

CHAPTER 98-217

House Bill No. 1747

An act relating to pari-mutuel wagering; amending s. 550.2625, F.S.; revising standing requirements for stallion awards; amending s. 550.09512, F.S.; repealing the expiration of that section; amending s. 550.09514, F.S., providing a formula for the distribution of greyhound purses; requiring greyhound permitholders to produce weekly purse payment reports; requiring greyhound permitholders to make direct payment of purses to greyhound owners based on certain amounts; providing for a greyhound permitholder, under certain conditions, to make deductions from purses paid to kennel operators and to make payments to a local association of greyhound kennel operators; creating s. 550.6308, F.S.; providing for issuance of a limited intertrack wagering license; amending s. 550.0951, F.S.; authorizing certain permitholders to transfer daily license fee tax credits to other permitholders and to receive reimbursement; amending s. 26, ch. 96-364, Laws of Florida, relating to tax on handle of live thoroughbred performances, live jai alai performances, and intertrack wagering; providing effective dates.

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

Section 1. Paragraph (d) of subsection (3) of section 550.2625, Florida Statutes, is amended to read:

550.2625 Horseracing; minimum purse requirement, Florida breeders' and owners' awards.—

(3) Each horseracing permitholder conducting any thoroughbred race under this chapter, including any intertrack race taken pursuant to ss. 550.615-550.6305 or any interstate simulcast taken pursuant to s. 550.3551(3) shall pay a sum equal to 0.75 percent on all pari-mutuel pools conducted during any such race for the payment of breeders' and stallion awards as authorized in this section. This subsection also applies to all Breeder's Cup races conducted outside this state taken pursuant to s. 550.3551(3). On any race originating live in this state which is broadcast out-of-state to any location at which wagers are accepted pursuant to s. 550.3551(2), the host track is required to pay 3.3 percent of the gross revenue derived from such out-of-state broadcasts as breeders' and stallion awards. The Florida Thoroughbred Breeders' Association is authorized to receive these payments from the permitholders and make payments of awards earned. The Florida Thoroughbred Breeders' Association has the right to withhold up to 10 percent of the permitholder's payments under this section as a fee for administering the payments of awards and for general promotion of the industry. The permitholder shall remit these payments to the Florida Thoroughbred Breeders' Association by the 5th day of each calendar month for such sums accruing during the preceding calendar month and shall report such payments to the division as prescribed by the division. With the exception of the 10-percent fee, the moneys paid by the

permitholders shall be maintained in a separate, interest-bearing account, and such payments together with any interest earned shall be used exclusively for the payment of breeders' awards and stallion awards in accordance with the following provisions:

(d) In order for an owner of the sire of a thoroughbred horse winning a stakes race to be eligible to receive a stallion award, the stallion must have been registered with the Florida Thoroughbred Breeders' Association, and the breeding of the registered Florida-bred horse must have occurred in this state. The stallion must be standing permanently in this state between February 1st through June 15th of each year or, if the stallion is dead, must have stood permanently in this state for a period of not less than 1 year immediately prior to its death. The removal of a stallion from this state during the period of time between February 1st through June 15th of any year for any reason, other than exclusively for prescribed medical treatment, as approved by the Florida Thoroughbred Breeders' Association, renders the owner or owners of the stallion ineligible to receive a stallion award under any circumstances for offspring sired prior to removal; however, if a removed stallion is returned to this state, all offspring sired subsequent to the return make the owner or owners of the stallion eligible for the stallion award but only for those offspring sired subsequent to such return to this state. The Florida Thoroughbred Breeders' Association shall maintain complete records showing the date the stallion arrived in this state for the first time, whether or not the stallion remained in the state permanently, the location of the stallion, and whether the stallion is still standing in this state and complete records showing awards earned, received, and distributed. The association may charge the owner, owners, or breeder a reasonable fee for this service.

Section 2. Subsection (5) of section 550.09512, Florida Statutes, as created by section 1 of chapter 93-288, Laws of Florida, is amended to read:

550.09512 Harness horse taxes; abandoned interest in a permit for non-payment of taxes.—

~~(5) This section is repealed July 1, 1998, and shall be reviewed by the Legislature prior to that date.~~

Section 3. Subsection (2) of section 550.09514, Florida Statutes, is amended to read:

550.09514 Greyhound dogracing taxes; purse requirements.—

(2)(a) The division shall determine for each greyhound permitholder the annual purse percentage rate of live handle for the state fiscal year 1993-1994 by dividing total purses paid on live handle by the permitholder, exclusive of payments made from outside sources, during the 1993-1994 state fiscal year by the permitholder's live handle for the 1993-1994 state fiscal year. Each permitholder shall pay as purses for live races conducted during its current race meet a percentage of its live handle not less than the percentage determined under this paragraph, exclusive of payments made by outside sources, for its 1993-1994 state fiscal year.

(b)1. Except as otherwise provided herein, in addition to the minimum purse percentage required by paragraph (a), each permitholder shall pay as purses, for fiscal year 1996-1997, an amount equal to 75 percent of the permitholder's tax credit pursuant to s. 550.0951(1).

2. Except as otherwise set forth herein, in addition to the minimum purse percentage required by paragraph (a), beginning July 1, 1997, each permitholder shall pay as purses an annual amount equal to 75 percent of the daily license fees paid by each permitholder for the 1994-1995 fiscal year. This purse supplement shall be disbursed weekly during the permitholder's race meet in an amount determined by dividing the annual purse supplement by the number of performances approved for the permitholder pursuant to its annual license and multiplying that amount by the number of performances conducted each week. For the greyhound permitholders in the county where there are two greyhound permitholders located as specified in s. 550.615(6), such permitholders shall pay in the aggregate an amount equal to 75 percent of the daily license fees paid by such permitholders for the 1994-1995 fiscal year. These permitholders shall be jointly and severally liable for such purse payments.

The additional purses provided by this paragraph must be used exclusively for purses other than stakes. The division shall conduct audits necessary to ensure compliance with this section.

~~(c)1. The division shall require sufficient documentation from each greyhound permitholder regarding purses paid on live racing and greyhound intertrack and simulcast broadcasts to assure that the annual purse percentage rates paid by each permitholder on the intertrack or simulcast broadcasts are not reduced below those paid during the 1993-1994 state fiscal year. In addition, Each greyhound permitholder when conducting at least three live performances during any week live races shall pay purses in that week on wagers it accepts as a guest track on intertrack and simulcast greyhound races at the same rate as it pays on live races. Each greyhound permitholder when conducting at least three live performances during any week acting as a host track shall pay purses in that week, at the same rate as it pays on live races, on wagers accepted on greyhound such races at a guest track which is not conducting live racing and is located within the same market area as the greyhound permitholder conducting at least three live performances during any week host.~~

2. Each host greyhound permitholder shall pay purses on its simulcast and intertrack broadcasts of greyhound races to guest facilities that are located outside its market area in an amount equal to one quarter of an amount determined by subtracting the transmission costs of sending the simulcast or intertrack broadcasts from an amount determined by adding the fees received for greyhound simulcast races plus 3 percent of the greyhound intertrack handle at guest facilities that are located outside the market area of the host and that paid contractual fees to the host for such broadcasts of greyhound races.

(d) The division shall require sufficient documentation from each greyhound permitholder regarding purses paid on live racing to assure that the

annual purse percentage rates paid by each permitholder on the live races are not reduced below those paid during the 1993-94 state fiscal year. The division shall require sufficient documentation from each greyhound permitholder to assure that the purses paid by each permitholder on the greyhound intertrack and simulcast broadcasts are in compliance with the requirements of paragraph (c) of this section.

(e)(d) Each greyhound permitholder who conducted live racing in state fiscal year 1993-1994 shall submit to the division by September 1, 1996, purse payment records and copies of purse contracts pertaining to greyhound racing that were in effect during state fiscal year 1993-1994.

(f) Each greyhound permitholder shall, during the permitholder's race meet, supply kennel operators and the Division of Pari-Mutuel Wagering with a weekly report showing purses paid on live greyhound races and all greyhound intertrack and simulcast broadcasts, including both as a guest and a host together with the handle or commission calculations on which such purses were paid and the transmission costs of sending the simulcast or intertrack broadcasts, so that the kennel operators may determine statutory and contractual compliance.

(g) Each greyhound permitholder shall make direct payment of purses to the greyhound owners who have filed with such permitholder appropriate federal taxpayer identification information based on the percentage amount agreed upon between the kennel operator and the greyhound owner.

(h) At the request of a majority of kennel operators under contract with a greyhound permitholder, the permitholder shall make deductions from purses paid to each kennel operator electing such deduction and shall make a direct payment of such deductions to the local association of greyhound kennel operators formed by a majority of kennel operators under contract with the permitholder. The amount of the deduction shall be at least 1 percent of purses, as determined by the local association of greyhound kennel operators. No deductions may be taken pursuant to this paragraph without a kennel operator's specific approval before or after the effective date of this act.

Section 4. Section 550.6308, Florida Statutes, is created to read:

550.6308 Limited intertrack wagering license.—In recognition of the economic importance of the thoroughbred breeding industry to this state, its positive impact on tourism, and of the importance of a permanent thoroughbred sales facility as a key focal point for the activities of the industry, a limited license to conduct intertrack wagering is established to ensure the continued viability and public interest in thoroughbred breeding in Florida.

(1) Upon application to the division on or before January 31 of each year, any person who is licensed to conduct public sales of thoroughbred horses pursuant to s. 535.01, who has conducted at least 15 days of thoroughbred horse sales at a permanent sales facility in this state for at least 3 consecutive years, and who has conducted at least 1 day of nonwagering thoroughbred racing in this state, with a purse structure of at least \$250,000 per year for 2 consecutive years before such application, shall be issued a license to

conduct intertrack wagering for thoroughbred racing for up to 21 days in connection with thoroughbred sales, to conduct intertrack wagering at such permanent sales facility between November 1 and May 8, to conduct intertrack wagering at such permanent sales facility between May 9 and October 31 at such times and on such days as any thoroughbred, jai alai, or a greyhound permitholder in the same county is not conducting live performances, and to conduct intertrack wagering under the provisions of this subsection during the weekend of the Kentucky Derby, the Preakness, the Belmont, and a Breeders' Cup Meet that is conducted before November 1 and after May 8, subject to conditions set forth in this section but no more than one such license may be issued and no such license may be issued for a facility located within 50 miles of any thoroughbred permitholder's track.

(2) If more than one application is submitted for such license, the division shall determine which applicant shall be granted the license. In making its determination, the division shall grant the license to the applicant demonstrating superior capabilities, as measured by the length of time the applicant has been conducting thoroughbred sales within this state or elsewhere, the applicant's total volume of thoroughbred horse sales, within this state or elsewhere, the length of time the applicant has maintained a permanent thoroughbred sales facility in this state, and the quality of the facility.

(3) The applicant must comply with the provisions of ss. 550.125 and 550.1815.

(4) Intertrack wagering under this section may be conducted only on thoroughbred horse racing.

Section 5. Subsection (1) of section 550.0951, Florida Statutes is amended to read:

550.0951 Payment of daily license fee and taxes.—

(1)(a) DAILY LICENSE FEE.—Each person engaged in the business of conducting race meetings or jai alai games under this chapter, hereinafter referred to as the “permitholder,” “licensee,” or “permittee,” shall pay to the division, for the use of the division, a daily license fee on each live or simulcast pari-mutuel event of \$100 for each horserace and \$80 for each dograce and \$40 for each jai alai game conducted at a racetrack or fronton licensed under this chapter. Effective October 1, 1996, in addition to the tax exemption specified in s. 550.09514(1) of \$360,000 or \$500,000 per greyhound permitholder per state fiscal year, each greyhound permitholder shall receive in the current state fiscal year a tax credit equal to the number of live greyhound races conducted in the previous state fiscal year times the daily license fee specified for each dograce in this subsection applicable for the previous state fiscal year. This tax credit and the exemption in s. 550.09514(1) shall be applicable to the tax on live handle under subsection (3) except during any charity or scholarship performances conducted pursuant to s. 550.0351. Effective October 1, 1996, each permitholder shall pay daily license fees not to exceed \$500 per day on any simulcast races or games on which such permitholder accepts wagers regardless of the number of out-of-state events taken or the number of out-of-state locations from which such

events are taken. This license fee shall be deposited with the Treasurer to the credit of the Pari-mutuel Wagering Trust Fund.

(b) Each permitholder authorized a maximum tax savings of \$500,000 per state fiscal year pursuant to s. 550.09514(1) or the greyhound permit-holder that had the lowest live handle during the preceding state fiscal year, which cannot utilize the full amount of the daily license fee credit, may, after notifying the division in writing, elect once per state fiscal year on a form provided by the division to transfer such credit or any portion thereof to any greyhound permitholder which acts as a host track to such permitholder for the purpose of intertrack wagering. Once an election to transfer such credit is filed with the division it shall not be rescinded. The division shall disapprove the credit transfer when the amount of credit or portion thereof is unavailable to the transferring permitholder or when the permitholder, who is entitled to transfer the credit or who is entitled to receive the credit, owes taxes to the state pursuant to a deficiency letter or administrative complaint issued by the division. Upon approval of the transfer by the division, the transferred tax credit shall be effective for the first performance of the next biweekly pay period as specified in subsection (5). The daily license fee credit transferred to such host track may be applied by such host track against its taxes on live racing as provided in this subsection. The greyhound permitholder host track to which such daily license fee credit is transferred shall reimburse such permitholder the exact monetary value of such transferred credit as actually applied against the taxes of the host track. The division shall ensure that all transfers of credit are made in accordance with this subsection and shall have the authority to adopt rules to ensure the implementation of this section.

Section 6. Section 26 of chapter 96-364, Laws of Florida, is amended to read:

Section 26. ~~Effective July 1, 1998, the amendments to subsection (3) of section 550.0951, subsections (2) and (3) of section 550.09511, subsection (2) of section 550.09515, and paragraph (a) of subsection (2) of section 550.2625, Florida Statutes, shall expire and the text of said subsections shall revert to that in existence immediately prior to chapter 96-364, Laws of Florida, this act becoming law and as set forth in that the act without the amendments to such subsections, specified in that this act, except that any amendments to such text enacted other than by that this act shall be preserved and continue to operate to the extent that such amendments are not dependent upon the portions of said text which expire pursuant to the provisions of that this act. The Statutory Revision Division of the Joint Legislative Management Committee shall include in an appropriate reviser's bill any amendments to said section which are necessary to give effect to the legislative intent expressed in this section.~~

Section 7. Except as otherwise expressly provided in this act, this act shall take effect upon becoming a law.

Became a law without the Governor's approval May 24, 1998.

Filed in Office Secretary of State May 22, 1998.