taxes on
31 handle; providing requirements with respect

1 thereto; providing for audits; creating s.
2 550.09516, F.S.; providing a minimum amount of
3 tax relief to which greyhound permitholders are
4 entitled as a result of the reduction in the
5 taxes on handle; providing that unused amounts
6 may be carried forward to subsequent years;
7 creating s. 550.1647, F.S.; providing for
8 retention of unclaimed pari-mutuel tickets and
9 breaks by greyhound permitholders; amending s.
10 550.1645, F.S., to conform; providing an
11 effective date.
12

13 Be It Enacted by the Legislature of the State of Florida:
14

15 Section 1. Subsections (1) and (3) and paragraph (b)
16 of subsection (6) of section 550.0951, Florida Statutes, are
17 amended to read:

18 550.0951 Payment of daily license fee and taxes.--

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

1 conducted in the previous state fiscal year times the daily
2 license fee specified for each dograce in this subsection
3 applicable for the previous state fiscal year. This tax
4 credit and the exemption in s. 550.09514(1) shall be
5 applicable to any the tax and the daily license fees imposed
6 by this chapter on live handle under subsection (3)except
7 during any charity or scholarship performances conducted
8 pursuant to s. 550.0351. ~~Effective October 1, 1996,~~Each
9 permitholder shall pay daily license fees not to exceed \$500
10 per day on any simulcast races or games on which such
11 permitholder accepts wagers regardless of the number of
12 out-of-state events taken or the number of out-of-state
13 locations from which such events are taken. This license fee
14 shall be deposited with the Treasurer to the credit of the
15 Pari-mutuel Wagering Trust Fund.

16 (b) Each permitholder that ~~authorized a maximum tax~~
17 ~~savings of \$500,000 per state fiscal year pursuant to s.~~
18 ~~550.09514(1) or the greyhound permitholder that had the lowest~~
19 ~~live handle during the preceding state fiscal year, which~~
20 cannot utilize the full amount of the exemption of \$360,000 or
21 \$500,000 provided in s. 550.09514(1) or the daily license fee
22 credit provided in this section,may, after notifying the
23 division in writing, elect once per state fiscal year on a
24 form provided by the division to transfer such exemption or
25 credit or any portion thereof to any greyhound permitholder
26 which acts as a host track to such permitholder for the
27 purpose of intertrack wagering. Once an election to transfer
28 such exemption or credit is filed with the division it shall
29 not be rescinded. The division shall disapprove the ~~credit~~
30 transfer when the amount of the exemption or credit or portion
31 thereof is unavailable to the transferring permitholder or

1 when the permitholder, who is entitled to transfer the
2 exemption or credit or who is entitled to receive the
3 exemption or credit, owes taxes to the state pursuant to a
4 deficiency letter or administrative complaint issued by the
5 division. Upon approval of the transfer by the division, the
6 transferred tax exemption or credit shall be effective for the
7 first performance of the next biweekly pay period as specified
8 in subsection (5). The exemption or ~~daily license fee~~ credit
9 transferred to such host track may be applied by such host
10 track against any its taxes and daily license fees imposed by
11 this chapter on live racing as provided in this subsection.
12 The greyhound permitholder host track to which such exemption
13 or ~~daily license fee~~ credit is transferred shall reimburse
14 such permitholder the exact monetary value of such transferred
15 exemption or credit as actually applied against the taxes and
16 daily license fees of the host track. The division shall
17 ensure that all transfers of exemption or credit are made in
18 accordance with this subsection and shall have the authority
19 to adopt rules to ensure the implementation of this section.

20 (3) TAX ON HANDLE.--Each permitholder shall pay a tax
21 on contributions to pari-mutuel pools, the aggregate of which
22 is hereinafter referred to as "handle," on races or games
23 conducted by the permitholder. The tax is imposed daily and is
24 based on the total contributions to all pari-mutuel pools
25 conducted during the daily performance. If a permitholder
26 conducts more than one performance daily, the tax is imposed
27 on each performance separately.

28 (a) The tax on handle for thoroughbred horse racing,
29 harness horse racing, and quarter horse racing is 3.3 percent
30 of the handle.

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1 (b)1. The tax on handle for dogracing is 3.6 ~~7.6~~
2 percent of the handle, except that for live charity
3 performances held pursuant to s. 550.0351, and for intertrack
4 wagering on such charity performances at a guest greyhound
5 track within the market area of the host, the tax remains 7.6
6 percent of the handle.~~and~~

7 2. The tax on handle for jai alai is 7.1 percent of
8 the handle.

