

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government--The bill decreases statutorily imposed conditions on jai alai permitholders conducting intertrack wagering.

B. EFFECT OF PROPOSED CHANGES:

This bill amends s. 550.02(11), F.S., to modify the definition of what constitutes a full schedule of live performances for jai alai permitholders.

Intertrack wagering is pari-mutuel wagering on broadcasts of a horse or greyhound race or jai alai game transmitted from and performed live at, or a simulcast signal rebroadcast from, another in-state pari-mutuel facility. Under present law in order for a licensed jai alai permitholder to participate in intertrack wagering [ITW] the permitholder must conduct a full schedule of live performances during the previous year [see s.550.615(2), F.S.]. If the permitholder conducts a full schedule of live performances in the previous year it may conduct ITW on any class of pari-mutuel race or game for the entire ensuing year. For a jai alai permitholder a "full schedule" of live performances means that the permitholder must conduct a combination of at least 100 live evening or matinee performances. In the pari-mutuel statute a "performance" does not refer to one single jai alai game but rather means "a series of events, races, or games performed consecutively under a single admission charge." A jai alai permitholder may conduct both a matinee and evening performance in one calendar day.

This bill reduces the number of required live performances from 100 to 40 for any jai alai permitholder that conducted at least 100 live performances per year for 10 years after December 31, 1992. With this reduction in the number of required live performances, it is possible that a season of 40 live evening and matinee performances could be completed in one month.

In addition, this bill contains a provision ensuring that there will be no reduction in state revenue as a result of the reduction in the number of live performances. Section 550.09511, F.S., is amended to require that any permitholder taking advantage of this reduction in live performances will pay to the state the same aggregate amount of daily license fees, admissions tax, and tax on live handle as that permitholder paid to the state during the most recent prior year in which the permitholder conducted at least 100 live performances. In FY 2003-04, jai alai permitholders paid a total of \$630,178 in tax revenue into the Pari-mutuel Wagering Trust Fund.

Florida was the first state in the nation to conduct jai alai performances with the first fronton built in 1926 and Florida is now the only state that has pari-mutuel wagering on live jai alai games. There are currently seven jai alai permitholders operating from five frontons in central and south Florida: Ocala Jai Alai, Florida Jai Alai in Fern Park, Fort Pierce Jai Alai, Dania Jai Alai, Summersport Jai Alai operating from the Dania facility, Miami Jai Alai, and Summer Jai Alai operating from the Miami facility. Each of those permitholders, with the exception of Ocala Jai Alai, appears to qualify for the reduction in performances provided for in this legislation.

The bill has an effective date of July 1, 2005.

C. SECTION DIRECTORY:

Section 1 amends the definition of "full schedule of live racing or games" in s. 550.002(11), F.S.

Section 2 creates a new subsection (4) in s. 550.09511, F.S., relating to jai alai taxes.

Section 3 provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

In FY 2003-04, the seven operating jai alai permitholders paid \$630,178 in state tax revenue into the Pari-mutuel Wagering Trust Fund. This legislation provides that any permitholder taking advantage of the reduction in the number of live performances must continue to pay the same amount of tax as the permitholder paid to the state during the last year in which they conducted at least 100 live performances. Therefore, the bill is not expected to have an impact on revenue collections.

2. Expenditures:

According to the Division of Pari-mutuel Wagering in the Department of Business and Professional Regulation, the bill will not require the expenditure of state revenues.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill is not expected to impact local government revenue.

2. Expenditures:

This bill is not expected to require any expenditure by local governments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Florida is the only state in the nation to conduct pari-mutuel wagering on live jai alai performances. Some players perform at more than one jai alai facility but must also supplement their income by taking other forms of employment. A spokesperson for the jai alai players association expressed the concern that a 60% reduction in the number of live performances allowed for in this legislation will adversely impact wages paid to jai alai players. Further, the spokesperson expressed the concern that a reduction in the number of live performances will make it difficult to attract quality players from Spain or other nations for a shortened meet.

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. This bill does not reduce the authority that cities or counties have to raise revenues in the aggregate. This bill does not reduce the percentage of a state tax shared with cities or counties.

2. Other:

None noted.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES