

By Senator Silver

38-1388A-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; amending s. 550.5251, F.S.;
11 authorizing thoroughbred permitholders to
12 receive and rebroadcast out-of-state races at
13 certain times; creating s. 550.73, F.S.;
14 providing for the Breeders' Cup Meet;
15 authorizing pools; providing for conflicts,
16 taxes, credits, transmission of races, rules
17 and application; creating s. 550.74, F.S.;
18 prohibiting the levy of taxes on certain
19 programs, parking, or admissions; repealing s.
20 550.26352, F.S., relating to the Breeders' Cup
21 Meet; authorizing the Division of State Lands
22 of the Department of Environmental Protection
23 to enter into a contract to purchase a portion
24 of Hialeah Race Track; providing procedures;
25 providing a definition; providing an effective
26 date.

27
28 Be It Enacted by the Legislature of the State of Florida:

29
30 Section 1. Subsections (3) and (5) of section
31 550.0951, Florida Statutes, are amended to read:

1 550.0951 Payment of daily license fee and taxes.--

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

10 (a) The tax on handle for ~~thoroughbred horse racing,~~
11 harness horse racing, and quarter horse racing is 3.3 percent
12 of the handle.

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

15 (c)1. The tax on handle for an intertrack wager, as
16 that term is defined in s. 550.002(17), is 2.4 percent of the
17 handle if the host track is a horse track; however, the tax on
18 handle for an intertrack wager, as that term is defined in s.
19 550.002(17), is 0.20 percent of the handle if both the host
20 track and the guest track are thoroughbred permitholders.

21 ~~2.1.~~ The tax on handle for intertrack wagering is ~~3.3~~
22 ~~percent of the handle if the host track is a horse track,~~7.6
23 percent if the host track is a dog track, and 7.1 percent if
24 the host track is a jai alai fronton. The tax on handle for
25 intertrack wagering on rebroadcasts of simulcast horseraces is
26 2.4 percent of the handle. The tax shall be deposited into
27 the General Revenue Fund.

28 ~~3.2.~~ Effective October 1, 1996, the tax on handle for
29 intertrack wagers accepted by any dog track located in an area
30 of the state in which there are only three permitholders, all
31 of which are greyhound permitholders, located in three

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

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

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

1 file a report under oath by the 5th day of each calendar month
2 for all taxes remitted during the preceding calendar month.
3 Such payments shall be accompanied by a report under oath
4 showing the total of all admissions, the pari-mutuel wagering
5 activities for the preceding calendar month, and such other
6 information as may be prescribed by the division.

7 Section 2. Paragraph (a) of subsection (3) of section
8 550.09511, Florida Statutes, is amended to read:

9 550.09511 Jai alai taxes; abandoned interest in a
10 permit for nonpayment of taxes.--

11 (3)(a) Notwithstanding the provisions of subsection
12 (2) and s. 550.0951(3)(c)~~2.1~~, any jai alai permitholder which
13 is restricted under Florida law from operating live
14 performances on a year-round basis is entitled to conduct
15 wagering on live performances at a tax rate of 3.85 percent of
16 live handle. Such permitholder is also entitled to conduct
17 intertrack wagering as a host permitholder on live jai alai
18 games at its fronton at a tax rate of 3.3 percent of handle at
19 such time as the total tax on intertrack handle paid to the
20 division by the permitholder during the current state fiscal
21 year exceeds the total tax on intertrack handle paid to the
22 division by the permitholder during the 1992-1993 state fiscal
23 year.

24 Section 3. Paragraph (a) of subsection (9) of section
25 550.6305, Florida Statutes, is amended to read:

26 550.6305 Intertrack wagering; guest track payments;
27 accounting rules.--

28 (9) A host track that has contracted with an
29 out-of-state horse track to broadcast live races conducted at
30 such out-of-state horse track pursuant to s. 550.3551(5) may
31 broadcast such out-of-state races to any guest track and

1 accept wagers thereon in the same manner as is provided in s.
2 550.3551.

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

12 Section 4. Paragraph (a) of subsection (2) of section
13 550.09515, Florida Statutes, is amended to read:

14 550.09515 Thoroughbred horse taxes; abandoned interest
15 in a permit for nonpayment of taxes.--

16 (2)

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

21 ~~1. The tax on handle per performance for live~~
22 ~~thoroughbred performances is 2.0 percent of handle for~~
23 ~~performances conducted during the period beginning on January~~
24 ~~3 and ending March 16; .20 percent of handle for performances~~
25 ~~conducted during the period beginning March 17 and ending May~~
26 ~~22; and 1.25 percent of handle for performances conducted~~
27 ~~during the period beginning May 23 and ending January 2.~~

28 1.2. If any thoroughbred permitholder conducts
29 performances during more than one time period or if
30 performances are conducted during more than one period at any
31 facility, the tax on handle per performance is double the sum

1 of the tax percentages for the periods in which performances
2 are being conducted, except:

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

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

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

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

28 2.3. For the period beginning on April 1 and ending
29 May 23 during the state fiscal year 1992-1993, any
30 permitholder which has operated less than 51 racing days in
31 the last 18 months may operate said period and pay 1.25

1 percent tax on live handle per performance. In the event this
2 provision takes effect after April 1, 1993, it shall be
3 construed to apply retroactively from April 1, 1993, through
4 May 23, 1993.

