

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1783 Pari-Mutuel Wagering; Greyhound Adoptions
SPONSOR(S): Business Regulation and Prieguez
TIED BILLS: **IDEN./SIM. BILLS:** SB 228

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Business Regulation</u>	<u>33 Y, 2 N</u>	<u>Morris</u>	<u>Liepshutz</u>
2) <u>Finance and Tax</u>	<u></u>	<u>Adam Shamy</u>	<u>Jose Diez-Arguelles</u>
3) <u></u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

The bill requires greyhound racing permitholders to provide adoption booths at their racing facilities for retired racing greyhounds. The bill specifies the criteria by which greyhound-racing permitholders are to provide information at each facility concerning the adoption of a greyhound, including that the racing program contain adoption information and identify greyhounds that are available for adoption.

Greyhound racing permitholders are authorized to hold an additional charity day, designated as "Greyhound Adopt-A-Pet Day," and to use the profits from the charity day to support activities promoting greyhound adoptions.

The bill defines the term "bona fide organization that promotes or encourages the adoption of greyhounds" and requires that the organization provide sterilization of greyhounds by a licensed veterinarian before relinquishing custody of the greyhound to the adopter.

The bill is expected to have an insignificant fiscal impact on state revenue collections.

The bill provides that the act will take effect July 1, 2003.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1783a.ft.doc
DATE: April 10, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

This bill requires each greyhound permitholder to provide a greyhound-adoption booth at their pari-mutuel facility and requires the booth to be operated on weekends by personnel or volunteers from a bona fide organization that promotes or encourages the adoption of greyhounds pursuant to s. 550.1647, F.S. The term "weekends" includes the hours during which live greyhound racing is conducted on Friday, Saturday, or Sunday. The bill requires that information pamphlets and adoption applications are to be provided to the public upon request.

The bill requires kennel operators and greyhound owners to notify the permitholders when a greyhound is available for adoption and that the racing programs contain specific adoption information. In addition, permitholders are required to post adoption information at conspicuous locations throughout the facility and the permitholder must allow greyhounds to be walked through the facility to publicize greyhound adoption.

Pursuant to s. 550.0351, F.S., the Division of Pari-mutuel Wagering [division] may authorize each horseracing, dogracing and jai alai permitholder up to five charity racing or scholarship days in addition to the regular racing days authorized by law. The section provides that the profits from charity performances are paid to qualified beneficiaries selected by the permitholder. In determining profit, subsection (5) of this statute authorizes permitholders to distribute as proceeds only the amount equal to the state tax that would otherwise be paid to the state if the charity day performance were conducted as a regular or matinee performance. The proceeds of charity performances are paid to qualified beneficiaries selected by the permitholder from an authorized list of charities on file with the division.

According to the division, since charity performances were authorized in 1985, approximately \$48 million that would have been collected as state revenue has been distributed to charitable organizations. For FY 2001-2002, pari-mutuel permitholders conducted 230 charity/scholarship performances and the distribution to charitable organizations was approximately \$3.1 Million.

In addition to the charity days authorized under section 550.0351, F.S., this bill authorizes a greyhound permitholder to fund a greyhound-adoption program by holding an additional charity racing day designated as "Greyhound Adopt-A-Pet Day." The profits from this charity day performance must be placed into a fund and used to support activities at that facility that promote the adoption of greyhounds. The division is authorized to adopt rules for administering the fund.

The division may impose a penalty as provided in s. 550.0251(10), F.S.¹ for a violation of these provisions by the permitholder or a licensee. The bill also specifies that a penalty imposed under this subsection will not exclude a prosecution for cruelty to animals or for any other criminal act.

Section 550.1647, F.S., authorizes a tax credit for greyhound permitholders for unclaimed prizes from pari-mutuel wagering events that are paid to the state in an amount equivalent to the amount that was remitted to the state in the prior fiscal year. In addition, this section requires the greyhound permitholder to pay an amount that equals at least 10 percent of that credit to a bona fide organization that promotes or encourages the adoption of greyhounds. This bill specifies that the proceeds from the Greyhound Adopt-A-Pet Day may not be used by the permitholder when calculating the amount to be paid to a greyhound organization pursuant to s. 550.1647, F.S.

The bill also amends s. 550.1647, F.S., clarifying that the term “bona fide organization that promotes or encourages the adoption of greyhounds” means any organization that provides evidence of compliance with ch. 496, F.S.,² and possesses a valid exemption from federal income tax issued by the Internal Revenue Service. Lastly, the bill requires that the organization provide sterilization of greyhounds by a licensed veterinarian before relinquishing custody of the greyhound to the adopter. The fee for sterilization may be included in the cost of the adoption.

C. SECTION DIRECTORY:

Section 1. Creates an undesignated section of Florida Statutes, and requires each greyhound racing permitholder to provide a greyhound adoption booth at the facility on weekends when live racing is conducted. This section authorizes a greyhound permitholder to conduct a charity racing day designated as “Greyhound Adopt-A-Pet Day” and requires that the funds from this charity event be placed into an account which is used to support activities at that facility that promote the adoption of greyhounds.

This section also specifies requirements for information pamphlets and postings, race program content, notifications, allowances for greyhounds to be walked through the facility to publicize the adoption program, and provides penalties for violations.

Section 2. Amends s. 550.1647, F.S., to define the term “bona fide organization that promotes or encourages the adoption of greyhounds.” This section also requires the organization to provide sterilization of the greyhounds by a licensed veterinarian before relinquishing custody of the animal and authorizes the fee for sterilization to be included in the cost of adoption.

Section 3. Provides that the act will take effect July 1, 2003.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Greyhound permitholders are required to pay daily license fees for all regular and charity performances; therefore, there will be no reduction in revenue unless permitholders were to eliminate a regular scheduled performance in order to accommodate the additional greyhound adoption charity day. According to the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation if each permitholder were to eliminate one regular performance the maximum reduction in revenue would be approximately \$150,000 annually.

¹ Section 550.0251(10), F.S., authorizes the imposition of an administrative fine of not more than \$1,000 for each count or separate offense and authorizes the division to suspend or revoke a permit, a pari-mutuel license, or an occupational license.

² Ch. 496 – Solicitation of Contributions Act

2. Expenditures:

The Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation will assume additional audit and inspection responsibilities under the provisions of this legislation. It is anticipated, however, that these additional responsibilities can be accommodated within the existing budget and with existing personnel.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Permitholders will incur costs associated with the setup and operation of the greyhound adoption booths. The Division of Pari-mutuel Wagering estimates that proceeds, estimated to be approximately \$250,000 industry-wide, from the "Greyhound-Adopt-A-Pet-Day" will defray such costs. In addition, the industry reports that many greyhound permitholders already provide space for adoption booths and/or actively participate in greyhound adoption programs.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or cities to spend funds or take an action requiring the expenditure of funds; does not reduce the authority that cities or counties have to raise revenues in the aggregate; and does not reduce the percentage of a state tax shared with cities or counties.

2. Other:

None noted.

B. RULE-MAKING AUTHORITY:

The bill authorizes the Division of Pari-mutuel Wagering to implement rules for the operation of a fund established to receive the proceeds from the charity day event. The division indicates that the bill provides adequate rule-making authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES