

By Representative Bainter

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 and
7 550.6305, F.S.; revising cross references to
8 conform; amending s. 550.09515, F.S.; revising
9 the tax 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 dog racing 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, provided however,
18 that the tax on handle for an intertrack wager, as that term
19 is defined in s. 550.002(17), is 0.20 percent of the handle if
20 both the host track and the guest track are thoroughbred
21 permitholders.

22 ~~2.1.~~ 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.

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

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

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

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

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

8 Section 2. Paragraph (a) of subsection (3) of section
9 550.09511, Florida Statutes, is amended to read:

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

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

25 Section 3. Paragraph (a) of subsection (9) of section
26 550.6305, Florida Statutes, is amended to read:

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

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

1 broadcast such out-of-state races to any guest track and
2 accept wagers thereon in the same manner as is provided in s.
3 550.3551.

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

13 Section 4. Paragraph (a) of subsection (2) of section
14 550.09515, Florida Statutes, is amended to read:

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

17 (2)

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

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

29 1.2. If any thoroughbred permitholder conducts
30 performances during more than one time period or if
31 performances are conducted during more than one period at any

1 facility, the tax on handle per performance is double the sum
2 of the tax percentages for the periods in which performances
3 are being conducted, except:

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

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

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

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

29 2.3. For the period beginning on April 1 and ending
30 May 23 during the state fiscal year 1992-1993, any
31 permitholder which has operated less than 51 racing days in

1 the last 18 months may operate said period and pay 1.25
2 percent tax on live handle per performance. In the event this
3 provision takes effect after April 1, 1993, it shall be
4 construed to apply retroactively from April 1, 1993, through
5 May 23, 1993.

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

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

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

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

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

31

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 hereby created a special thoroughbred
6 race meet which shall be designated as the "Breeders' Cup
7 Meet." The Breeders' Cup Meet shall be conducted at the
8 facility of the Florida permitholder selected by Breeders' Cup
9 Limited to conduct the Breeders' Cup Meet. The Breeders' Cup
10 Meet shall consist of 3 days: the day on which the Breeders'
11 Cup races are conducted, the preceding day, and the subsequent
12 day. Upon the selection of the Florida permitholder as host
13 for the 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 which the selected permitholder is not
18 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 \$800,000 and shall be utilized by the permitholder
26 to pay the purses offered by the permitholder during the
27 Breeders' Cup Meet in excess of the purses which 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 which is subject to audit by
31 the 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 utilized by the permitholder
7 for such capital improvements and extraordinary expenses as
8 may be necessary for operation of the Breeders' Cup Meet. the
9 amount to be credited shall be determined by the division upon
10 application of the permitholder, which is subject to audit by
11 the division.

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

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

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

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

31

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

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

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

29 (12) The provisions of this section shall prevail over
30 any conflicting provisions of this chapter.

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1 Section 7. Section 550.74, Florida Statutes, is
2 created to read:

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

7 Section 8. Section 550.26352, Florida Statutes, is
8 repealed.

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

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

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

28 (4) The division shall negotiate a purchase price and
29 tender an offer and contract to Hialeah, Inc., for the
30 purchase of the property and the thoroughbred racing permit no
31 later than September 30, 2000. Hialeah, Inc., shall have until

1 February 1, 2001, to accept such offer and execute said
2 contract, or such offer and contract shall be void.

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

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

9 Section 10. This act shall take effect upon becoming a
10 law.

11 *****

12 HOUSE SUMMARY

13
14 Provides that the tax on handle for an intertrack wager
15 is 2.4 percent of the handle if the host track is a horse
16 track and is 2.0 percent of the handle if both the host
17 track and the guest track are thoroughbred permitholders.
18 Provides that the payment for admission tax, tax on
19 handle, and the breaks tax shall be remitted by 3 p.m.
20 Wednesday of each week for taxes imposed and collected
21 for the preceding week ending on Sunday. Provides that
22 the tax on handle for live thoroughbred horserace
23 performances shall be 0.20 percent. Provides that any
24 thoroughbred permitholder may elect to receive and
25 rebroadcast out-of-state races after the hour of 7 p.m.
26 on any day during its licensed race meet. Provides for
27 the Breeders' Cup Meet. See bill for details.
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