

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 2834

SPONSOR: Regulated Industries Committee and Senator Haridopolos

SUBJECT: Pari-Mutuel Wagering/Thoroughbreds

DATE: April 22, 2003 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Sumner	Imhof	RI	Fav/CS
2.	_____	_____	FT	_____
3.	_____	_____	AGG	_____
4.	_____	_____	AP	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill deletes certain provisions of the statutes that cause a permit of a thoroughbred permitholder to be void and escheat to the state for failure to pay the tax on handle (“handle” means the aggregate contributions to pari-mutuel permitholders) on a full schedule of live racing during two consecutive fiscal years. The bill would provide for a thoroughbred permitholder to irrevocably elect not to operate live performances if the permitholder amends its license by February 15 of each year without causing the permitholder’s license to become invalid. Thoroughbred permitholders would continue to be subject to discipline pursuant to ss. 550.01215(4) and 550.0251(10), F.S.

The bill would excuse from discipline and deem valid the permit of any thoroughbred permitholder who failed to operate all performances it was authorized to operate under the license or licenses issued for either or both the 2001-2002 and 2002-2003 state fiscal years.

This bill requires a study and review of the provisions of ch. 550, F.S., as it pertains to the issues related to the pari-mutuel permitholders. The Department of Business and Professional Regulation shall conduct and fund the study.

This bill repeals section 550.09515, Florida Statutes, and substantially amends section 550.5251, Florida Statutes.

II. Present Situation:

Section 550.09515(3)(a), F.S., provides for a thoroughbred permit to be void and escheat to and become the property of the state if the permitholder fails to pay tax on live handle for a full schedule of live races during any two consecutive state fiscal years. The failure to operate a full

schedule of live racing is excused if it is a direct result of fire, strike, war, or disaster beyond the control of the permitholder.

Section 550.5251, F.S., provides that each permitholder must apply for a license that specifies operating dates between December 15 of each year and January 4 of the following year to conduct one or more thoroughbred race meetings during the thoroughbred racing season which starts on the following June 1. The Florida Thoroughbred Racing Season runs from June 1 until May 31 of the next year. On or before February 15 of each year, the division must issue a license authorizing each permitholder to conduct performances on the dates specified in its application. Any changes to the authorized performances granted by the division must be requested prior to March 31 of each year. After March 31 of each year a permitholder must operate the full number of days on the dates authorized by the license to keep the license valid and retain its permit. Thoroughbred permitholders are subject to fines, penalties, or revocation of the license if the permitholder violates the provisions of ch. 550, F.S. In addition, the division must hold a hearing to determine the amount of fine or whether the permitholder's license should be suspended.

III. Effect of Proposed Changes:

Section 1

This section deletes subsection (3) of s. 550.09515, F. S., which provides that the permit of a thoroughbred permitholder who fails to pay taxes on handle for a full schedule of live racing for two years shall escheat to the state and be reissued to any qualified applicant.

Section 2

This section amends s. 550.5251, F. S., as follows:

- It changes the date the division must issue thoroughbred licenses from “on or before February 15 of each year” to “on or before April 30 of each year.”
- It removes the requirement that a permitholder race all its licensed dates as a condition precedent to the validity of its license and the right to retain its permit. It provides that failure to operate the full number of days authorized on each date established in the license would subject the permitholder to discipline pursuant to ss. 550.01215(4) and 550.0251(10), F. S.
- It allows a thoroughbred permitholder to irrevocably elect not to operate live performances by filing an amendment to its application on or before February 15 of each year without affecting the continuing validity of the permit. Such an amendment not to run, may be filed by on or before July 1, 2003, for the 2003-2004 operating year only.
- It provides that any thoroughbred permitholder who failed to operate performances during the 2001-2002 or 2002-2003 racing seasons would be excused from discipline by the division and its permit shall be deemed valid and in good standing.

Section 3

This section provides for the Department of Business and Professional Regulation to study and review ch. 550, F.S., as it pertains to the issues related to pari-mutuel permitholders governed by the provisions of that chapter. The department will report the results of the study to the President of the Senate and the Speaker of the House of Representatives by February 1, 2004. The study will be staffed and funded from existing resources of the department.

Section 4

The bill would become law on July 1, 2003.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

According to the Department of Business and Professional Regulation, inactive thoroughbred permits would no longer escheat and become property of the state, thereby eliminating the possibility for the division to re-issue the escheated permit to a qualified applicant or the potential of associated tax revenue.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
