

**HOUSE OF REPRESENTATIVES  
FINAL BILL ANALYSIS**

<b>BILL #:</b>	HB 5511 (SB 1980)	<b>FINAL HOUSE FLOOR ACTION:</b>	
<b>SPONSOR(S):</b>	Government Operations Appropriations Subcommittee and Hooper (Budget Subcommittee)	116 Y's	0 N's
<b>COMPANION BILLS:</b>	SB 1980	<b>GOVERNOR'S ACTION:</b>	Approved

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**SUMMARY ANALYSIS**

House Bill 5511 passed the House on March 9, 2012, and subsequently passed the Senate on March 9, 2012. The bill makes statutory changes to the Drugs, Devices and Cosmetics Program and the Boxing Commission within the Department of Business and Professional Regulation (DBPR) to conform to the FY 2012-2013 General Appropriations Act (GAA).

Chapter 2010-161, Laws of Florida, transferred the Drugs, Devices and Cosmetics Program (DDC) and the administration of chapter 499, Florida Statutes, from the Department of Health (DOH) to the DBPR, effective October 1, 2011.

House Bill 5511 amends current law to transfer the funding of the DDC between trust funds within the DBPR and updates chapter 20, F.S., to include the DDC within the DBPR organizational structure.

Specifically, the bill makes the following changes related to the Drugs, Devices and Cosmetics Program:

- Terminates the Drugs, Devices and Cosmetics Trust Fund and transfers funding of the DDC to the Professional Regulation Trust Fund.
- Designates the DDC as a division in the department's organizational structure in section 20.165, F.S.
- Requires a separate account be maintained in the Professional Regulation Trust Fund for the deposit of DDC revenues and updates references in chapter 499, F.S., to replace DOH with DBPR.

House Bill 5511 repeals section 548.061, Florida Statutes, to eliminate the requirement that a person or a club file a written report and remit a tax based on 5% of the total gross receipts from the sale of tickets sold for closed circuit telecasts of boxing matches that originate in Florida or another state. The Revenue Estimating Conference projects a reduction in revenue to the Boxing Commission of approximately \$200,000 in FY 2012-2013 with the repeal of the closed circuit telecast tax.

The bill conforms to the FY 2012-2013 General Appropriations Act as \$2.7 million in trust fund appropriations for the DDC have been transferred from the Drugs, Devices and Cosmetics Trust Fund to the Professional Regulation Trust Fund. In addition, the GAA provides \$200,000 in nonrecurring general revenue to the Boxing Commission to replace the revenue loss associated with the repeal of the Boxing Commission's closed circuit telecast tax.

The bill was approved by the Governor on April 20, 2012, ch. 2012-143, Laws of Florida. The effective date of the bill is July 1, 2012.

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF CHANGES:

#### Background

Chapter 2010-161, Laws of Florida, transferred the Drugs, Devices and Cosmetics Program and the administration of chapter 499, Florida Statutes, from the Department of Health to the Department of Business and Professional Regulation, effective October 1, 2011.

The Legislature during the 2011 Session created the Drugs, Devices and Cosmetics Trust Fund<sup>1</sup> within the DBPR and provided nine months of funding for the DDC in the FY 2011-12 General Appropriations Act. However, DBPR now indicates that organizationally the DDC should be placed within the Professional Regulation Trust Fund with similar regulated professions (such as architecture, veterinarians, accountants, realtors, engineers and geologists).<sup>2</sup>

The Florida Boxing Commission annually collects approximately \$200,000 to \$300,000 from the closed circuit telecast tax imposed on boxing matches tickets sold.

#### Proposed Changes

House Bill 5511 amends chapter 499, Florida Statutes, to transfers the funding for the DDC from the Drugs, Devices and Cosmetics Trust Fund to the Professional Regulation Trust Fund and designates the DDC as a division within the DBPR's organizational structure in section 20.165, F.S. The bill terminates the Drugs, Devices, and Cosmetics Trust Fund.

The bill also updates numerous references in chapter 499, F.S., to delete the DOH and surgeon general and replaces these references with the secretary and DBPR. The bill also requires that the department maintain a separate account within the Professional Regulation Trust Fund for all revenues associated with the DDC.

In addition, the bill repeals section 548.061, Florida Statutes, which currently requires that a person or club file a written report and remit a tax based on 5% of the total gross receipts from the sale of tickets sold for closed circuit telecast of boxing matches that originate in Florida or another state.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

The Revenue Estimating Conference meeting on February 10, 2012, estimated that the repeal of the Boxing Commission's closed circuit telecast (pay per view) tax would result in loss of \$200,000 in revenue to the Florida Boxing Commission during FY 2012-2013.<sup>3</sup>

#### 2. Expenditures:

See Fiscal Comments

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<sup>1</sup> Chapter 2011-30, Laws of Florida

<sup>2</sup> Department of Business and Professional Regulation, Bill Analysis, dated January 18, 2012, on file with the Government Operations Appropriations Subcommittee.

<sup>3</sup> Revenue Estimating Conference projection on the repeal of s. 548.061, F.S., which provides for the Pay Per View tax revenue for the Florida Boxing Commission, February 10, 2012, on file with the Government Operations Appropriations Subcommittee.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

The private sector will have a positive impact from the repeal of the tax on tickets purchased for closed circuit (pay per view) boxing matches.

**D. FISCAL COMMENTS:**

House Bill 5511 conforms to the FY 2012-2013 General Appropriations Act as \$2.7 million in trust fund appropriations for the DDC have been transferred from the Drugs, Devices and Cosmetics Trust Fund to the Professional Regulation Trust Fund. The bill directs all revenues of the DDC to be deposited into a separate account within the Professional Regulation Trust Fund.

The bill repeals the requirement that a person or club file a written report and remit a tax based on 5% of the total gross receipts from the sale of tickets sold for closed circuit telecast of boxing matches that originate in Florida or another state. The elimination of the boxing tax will result in a loss of approximately \$200,000 in annual revenues to the Florida Boxing Commission. The FY 2012-2013 GAA appropriates \$200,000 in nonrecurring general revenue to fully fund the Boxing Commission operations.