21-1020-04

1   A bill to be entitled

2   An act relating to gambling; creating s.

3   849.088, F.S.; allowing certain types of

4   state-regulated gambling activity as an

5   alternative to federally allowed gambling;

6   providing for the Division of Pari-mutuel

7   Wagering of the Department of Business and

8   Professional Regulation to determine whether

9   such federally allowed gambling exists in this

10   state; requiring the division to adopt rules to

11   license and regulate the state-sponsored

12   gambling; providing criteria for awarding such

13   licenses; providing for a state tax on revenues

14   from such state-regulated gambling activities;

15   providing for the Legislature to adjust the

16   rate of such a tax; providing procedures for

17   payment of the tax; providing that the tax

18   proceeds must be deposited into the State

19   School Fund and used to support public free

20   schools; providing criteria for determining the

21   percentage of gambling revenues to be allocated

22   as prize money; defining the term "net

23   revenues"; providing an effective date.

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

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27   Section 1.   Section 849.088, Florida Statutes, is

28   created to read:

29   849.088   State alternatives to federally sanctioned

30   gambling; licensure, taxation, and other regulations.--

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1   (1) If federal law allows gambling activity within the

2   perimeter of the land mass of this state but outside the

3   regulatory jurisdiction of the state, a state-regulated

4   alternative shall be allowed within the enclosure of licensed

5   pari-mutuel facilities in order to provide and protect state

6   revenues and employment.

7   (2) The Division of Pari-mutuel Wagering of the

8   Department of Business and Professional Regulation must

9   determine whether such federally allowed gambling exists and

10 issue a declaratory statement pursuant to chapter 120 within

11 30 days after receiving a written request for such a statement

12 from any substantially affected person. Within 90 days after

13 such a determination has been made or the decision pursuant to

14 a final appeal from such a determination has been rendered,

15 the Division of Pari-mutuel Wagering shall adopt rules for

16 licensing and regulating the same gambling products within the

17 enclosure of state-licensed pari-mutuel facilities as are

18 determined to be present within the state under the operation

19 of federal law.

20   (3) The Division of Pari-mutuel Wagering may issue a

21 license under this section only to a pari-mutuel permitholder

22 that applied to conduct a full schedule of live racing or

23 games as defined in s. 550.002 during the state fiscal year

24 ending June 30, 2003. After the initial license has been

25 issued to a permitholder, the permitholder must have conducted

26 a full schedule of live racing or games in the year

27 immediately preceding the issuance of a subsequent annual

28 license to that permitholder.

29   (4) The state-regulated gambling activities authorized

30 by this section are subject to a state tax on the amount of

31 the revenues retained after the payment of winnings to the

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1 public, which tax shall be at the rate of 25 percent for

2 electronic gaming devices and at the same rate as the state

3 sales tax for any other non-pari-mutuel activities. The

4 Legislature may adjust those rates from time to time to

5 conform to nationwide industry standards for the activity

6 subject to tax. The revenues from taxes imposed under this

7 section must be paid to the Division of Pari-mutuel Wagering

8 in the same manner as pari-mutuel taxes and must be deposited

9 in the State School Fund to be used for the support and

10 maintenance of public free schools as provided by s. 6, Art.

11 IX of the State Constitution.

12   (5) In order to protect and support the quality of

13 racing and jai alai competition in the pari-mutuel industry in

14 this state, the same percentage of net revenues retained by a

15 permitholder from any regulated activity authorized under this

16 section shall be designated and allocated for purses and prize

17 money as was so designated and allocated by statute or

18 practice from pari-mutuel net revenues wagered on the

19 permitholder during its full schedule of live racing in the

20 year immediately preceding the effective date of this section,

21 and any changes to that allocation must be mutually agreed

22 upon by the affected parties. As used in this section, the

23 term "net revenues" means the amount of wagering revenue that

24 remains after payout to the public and the payment of state

25 taxes.

26   Section 2. This act shall take effect October 1, 2004.

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 2                      SENATE SUMMARY

 3      Allows the state to operate gambling activities of the
        same type that are allowed by federal law to take place
 4      in this state but outside the jurisdiction of the state.
        Provides for the Division of Pari-mutuel Wagering of the
 5      Department of Business and Professional Regulation to
        determine whether such federally allowed gambling exists
 6      in this state. Requires the division to adopt rules to
        license and regulate such state-sponsored gambling.
 7      Provides criteria for awarding such licenses. Provides
        for a state tax on revenues from such state-regulated
 8      gambling activities. Provides for the Legislature to
        adjust the rate of such a tax. Provides procedures for
 9      payment of the tax. Provides that the tax proceeds must
        be deposited into the State School Fund and used to
10      support and maintain public free schools. Provides
        criteria for determining the percentage of gambling
11      revenues to be allocated as prize money. Defines the term
        "net revenues" for purposes of making that determination.

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