

By Senator Geller

29-1221-00

See HB 945

1                                   A bill to be entitled  
 2           An act relating to pari-mutuel wagering;  
 3           amending s. 550.0951, F.S.; revising the tax on  
 4           handle for certain intertrack wagers; revising  
 5           the time period for the remittance of certain  
 6           fees and taxes; amending ss. 550.09511,  
 7           550.6305, F.S.; conforming cross-references;  
 8           amending s. 550.09515, F.S.; revising the tax  
 9           on handle for thoroughbred horserace  
 10          performances; creating s. 550.73, F.S.;  
 11          providing for the Breeders' Cup Meet;  
 12          authorizing pools; providing for conflicts,  
 13          taxes, credits, transmission of races, rules  
 14          and application; creating s. 550.74, F.S.;  
 15          prohibiting the levy of taxes on certain  
 16          programs, parking, or admissions; repealing s.  
 17          550.26352, F.S., relating to the Breeders' Cup  
 18          Meet; authorizing the Division of State Lands  
 19          of the Department of Environmental Protection  
 20          to enter into a contract to purchase a portion  
 21          of Hialeah Race Track; providing procedures;  
 22          providing a definition; providing an effective  
 23          date.

24  
 25 Be It Enacted by the Legislature of the State of Florida:

26  
 27           Section 1. Subsections (3) and (5) of section  
 28   550.0951, Florida Statutes, are amended to read:  
 29           550.0951 Payment of daily license fee and taxes.--  
 30           (3) TAX ON HANDLE.--Each permitholder shall pay a tax  
 31   on contributions to pari-mutuel pools, the aggregate of which

1 is hereinafter referred to as "handle," on races or games  
2 conducted by the permitholder. The tax is imposed daily and is  
3 based on the total contributions to all pari-mutuel pools  
4 conducted during the daily performance. If a permitholder  
5 conducts more than one performance daily, the tax is imposed  
6 on each performance separately.

7 (a) The tax on handle for ~~thoroughbred horse racing,~~  
8 ~~harness horse racing,~~and quarter horse racing is 3.3 percent  
9 of the handle.

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

12 (c)1. The tax on handle for an intertrack wager, as  
13 that term is defined in s. 550.002(17), is 2.4 percent of the  
14 handle if the host track is a horse track, provided however,  
15 that the tax on handle for an intertrack wager, as that term  
16 is defined in s. 550.002(17), is 0.20 percent of the handle if  
17 both the host track and the guest track are thoroughbred  
18 permitholders.

19 ~~2.1.~~ The tax on handle for intertrack wagering is ~~3.3~~  
20 ~~percent of the handle if the host track is a horse track,~~7.6  
21 percent if the host track is a dog track, and 7.1 percent if  
22 the host track is a jai alai fronton. The tax on handle for  
23 intertrack wagering on rebroadcasts of simulcast horseraces is  
24 2.4 percent of the handle. The tax shall be deposited into  
25 the General Revenue Fund.

26 ~~3.2.~~ Effective October 1, 1996, the tax on handle for  
27 intertrack wagers accepted by any dog track located in an area  
28 of the state in which there are only three permitholders, all  
29 of which are greyhound permitholders, located in three  
30 contiguous counties, from any greyhound permitholder also  
31 located within such area or any dog track or jai alai fronton

1 | located as specified in s. 550.615(6) or (8), on races or  
2 | games received from the same class of permitholder located  
3 | within the same market area is 6 percent if the host facility  
4 | is a greyhound permitholder and, if the host facility is a jai  
5 | alai permitholder, the rate shall be 6.1 percent except that  
6 | it shall be 2.3 percent on handle at such time as the total  
7 | tax on intertrack handle paid to the division by the  
8 | permitholder during the current state fiscal year exceeds the  
9 | total tax on intertrack handle paid to the division by the  
10 | permitholder during the 1992-1993 state fiscal year.

11 |         ~~4.3.~~ Any guest track that imposes a surcharge on each  
12 | winning ticket cashed pursuant to s. 550.6335 shall pay an  
13 | additional tax equal to 5 percent of the surcharge so imposed.  
14 | Any taxes so imposed shall be deposited into the General  
15 | Revenue Fund.