9 (c)1. The tax on handle for intertrack wagering is 3.3
10 percent of the handle if the host track is a horse track, 3.6
11 ~~7.6~~ percent if the host track is a dog track, and 7.1 percent
12 if the host track is a jai alai fronton. The tax on handle
13 for intertrack wagering on rebroadcasts of simulcast
14 horseraces is 2.4 percent of the handle. The tax shall be
15 deposited into the General Revenue Fund.

16 2. ~~Effective October 1, 1996,~~The tax on handle for
17 intertrack wagers accepted by any dog track located in an area
18 of the state in which there are only three permitholders, all
19 of which are greyhound permitholders, located in three
20 contiguous counties, from any greyhound permitholder also
21 located within such area or any dog track or jai alai fronton
22 located as specified in s. 550.615(6) or (8), on races or
23 games received from the same class of permitholder located
24 within the same market area is 2 ~~6~~ percent if the host
25 facility is a greyhound permitholder and, if the host facility
26 is a jai alai permitholder, the rate shall be 6.1 percent
27 except that it shall be 2.3 percent on handle at such time as
28 the total tax on intertrack handle paid to the division by the
29 permitholder during the current state fiscal year exceeds the
30 total tax on intertrack handle paid to the division by the
31 permitholder during the 1992-1993 state fiscal year.

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

6 (d) The tax on handle for greyhound simulcast races
7 received from a location outside the United States is 2
8 percent of the handle.

9 (6) PENALTIES.--

10 (b) In addition to the civil penalty prescribed in
11 paragraph (a), any willful or wanton failure by any
12 permitholder to make payments of the daily license fee,
13 admission tax, tax on handle, or breaks tax,~~or surtax~~
14 constitutes sufficient grounds for the division to suspend or
15 revoke the license of the permitholder, to cancel the permit
16 of the permitholder, or to deny issuance of any further
17 license or permit to the permitholder.

18 Section 2. Section 550.09514, Florida Statutes, is
19 amended to read:

20 550.09514 Greyhound dogracing taxes; purse
21 requirements.--

22 (1) ~~Notwithstanding the provisions of s.~~
23 ~~550.0951(3)(b),~~Wagering on greyhound racing is subject to a
24 tax on handle for live greyhound racing as specified in s.
25 550.0951(3)at the rate of 7.6 percent of handle. However,
26 each permitholder shall pay no the tax on live or market area
27 greyhound intertrack wagering handle in excess of \$100,000 per
28 performance until such time as this subsection has resulted in
29 a tax savings per state fiscal year of \$360,000. Thereafter,
30 each permitholder shall pay the tax as specified in s.
31 550.0951(3)provided in this subsection on all handle for the

1 remainder of the permitholder's current race meet, and the tax
2 must be calculated and commence beginning the day after the
3 biweekly period in which the permitholder reaches the maximum
4 tax savings per state fiscal year provided in this section.
5 For the three permitholders which conducted a full schedule of
6 live racing in 1995, and are closest to another state which
7 authorizes greyhound pari-mutuel wagering, the maximum tax
8 savings per state fiscal year shall be \$500,000. The
9 provisions of this subsection relating to tax exemptions shall
10 not apply to any charity or scholarship performances conducted
11 pursuant to s. 550.0351.

12 (2)(a) The division shall determine for each greyhound
13 permitholder the annual purse percentage rate of live handle
14 for the state fiscal year 1993-1994 by dividing total purses
15 paid on live handle by the permitholder, exclusive of payments
16 made from outside sources, during the 1993-1994 state fiscal
17 year by the permitholder's live handle for the 1993-1994 state
18 fiscal year. Each permitholder shall pay as purses for live
19 races conducted during its current race meet a percentage of
20 its live handle not less than the percentage determined under
21 this paragraph, exclusive of payments made by outside sources,
22 for its 1993-1994 state fiscal year.

23 (b)1. Except as otherwise provided herein, in addition
24 to the minimum purse percentage required by paragraph (a),
25 each permitholder shall pay as purses, for fiscal year
26 1996-1997, an amount equal to 75 percent of the permitholder's
27 tax credit pursuant to s. 550.0951(1).

28 2. Except as otherwise set forth herein, in addition
29 to the minimum purse percentage required by paragraph (a),
30 ~~beginning July 1, 1997,~~ each permitholder shall pay as purses
31 an annual amount equal to 75 percent of the daily license fees

1 paid by each permitholder for the 1994-1995 fiscal year. This
2 purse supplement shall be disbursed weekly during the
3 permitholder's race meet in an amount determined by dividing
4 the annual purse supplement by the number of performances
5 approved for the permitholder pursuant to its annual license
6 and multiplying that amount by the number of performances
7 conducted each week. For the greyhound permitholders in the
8 county where there are two greyhound permitholders located as
9 specified in s. 550.615(6), such permitholders shall pay in
10 the aggregate an amount equal to 75 percent of the daily
11 license fees paid by such permitholders for the 1994-1995
12 fiscal year. These permitholders shall be jointly and
13 severally liable for such purse payments.

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15 The additional purses provided by this paragraph must be used
16 exclusively for purses other than stakes. The division shall
17 conduct audits necessary to ensure compliance with this
18 section.

19 (c)1. Each greyhound permitholder when conducting at
20 least three live performances during any week shall pay purses
21 in that week on wagers it accepts as a guest track on
22 intertrack and simulcast greyhound races at the same rate as
23 it pays on live races. Each greyhound permitholder when
24 conducting at least three live performances during any week
25 shall pay purses in that week, at the same rate as it pays on
26 live races, on wagers accepted on greyhound races at a guest
27 track which is not conducting live racing and is located
28 within the same market area as the greyhound permitholder
29 conducting at least three live performances during any week.

30 2. Each host greyhound permitholder shall pay purses
31 on its simulcast and intertrack broadcasts of greyhound races

1 to guest facilities that are located outside its market area
2 in an amount equal to one quarter of an amount determined by
3 subtracting the transmission costs of sending the simulcast or
4 intertrack broadcasts from an amount determined by adding the
5 fees received for greyhound simulcast races plus 3 percent of
6 the greyhound intertrack handle at guest facilities that are
7 located outside the market area of the host and that paid
8 contractual fees to the host for such broadcasts of greyhound
9 races.

10 (d) The division shall require sufficient
11 documentation from each greyhound permitholder regarding
12 purses paid on live racing to assure that the annual purse
13 percentage rates paid by each permitholder on the live races
14 are not reduced below those paid during the 1993-1994 state
15 fiscal year. The division shall require sufficient
16 documentation from each greyhound permitholder to assure that
17 the purses paid by each permitholder on the greyhound
18 intertrack and simulcast broadcasts are in compliance with the
19 requirements of paragraph (c).

20 (e) In addition to the purse requirements of
21 paragraphs (a)-(c), each greyhound permitholder shall pay as
22 purses an amount equal to one-third of the amount of the tax
23 reduction on live and simulcast handle applicable to such
24 permitholder as a result of the reductions in tax rates
25 provided by this act through the amendments to s. 550.0951(3).
26 With respect to intertrack wagering when the host and guest
27 tracks are greyhound permitholders not within the same market
28 area, an amount equal to the tax reduction applicable to the
29 guest track handle as a result of the reduction in tax rate
30 provided by this act through the amendment to s. 550.0951(3)
31 shall be distributed to the guest track, one-third of which

1 amount shall be paid as purses at the guest track. However, if
2 the guest track is a greyhound permitholder within the market
3 area of the host or if the guest track is not a greyhound
4 permitholder, an amount equal to such tax reduction applicable
5 to the guest track handle shall be retained by the host track,
6 one-third of which amount shall be paid as purses at the host
7 track. These purse funds shall be disbursed in the week
8 received if the permitholder conducts at least one live
9 performance during that week. If the permitholder does not
10 conduct at least one live performance during the week in which
11 the purse funds are received, the purse funds shall be
12 disbursed weekly during the permitholder's next race meet in
13 an amount determined by dividing the purse amount by the
14 number of performances approved for the permitholder pursuant
15 to its annual license, and multiplying that amount by the
16 number of performances conducted each week. The division shall
17 conduct audits necessary to ensure compliance with this
18 paragraph.

19 (f)~~(e)~~ Each greyhound permitholder shall, during the
20 permitholder's race meet, supply kennel operators and the
21 Division of Pari-Mutuel Wagering with a weekly report showing
22 purses paid on live greyhound races and all greyhound
23 intertrack and simulcast broadcasts, including both as a guest
24 and a host together with the handle or commission calculations
25 on which such purses were paid and the transmission costs of
26 sending the simulcast or intertrack broadcasts, so that the
27 kennel operators may determine statutory and contractual
28 compliance.

29 (g)~~(f)~~ Each greyhound permitholder shall make direct
30 payment of purses to the greyhound owners who have filed with
31 such permitholder appropriate federal taxpayer identification

1 information based on the percentage amount agreed upon between
2 the kennel operator and the greyhound owner.

3 ~~(h)(g)~~ At the request of a majority of kennel
4 operators under contract with a greyhound permitholder, the
5 permitholder shall make deductions from purses paid to each
6 kennel operator electing such deduction and shall make a
7 direct payment of such deductions to the local association of
8 greyhound kennel operators formed by a majority of kennel
9 operators under contract with the permitholder. The amount of
10 the deduction shall be at least 1 percent of purses, as
11 determined by the local association of greyhound kennel
12 operators. No deductions may be taken pursuant to this
13 paragraph without a kennel operator's specific approval before
14 or after the effective date of this act.

15 (3) For the purpose of this section, the term "live
16 handle" means the handle from wagers placed at the
17 permitholder's establishment on the live greyhound races
18 conducted at the permitholder's establishment.

19 Section 3. Section 550.09516, Florida Statutes, is
20 created to read:

21 550.09516 Greyhound permitholders; minimum tax
22 relief.--Each greyhound permitholder shall be entitled to a
23 minimum amount of tax relief each year as a result of the
24 reductions in tax rates provided by this act through the
25 amendments to s. 550.0951(3). The minimum amount of tax relief
26 for each greyhound permitholder shall be equal to the amount
27 of tax reduction that would have been applicable to that
28 permitholder if said amendments had been in effect for the
29 1998-1999 state fiscal year. If in any year a permitholder is
30 not able to use the full minimum amount of tax relief, an

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1 amount equal to the portion not used may be carried forward
2 and used in subsequent years.

3 Section 4. Section 550.1645, Florida Statutes, is
4 amended to read:

5 550.1645 Escheat to state of abandoned interest in or
6 contribution to pari-mutuel pools.--

7 (1) It is the public policy of the state, while
8 protecting the interest of the owners, to possess all
9 unclaimed and abandoned interest in or contribution to certain
10 ~~any~~ pari-mutuel pools ~~pool~~ conducted in this state under this
11 chapter, for the benefit of all the people of the state; and
12 this law shall be liberally construed to accomplish such
13 purpose.

14 (2) Except as provided in s. 550.1647,all money or
15 other property represented by any unclaimed, uncashed, or
16 abandoned pari-mutuel ticket which has remained in the custody
17 of or under the control of any licensee authorized to conduct
18 pari-mutuel pools in this state for a period of 1 year after
19 the date the pari-mutuel ticket was issued, if the rightful
20 owner or owners thereof have made no claim or demand for such
21 money or other property within the aforesaid period of time,
22 is hereby declared to have escheated to or to escheat to, and
23 to have become the property of, the state.

24 (3) All money or other property that has escheated to
25 and become the property of the state as provided herein, and
26 which is held by such licensee authorized to conduct
27 pari-mutuel pools in this state, shall be paid by such
28 licensee to the Treasurer annually within 60 days after the
29 close of the race meeting of the licensee. Such moneys so
30 paid by the licensee to the Treasurer shall be deposited in
31 the State School Fund to be used for the support and

1 maintenance of public free schools as required by s. 6, Art.
2 IX of the State Constitution.

3 Section 5. Section 550.1647, Florida Statutes, is
4 created to read:

5 550.1647 Greyhound permitholders; unclaimed tickets;
6 breaks.--

7 (1) All money or other property represented by any
8 unclaimed, uncashed, or abandoned pari-mutuel ticket which has
9 remained in the custody of or under the control of any
10 permitholder authorized to conduct greyhound racing
11 pari-mutuel pools in this state for a period of 1 year after
12 the date the pari-mutuel ticket was issued, if the rightful
13 owner or owners thereof have made no claim or demand for such
14 money or other property within that period of time, shall,
15 with respect to live races, be retained by the permitholder
16 conducting the race, and, with respect to simulcast greyhound
17 races, be retained by the permitholder who receives the
18 simulcast.

19 (2) With respect to live greyhound races, the breaks
20 shall be retained by the permitholder conducting the race,
21 and, with respect to simulcast greyhound races, the breaks
22 shall be retained by the permitholder who receives the
23 simulcast.

24 Section 6. This act shall take effect July 1, 2000.
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LEGISLATIVE SUMMARY

Reduces the taxes on handle for greyhound dogracing, for intertrack wagering when the host track is a dog track, and for intertrack wagers accepted by certain dog tracks. Specifies the rate of the tax on handle for greyhound simulcast races received from outside the United States. Specifies a minimum amount of tax relief to which greyhound permitholders are entitled as a result of the tax reductions and provides that unused amounts may be carried forward to subsequent years. Provides for payment of additional purses by greyhound permitholders in an amount equal to a percentage of the tax reductions.

Removes restrictions on the transfer of the daily license fee tax credit by greyhound permitholders. Revises application of the \$360,000 or \$500,000 tax exemption provided by s. 550.09514, F.S., and authorizes transfer of the exemption by a greyhound permitholder to a greyhound permitholder that acts as host track to such permitholder for intertrack wagering. Provides that such credit and exemption may be applied to any tax imposed under ch. 550, F.S.

Removes the additional tax on the surcharge on winning tickets.

Provides for retention of unclaimed pari-mutuel tickets and breaks by greyhound permitholders.