5 ~~3.4.~~ In the event any licenses have been issued to any
6 thoroughbred permitholders for racing dates prior to April 26,
7 1993, then, notwithstanding the provisions of s. 550.525(2),
8 amendments may be filed to the racing dates up to May 1, 1993.

9 Section 5. Subsection (4) of section 550.5251, Florida
10 Statutes, is amended to read:

11 550.5251 Florida thoroughbred racing; certain permits;
12 operating days.--

13 (4) ~~A thoroughbred racing permitholder may not begin~~
14 ~~any race later than 7 p.m. However, Any thoroughbred~~
15 ~~permitholder in a county in which the authority for cardrooms~~
16 ~~has been approved by the board of county commissioners may~~
17 ~~elect not to operate a cardroom when conducting live races~~
18 ~~during its current race meet and instead to receive and~~
19 ~~rebroadcast out-of-state races after the hour of 7 p.m. on any~~
20 ~~day during the permitholder's licensed racing meet which the~~
21 ~~permitholder conducts live races. However, such permitholder~~
22 ~~may not engage in both operating a cardroom and receiving or~~
23 ~~rebroadcasting out-of-state races after 7 p.m. Permitholders~~
24 ~~shall be required to elect between either operating a cardroom~~
25 ~~or engaging in simulcasting after 7 p.m. at the time of~~
26 ~~submitting its application for its annual license pursuant to~~
27 ~~this section.~~

28 Section 6. Section 550.73, Florida Statutes, is
29 created to read:

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1 550.73 Breeders' Cup Meet; pools authorized;
2 conflicts; taxes; credits; transmission of races; rules;
3 application.--

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

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

23 (3) If the facility of the permitholder conducting the
24 Breeders' Cup Meet is located within 35 miles of any other
25 permitholders' facilities scheduled to host a thoroughbred
26 race meet on any of the 3 days of the Breeders' Cup Meet, then
27 operation on any of those 3 days by the other permitholders is
28 prohibited. As compensation for the loss of racing days caused
29 thereby, such operating permitholders shall receive a credit
30 against the taxes otherwise due and payable to the state under
31 ss. 550.0951 and 550.09515. This credit shall be in an amount

1 equal to the operating loss determined to have been suffered
2 by the operating permitholders as a result of not operating on
3 the prohibited racing days, but shall not exceed a total of
4 \$950,000. The determination of the amount to be credited shall
5 be made by the division upon application by the operating
6 permitholder. The tax credits provided in this subsection
7 shall not be available unless an operating permitholder is
8 required to close a bona fide meet consisting in part of no
9 fewer than 10 scheduled performances in the 15 days
10 immediately preceding or 10 scheduled performances in the 15
11 days immediately following the Breeders' Cup Meet. Such tax
12 credit shall be in lieu of any other compensation or
13 consideration for the loss of racing days. There shall be no
14 replacement or makeup of any lost racing days.

15 (4) Notwithstanding any provision of ss. 550.0951 and
16 550.09515, the permitholder conducting the Breeders' Cup Meet
17 shall pay no taxes on the handle included within the
18 pari-mutuel pools of said permitholders during the Breeders'
19 Cup Meet.

20 (5) The permitholder conducting the Breeders' Cup Meet
21 shall receive a credit against the taxes otherwise due and
22 payable to the state under ss. 550.0951 and 550.09515
23 generated during said permitholder's next ensuing regular
24 thoroughbred race meet. This credit shall be in an amount not
25 to exceed \$950,000 and shall be used by the permitholder to
26 pay the purses offered by the permitholder during the
27 Breeders' Cup Meet in excess of the purses that the
28 permitholder is otherwise required by law to pay. The amount
29 to be credited shall be determined by the division upon
30 application of the permitholder and is subject to audit by the
31 division.

1 (6) The permitholder conducting the Breeders' Cup Meet
2 shall receive a credit against the taxes otherwise due and
3 payable to the state under ss. 550.0951 and 550.09515
4 generated during said permitholder's next ensuing regular
5 thoroughbred race meet. This credit shall be in an amount not
6 to exceed \$950,000 and shall be used by the permitholder for
7 capital improvements and extraordinary expenses necessary for
8 operation of the Breeders' Cup Meet. The amount to be credited
9 shall be determined by the division upon application of the
10 permitholder and is subject to audit by the division.