16 |         (5) PAYMENT AND DISPOSITION OF FEES AND  
17 | TAXES.--Payment for the admission tax, tax on handle, and the  
18 | breaks tax imposed by this section shall be paid to the  
19 | division. The division shall deposit these sums with the  
20 | Treasurer, one-half being credited to the Pari-mutuel Wagering  
21 | Trust Fund, hereby established, and one-half being credited to  
22 | the General Revenue Fund. The permitholder shall remit to the  
23 | division payment for the daily license fee, the admission tax,  
24 | the tax on handle, and the breaks tax. Such payments shall be  
25 | remitted by ~~3 p.m. Friday of each week for taxes and fees~~  
26 | ~~imposed and collected for the preceding Sunday, Monday, and~~  
27 | ~~Tuesday, and by 3 p.m. Wednesday of each week for taxes~~  
28 | ~~imposed and collected for the preceding~~ week ending on Sunday  
29 | ~~Wednesday, Thursday, Friday, and Saturday.~~ Permitholders shall  
30 | file a report under oath by the 5th day of each calendar month  
31 | for all taxes remitted during the preceding calendar month.

1 Such payments shall be accompanied by a report under oath  
2 showing the total of all admissions, the pari-mutuel wagering  
3 activities for the preceding calendar month, and such other  
4 information as may be prescribed by the division.

5 Section 2. Paragraph (a) of subsection (3) of section  
6 550.09511, Florida Statutes, is amended to read:

7 550.09511 Jai alai taxes; abandoned interest in a  
8 permit for nonpayment of taxes.--

9 (3)(a) Notwithstanding the provisions of subsection  
10 (2) and s. 550.0951(3)(c)~~2.4~~, any jai alai permitholder which  
11 is restricted under Florida law from operating live  
12 performances on a year-round basis is entitled to conduct  
13 wagering on live performances at a tax rate of 3.85 percent of  
14 live handle. Such permitholder is also entitled to conduct  
15 intertrack wagering as a host permitholder on live jai alai  
16 games at its fronton at a tax rate of 3.3 percent of handle at  
17 such time as the total tax on intertrack handle paid to the  
18 division by the permitholder during the current state fiscal  
19 year exceeds the total tax on intertrack handle paid to the  
20 division by the permitholder during the 1992-1993 state fiscal  
21 year.

22 Section 3. Paragraph (a) of subsection (9) of section  
23 550.6305, Florida Statutes, is amended to read:

24 550.6305 Intertrack wagering; guest track payments;  
25 accounting rules.--

26 (9) A host track that has contracted with an  
27 out-of-state horse track to broadcast live races conducted at  
28 such out-of-state horse track pursuant to s. 550.3551(5) may  
29 broadcast such out-of-state races to any guest track and  
30 accept wagers thereon in the same manner as is provided in s.  
31 550.3551.

1 (a) For purposes of this section, "net proceeds" means  
2 the amount of takeout remaining after the payment of state  
3 taxes, purses required pursuant to s. 550.0951(3)(c)~~2.1~~, the  
4 cost to the permitholder required to be paid to the  
5 out-of-state horse track, breeders' awards paid to the Florida  
6 Thoroughbred Breeders' Association and the Florida  
7 Standardbred Breeders and Owners Association, to be used as  
8 set forth in s. 550.625(2)(a) and (b), and the deduction of  
9 any amount retained pursuant to s. 550.615(11).

10 Section 4. Paragraph (a) of subsection (2) of section  
11 550.09515, Florida Statutes, is amended to read:

12 550.09515 Thoroughbred horse taxes; abandoned interest  
13 in a permit for nonpayment of taxes.--

14 (2)

15 (a) Notwithstanding the provisions of s.  
16 550.0951(3)(a), the tax on handle for live thoroughbred  
17 horserace horse performances shall be 0.20 percent ~~subject to~~  
18 ~~the following:~~

19 ~~1. The tax on handle per performance for live~~  
20 ~~thoroughbred performances is 2.0 percent of handle for~~  
21 ~~performances conducted during the period beginning on January~~  
22 ~~3 and ending March 16; .20 percent of handle for performances~~  
23 ~~conducted during the period beginning March 17 and ending May~~  
24 ~~22; and 1.25 percent of handle for performances conducted~~  
25 ~~during the period beginning May 23 and ending January 2.~~

26 1.2. If any thoroughbred permitholder conducts  
27 performances during more than one time period or if  
28 performances are conducted during more than one period at any  
29 facility, the tax on handle per performance is double the sum  
30 of the tax percentages for the periods in which performances  
31 are being conducted, except:

1           a. Pursuant to s. 550.01215, two permitholders, by  
2 mutual written agreement, may agree to the operation by one of  
3 them in the other permitholder's tax period for up to 3 days,  
4 if the 3 days are either the first 3 days or the last 3 days  
5 of the racing period in which the permitholders intend to  
6 operate.

