

# 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.)

Prepared By: Regulated Industries Committee

BILL: SB 342

SPONSOR: Senator Argenziano

SUBJECT: Jai Alai/Live Performances

DATE: February 8, 2005

REVISED: 02/09/05

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Sumner</u>	<u>Imhof</u>	<u>RI</u>	<u>Fav/1 amendment</u>
2.	<u></u>	<u></u>	<u>GE</u>	<u></u>
3.	<u></u>	<u></u>	<u>RC</u>	<u></u>
4.	<u></u>	<u></u>	<u></u>	<u></u>
5.	<u></u>	<u></u>	<u></u>	<u></u>
6.	<u></u>	<u></u>	<u></u>	<u></u>

## Please see last section for Summary of Amendments

Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

### I. Summary:

The bill amends the definition of “full schedule of live racing or games” for jai alai permitholders in s. 550.002(11), F.S. It provides that for a jai alai permitholder conducting 100 live performances a year for at least 10 years after December 31, 1992, the permitholder may conduct a combination of at least 40 live evening or matinee performances during the preceding year.

The bill also amends s. 550.09511, F.S. to provide that if a jai alai permitholder chooses to conduct fewer than 100 live jai alai performances, the permitholder will have to pay the state the same amount of tax as if they were conducting the full 100 live performances.

This bill substantially amends sections 550.002 and 550.09511 of the Florida Statutes.

### II. Present Situation:

The definition of “full schedule of live racing or games” in ch. 550, F.S., for jai alai permitholders means that the permitholder conduct at least 100 live evening or matinee performances during the preceding year. Chapter 550, F.S., requires that in order to participate in intertrack wagering, permitholders conduct a “full schedule of live racing or games.” The

permitholder must also conduct a full schedule of live racing or games to maintain a pari-mutuel permit.

Currently, there are seven active jai alai permitholders operating five frontons throughout central and south Florida.<sup>1</sup> Wagering at jai alai frontons include wagers for live games occurring at the facility, wagers on simulcast games occurring out of state, and intertrack wagers on pari-mutuel events occurring at facilities throughout the state. Jai alai permitholders pay taxes on handle<sup>2</sup>, admissions, and daily fees in accordance with the number of live performances and intertrack wagering conducted during the fiscal year. In fiscal year 2003-2004, the seven jai alai permitholders remitted a total of \$630,178 in state tax revenues to the Pari-mutuel Wagering Trust Fund, an increase of 4 percent from the prior year.<sup>3</sup> Taxes are assessed only on live performances and not the intertrack wagers.

The term “intertrack wagering” means wagering on events broadcast between pari-mutuel facilities located within the state, including the rebroadcast of a simulcast signal. Intertrack wagering is defined as “a particular form of pari-mutuel wagering in which wagers are accepted at a permitted, in-state track, fronton, or pari-mutuel facility on a race or game transmitted from and performed live at, or simulcast signal rebroadcast from, another in-state pari-mutuel facility.” Any licensed pari-mutuel permitholder that conducted a “full schedule of live racing or games” the previous year is qualified to receive broadcasts of any class of pari-mutuel race or games conducted by any class of licensed permitholders.

### III. Effect of Proposed Changes:

This bill amends the definition of “full schedule of live racing or games” in s. 550.002(11), F.S., for jai alai permitholders by reducing the amount of live evening or matinee performances from 100 to a combination of at least 40 live evening or matinee performances during the preceding year if the jai alai permitholder conducted 100 live performances a year for at least 10 years after December, 1992. (Quarterhorse and thoroughbred permitholders each conduct 40 live regular performances during the preceding year under the definition of “full schedule of live racing or games” in s. 550.002(11), F.S.)

The bill also amends s. 550.09511, F.S. to provide that if a jai alai permitholder chooses to conduct fewer than 100 live jai alai performances, the permitholder will have to pay the state the same amount of tax as if they were conducting the full 100 live performances.

According to a representative for the Jai Alai Players Association, this bill will be a detriment to the jai players livelihood. Florida is the last state in the United States to conduct jai alai. By allowing the frontons to reduce the live performances to 40, there may be little incentive for jai alai players to play in Florida since many of the players are recruited from Spain and a season of 40 performances could be played in 30 days.

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<sup>1</sup> The permitholders include: Florida Jai Alai, Miami Jai Alai, Dania jai Alai, Ocala Jai Alai, Ft. Pierce Jai Alai, Palm Beach Jai Alai, Summer Jai Alai, and Summersport Enterprises.

<sup>2</sup> “Handle” means the aggregate contributions to pari-mutuel pools. s. 550.002 (13) F.S.

<sup>3</sup> Division of Pari-mutuel Wagering, *73rd Annual Report, Fiscal Year 2003-2004*, Florida Department of Business and Professional Regulation, p.30.

Currently, six of the seven permitholders are eligible under the provisions of this bill. Ocala Jai Alai will be eligible under the bill, if it conducts 100 performances this year. According to a representative from the jai alai frontons, the reduction in the number of days is necessary to keep the industry viable in the Ocala and Orlando markets.

**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:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.



## VIII. Summary of Amendments:

### **Barcode 432388 by Regulated Industries:**

Amends the bill's definition of "full schedule of live racing or games" in s. 550.002(11), F.S., for jai alai permitholders. It replaces "jai alai permitholder" with "a jai alai permitholder who does not operate slot machines within the permitholder's licensed pari-mutuel facility." This limits the reductions in performances to jai alai permitholders who do not operate slot machines at their facilities. Broward and Miami-Dade counties will vote March 8, 2005 on whether to allow slot machines in licensed pari-mutuel facilities in those counties. (With Title Amendment)

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

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