11 (7) The permitholder conducting the Breeders' Cup Meet
12 shall be exempt from the payment of purses and other payments
13 to horsemen on all on-track, intertrack, interstate, and
14 international wagers or rights fees or payments arising
15 therefrom for all races for which the purse is paid or
16 supplied by Breeders' Cup Limited. The permitholder conducting
17 the Breeders' Cup Meet shall not, however, be exempt from
18 breeders' awards payments for on-track and intertrack wagers
19 as provided in ss. 550.2625(3) and 550.625(2)(a) for races in
20 which the purse is paid or supplied by Breeders' Cup Limited.

21 (8)(a) Pursuant to s. 550.3551(2), the permitholder
22 conducting the Breeders' Cup Meet is authorized to transmit
23 broadcasts of the races conducted during the Breeders' Cup
24 Meet to locations outside of this state for wagering purposes.
25 The division may approve broadcasts to pari-mutuel
26 permitholders and other betting systems authorized under the
27 laws of any other state or country. Wagers accepted by any
28 out-of-state pari-mutuel permitholder or betting system on any
29 races broadcast under this section may be, but are not
30 required to be, commingled with the pari-mutuel pools of the
31 permitholder conducting the Breeders' Cup Meet. The

1 calculation of any payoff on national pari-mutuel pools with
2 commingled wagers may be performed by the permitholder's
3 totalisator contractor at a location outside of this state.
4 Pool amounts from wagers placed at pari-mutuel facilities or
5 other betting systems in foreign countries before being
6 commingled with the pari-mutuel pool of the Florida
7 permitholder conducting the Breeders' Cup Meet shall be
8 calculated by the totalisator contractor and transferred to
9 the commingled pool in United States currency in cycles
10 customarily used by the permitholder. Pool amounts from wagers
11 placed at any foreign pari-mutuel facility or other betting
12 system shall not be commingled with a Florida pool until a
13 determination is made by the division that the technology used
14 by the totalisator contractor is adequate to assure that
15 commingled pools will result in the calculation of accurate
16 payoffs to Florida bettors. Any totalisator contractor at a
17 location outside of this state shall comply with the
18 provisions of s. 550.495 relating to totalisator licensing.

19 (b) The permitholder conducting the Breeders' Cup Meet
20 is authorized to transmit broadcasts of the races conducted
21 during the Breeders' Cup Meet to other pari-mutuel facilities
22 located in this state for wagering purposes; however, the
23 permitholder conducting the Breeders' Cup Meet shall not be
24 required to transmit broadcasts to any pari-mutuel facility
25 located within 25 miles of the facility at which the Breeders'
26 Cup Meet is conducted. Wagers accepted by all pari-mutuel
27 facilities located in the state on any races broadcast under
28 this section shall be included in the pari-mutuel pools of the
29 permitholder conducting the Breeders' Cup Meet.

30 (9) The exemption from the tax credits provided in
31 subsections (5) and (6) shall not be granted and shall not be

1 claimed by the permitholder until an audit is completed by the
2 division. The division is required to complete the audit
3 within 30 days after receipt of the necessary documentation
4 from the permitholder to verify the permitholder's claim for
5 tax credits. If the documentation submitted by the
6 permitholder is incomplete or is insufficient to document the
7 permitholder's claim for tax credits, the division may request
8 such additional documentation as is necessary to complete the
9 audit. Upon receipt of the division's written request for
10 additional documentation, the 30-day time limitation will
11 commence anew.

12 (10) The division is authorized to adopt such rules as
13 are necessary to facilitate the conduct of the Breeders' Cup
14 Meet as authorized in this section. Included within this grant
15 of authority shall be the adoption or waiver of rules
16 regarding the overall conduct of racing during the Breeders'
17 Cup Meet in such a manner as to ensure the integrity of the
18 racers, licensing for all participants, special stabling and
19 training requirements for foreign horses, commingling of
20 pari-mutuel pools, and audit requirements for tax credits and
21 other benefits.

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

27 (12) The provisions of this section shall prevail over
28 any conflicting provisions of this chapter.

29 Section 7. Section 550.74, Florida Statutes, is
30 created to read:

31

1 550.74 Admissions and sales tax.--No tax shall be
2 levied on programs, parking, or admissions under this chapter
3 or chapter 212 for pari-mutuel events licensed and conducted
4 pursuant to this chapter.

5 Section 8. Section 550.26352, Florida Statutes, is
6 repealed.

7 Section 9. (1) The division, on behalf of the state,
8 is authorized to enter into a contract to purchase that
9 portion of Hialeah Park Race Track located in the City of
10 Hialeah which is currently owned by Hialeah, Inc., for a sum
11 not to exceed \$30,650,000 for the property and a fixed sum of
12 \$2 million for the thoroughbred racing permit, as was
13 recommended by that certain Final Report of Findings and
14 Recommendations prepared in response to the Request for
15 Proposal No. 973-740-07-99-01 issued by the Department of
16 State as required by section 550.72, Florida Statutes.

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

21 (3) The division is authorized to tender an offer
22 equal to the fair market value of the property which
23 determination shall use the appraisal performed by Quinlivan
24 Appraisal, P.A., and any supplemental appraisal prepared at
25 the request of the division.

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