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

15           c. Two permitholders who operated in different periods  
16 in the preceding fiscal year may, by mutual written agreement,  
17 switch periods for the current racing season, even if it  
18 results in either permitholder or the facility of a  
19 permitholder being operated in two different periods.

20  
21 However, any thoroughbred permitholder whose total handle on  
22 live performances during the 1991-1992 state fiscal year was  
23 not greater than \$34 million is authorized to conduct live  
24 performances at any time of the year and shall pay 0.5 percent  
25 on live handle per performance.

26           ~~2.3.~~ For the period beginning on April 1 and ending  
27 May 23 during the state fiscal year 1992-1993, any  
28 permitholder which has operated less than 51 racing days in  
29 the last 18 months may operate said period and pay 1.25  
30 percent tax on live handle per performance. In the event this  
31 provision takes effect after April 1, 1993, it shall be

1 construed to apply retroactively from April 1, 1993, through  
2 May 23, 1993.

3 ~~3.4.~~ In the event any licenses have been issued to any  
4 thoroughbred permitholders for racing dates prior to April 26,  
5 1993, then, notwithstanding the provisions of s. 550.525(2),  
6 amendments may be filed to the racing dates up to May 1, 1993.

7 Section 5. Section 550.73, Florida Statutes, is  
8 created to read:

9 550.73 Breeders' Cup Meet; pools authorized;  
10 conflicts; taxes; credits; transmission of races; rules;  
11 application.--

12 (1) Notwithstanding any provision of this chapter to  
13 the contrary, there is created a special thoroughbred race  
14 meet which shall be designated as the "Breeders' Cup Meet."  
15 The Breeders' Cup Meet shall be conducted at the facility of  
16 the Florida permitholder selected by Breeders' Cup Limited to  
17 conduct the Breeders' Cup Meet. The Breeders' Cup Meet shall  
18 consist of 3 days: the day on which the Breeders' Cup races  
19 are conducted, the preceding day, and the subsequent day. Upon  
20 the selection of the Florida permitholder as host for the  
21 Breeders' Cup Meet and application by the selected  
22 permitholder, the division shall issue a license to the  
23 selected permitholder to operate the Breeders' Cup Meet.  
24 Notwithstanding s. 550.09515(2)(a), the Breeders' Cup Meet may  
25 be conducted on dates which the selected permitholder is not  
26 otherwise authorized to conduct a race meet.

27 (2) The permitholder conducting the Breeders' Cup Meet  
28 is specifically authorized to create pari-mutuel pools during  
29 the Breeders' Cup Meet by accepting pari-mutuel wagers on the  
30 thoroughbred horse races run during said meet.

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1           (3) If the facility of the permitholder conducting the  
2 Breeders' Cup Meet is located within 35 miles of any other  
3 permitholders' facilities scheduled to host a thoroughbred  
4 race meet on any of the 3 days of the Breeders' Cup Meet, then  
5 operation on any of those 3 days by the other permitholders is  
6 prohibited. As compensation for the loss of racing days caused  
7 thereby, such operating permitholders shall receive a credit  
8 against the taxes otherwise due and payable to the state under  
9 ss. 550.0951 and 550.09515. This credit shall be in an amount  
10 equal to the operating loss determined to have been suffered  
11 by the operating permitholders as a result of not operating on  
12 the prohibited racing days, but shall not exceed a total of  
13 \$950,000. The determination of the amount to be credited shall  
14 be made by the division upon application by the operating  
15 permitholder. The tax credits provided in this subsection  
16 shall not be available unless an operating permitholder is  
17 required to close a bona fide meet consisting in part of no  
18 fewer than 10 scheduled performances in the 15 days  
19 immediately preceding or 10 scheduled performances in the 15  
20 days immediately following the Breeders' Cup Meet. Such tax  
21 credit shall be in lieu of any other compensation or  
22 consideration for the loss of racing days. There shall be no  
23 replacement or makeup of any lost racing days.

24           (4) Notwithstanding any provision of ss. 550.0951 and  
25 550.09515, the permitholder conducting the Breeders' Cup Meet  
26 shall pay no taxes on the handle included within the  
27 pari-mutuel pools of said permitholders during the Breeders'  
28 Cup Meet.

29           (5) The permitholder conducting the Breeders' Cup Meet  
30 shall receive a credit against the taxes otherwise due and  
31 payable to the state under ss. 550.0951 and 550.09515



1 generated during said permitholder's next ensuing regular  
2 thoroughbred race meet. This credit shall be in an amount not  
3 to exceed \$800,000 and shall be utilized by the permitholder  
4 to pay the purses offered by the permitholder during the  
5 Breeders' Cup Meet in excess of the purses which the  
6 permitholder is otherwise required by law to pay. The amount  
7 to be credited shall be determined by the division upon  
8 application of the permitholder which is subject to audit by  
9 the division.

10 (6) The permitholder conducting the Breeders' Cup Meet  
11 shall receive a credit against the taxes otherwise due and  
12 payable to the state under ss. 550.0951 and 550.09515  
13 generated during said permitholder's next ensuing regular  
14 thoroughbred race meet. This credit shall be in an amount not  
15 to exceed \$950,000 and shall be utilized by the permitholder  
16 for such capital improvements and extraordinary expenses as  
17 may be necessary for operation of the Breeders' Cup Meet. the  
18 amount to be credited shall be determined by the division upon  
19 application of the permitholder, which is subject to audit by  
20 the division.

21 (7) The permitholder conducting the Breeders' Cup Meet  
22 shall be exempt from the payment of purses and other payments  
23 to horsemen on all on-track, intertrack, interstate, and  
24 international wagers or rights fees or payments arising  
25 therefrom for all races for which the purse is paid or  
26 supplied by Breeders' Cup Limited. The permitholder conducting  
27 the Breeders' Cup Meet shall not, however, be exempt from  
28 breeders' awards payments for on-track and intertrack wagers  
29 as provided in ss. 550.2625(3) and 550.625(2)(a) for races in  
30 which the purse is paid or supplied by Breeders' Cup Limited.

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1           (8)(a) Pursuant to s. 550.3551(2), the permitholder  
2 conducting the Breeders' Cup Meet is authorized to transmit  
3 broadcasts of the races conducted during the Breeders' Cup  
4 Meet to locations outside of this state for wagering purposes.  
5 The division may approve broadcasts to pari-mutuel  
6 permitholders and other betting systems authorized under the  
7 laws of any other state or country. Wagers accepted by any  
8 out-of-state pari-mutuel permitholder or betting system on any  
9 races broadcast under this section may be, but are not  
10 required to be, commingled with the pari-mutuel pools of the  
11 permitholder conducting the Breeders' Cup Meet. The  
12 calculation of any payoff on national pari-mutuel pools with  
13 commingled wagers may be performed by the permitholder's  
14 totalisator contractor at a location outside of this state.  
15 Pool amounts from wagers placed at pari-mutuel facilities or  
16 other betting systems in foreign countries before being  
17 commingled with the pari-mutuel pool of the Florida  
18 permitholder conducting the Breeders' Cup Meet shall be  
19 calculated by the totalisator contractor and transferred to  
20 the commingled pool in United States currency in cycles  
21 customarily used by the permitholder. Pool amounts from wagers  
22 placed at any foreign pari-mutuel facility or other betting  
23 system shall not be commingled with a Florida pool until a  
24 determination is made by the division that the technology  
25 utilized by the totalisator contractor is adequate to assure  
26 commingled pools will result in the calculation of accurate  
27 payoffs to Florida bettors. Any totalisator contractor at a  
28 location outside of this state shall comply with the  
29 provisions of s. 550.495 relating to totalisator licensing.  
30           (b) The permitholder conducting the Breeders' Cup Meet  
31 is authorized to transmit broadcasts of the races conducted

1 during the Breeders' Cup Meet to other pari-mutuel facilities  
2 located in this state for wagering purposes; however, the  
3 permitholder conducting the Breeders' Cup Meet shall not be  
4 required to transmit broadcasts to any pari-mutuel facility  
5 located within 25 miles of the facility at which the Breeders'  
6 Cup Meet is conducted. Wagers accepted by all pari-mutuel  
7 facilities located in the state on any races broadcast under  
8 this section shall be included in the pari-mutuel pools of the  
9 permitholder conducting the Breeders' Cup Meet.

10 (9) The exemption from the tax credits provided in  
11 subsections (5) and (6) shall not be granted and shall not be  
12 claimed by the permitholder until an audit is completed by the  
13 division. The division is required to complete the audit  
14 within 30 days after receipt of the necessary documentation  
15 from the permitholder to verify the permitholder's claim for  
16 tax credits. If the documentation submitted by the  
17 permitholder is incomplete or is insufficient to document the  
18 permitholder's claim for tax credits, the division may request  
19 such additional documentation as is necessary to complete the  
20 audit. Upon receipt of the division's written request for  
21 additional documentation, the 30-day time limitation will  
22 commence anew.

23 (10) The division is authorized to adopt such rules as  
24 are necessary to facilitate the conduct of the Breeders' Cup  
25 Meet as authorized in this section. Included within this grant  
26 of authority shall be the adoption or waiver of rules  
27 regarding the overall conduct of racing during the Breeders'  
28 Cup Meet in such a manner so as to ensure the integrity of the  
29 races, licensing for all participants, special stabling and  
30 training requirements for foreign horses, commingling of

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1 pari-mutuel pools, and audit requirements for tax credits and  
2 other benefits.

3 (11) Any dispute between the division and any  
4 permitholder regarding the tax credits authorized under  
5 subsection (3), subsection (5), or subsection (6) shall be  
6 determined by a hearing officer of the Division of  
7 Administrative Hearings under the provisions of s. 120.57(1).

8 (12) The provisions of this section shall prevail over  
9 any conflicting provisions of this chapter.

10 Section 6. Section 550.74, Florida Statutes, is  
11 created to read:

12 550.74 Admissions and sales tax.--No tax shall be  
13 levied on programs, parking, or admissions under this chapter  
14 or chapter 212 for pari-mutuel events licensed and conducted  
15 pursuant to this chapter.

16 Section 7. Section 550.26352, Florida Statutes, is  
17 repealed.

18 Section 8. (1) The division, on behalf of the state,  
19 is authorized to enter into a contract to purchase that  
20 portion of Hialeah Park Race Track located in the City of  
21 Hialeah, which is currently owned by Hialeah, Inc., for a sum  
22 not to exceed \$30,650,000 for the property and a fixed sum of  
23 \$2 million for the thoroughbred racing permit, as was  
24 recommended by that certain Final Report of Findings and  
25 Recommendations prepared in response to the Request for  
26 Proposal No. 973-740-07-99-01 issued by the Department of  
27 State as required by section 550.72, Florida Statutes.

28 (2) In order to determine an appropriate purchase  
29 price, the division shall review the appraisal prepared by  
30 Quinlivan Appraisal, P.A., dated November 17, 1998, of Hialeah  
31 Park Race Track.

1           (3) The division is authorized to tender an offer  
2 equal to the fair market value of the property which  
3 determination shall utilize the appraisal performed by  
4 Quinlivan Appraisal, P.A., and any supplemental appraisal  
5 prepared at the request of the division.

6           (4) The division shall negotiate a purchase price and  
7 tender an offer and contract to Hialeah, Inc., for the  
8 purchase of the property and the thoroughbred racing permit no  
9 later than September 30, 2000. Hialeah, Inc., shall have until  
10 February 1, 2001, to accept such offer and execute said  
11 contract, or such offer and contract shall be void.

12           (5) Any contract executed between the division and  
13 Hialeah, Inc., shall be subject to the availability of  
14 appropriated funds.

15           (6) The term "division," for the purposes of this  
16 section, means the Department of Environmental Protection,  
17 Division of State Lands.

18           Section 9. This act shall take effect upon becoming a  
19 law.

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22           LEGISLATIVE SUMMARY

23  
24           Provides that the tax on handle for an intertrack wager  
25           is 2.4 percent of the handle if the host track is a horse  
26           track and is 2.0 percent of the handle if both the host  
27           track and the guest track are thoroughbred permitholders.  
28           Provides that the payment for admission tax, tax on  
29           handle, and the breaks tax shall be remitted by 3 p.m.  
30           Wednesday of each week for taxes imposed and collected  
31           for the preceding week ending on Sunday. Provides that  
          the tax on handle for live thoroughbred horserace  
          performances shall be 0.20 percent. Provides for the  
          Breeders' Cup Meet. (See bill for details.)