

STORAGE NAME: h1363s1a.fpr.doc

DATE: April 25, 2001

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
FISCAL POLICY AND RESOURCES
ANALYSIS**

BILL #: CS/HB 1363

RELATING TO: Pari-Mutuel Wagering

SPONSOR(S): Committee on Fiscal Policy & Resources and Representative Fasano

TIED BILL(S): None.

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) BUSINESS REGULATION YEAS 7 NAYS 0
 - (2) FISCAL POLICY AND RESOURCES YEAS 13 NAYS 0
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

The CS/HB 1363 requires dog racing permitholders to provide a greyhound adoption booth at each dog racing facility in the state. The bill also requires information concerning the adoption be made available to the public at the facility. It requires the permitholder to provide adoption information in racing programs and to identify greyhounds that will become available for adoption. The bill authorizes the permitholder to hold an additional charity day that is designated as "Greyhound Adopt-A-Pet Day" and that profits derived from the event be used to fund activities advocating the adoption of greyhounds. The committee substitute authorizes the Division of Pari-mutual Wagering to adopt rules and penalties. Amends language with respects to the term "bona fide organization that promotes or encourages the adoption of greyhounds." The committee substitute revises the requirements for the operation of cardrooms and application for license renewal. Provides requirements for licensure of certain permitholders and licensing fees. Revises conditions for cardroom operations; limits the amount of a bet to a two dollar bet, and reduces the amount of gross receipts subject to taxation.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Background

Chapter 550, F.S., contains Florida's laws governing the regulation and taxation of pari-mutuel wagering activities in the state. The Division of Pari-mutuel Wagering [Division] of the Department of Business and Professional Regulation is the state agency with general regulatory authority over these activities. The pari-mutuel industry has historically been a highly regulated industry and the state has traditionally enforced a wide range of regulatory controls over the daily operations of pari-mutuel permitholders. This complicated set of laws and regulations has been primarily designed to protect the integrity and health of the pari-mutuel industry and, subsequently, the state revenues generated by wagering activities.

Over the past decade, numerous amendments to the pari-mutuel statutes have been adopted in efforts to mitigate the impact of this decline. Likewise, over the last decade there has been a steady decline in attendance, wagering handle, and tax collections. Total state revenue collections from all pari-mutuel operations decreased from \$105,074,018 in FY 1990-91 to an estimated \$34,138,558 million for FY 2000-01 and decreasing to \$33,599,491 for FY 2001-02.

C. EFFECT OF PROPOSED CHANGES:

Section 1. Dog racing permitholders that operate dog racing facilities in this state must provide a greyhound adoption booth. Language defines operations and procedures. In addition to the charity days, proceeds derived from the event must be placed into a fund used to support activities at the racing facility which promote the adoption of greyhounds. Provides language for penalties.

Section 2. amends s. 550.0201(10), F.S., by defining the term "bona fide organization that promotes or encourages the adoption of greyhounds," as any organization that provides evidence of compliance with chapter 496 and possesses a valid exemption from federal taxation issued by the IRS. Such organizations must also provide sterilization of greyhounds before adoption.

Section 3. amends s. 550.5251, F.S., allows thoroughbred racing permitholders to engage in both operating a cardroom while at the same time receive or rebroadcast live races.

Section 4. Amends several paragraphs in s. 849.086, F.S., that redefine authorized games, renewal requests, application for a harness permitholder cardroom, hours of operations, and prize giveaways. This section also addresses the amount wagered in any game or series of games. Defines a maximum bet as two dollars and deletes the maximum pot in any one round. Reduces the amount of gross receipts subject to taxation. Reduces the amount of gross receipts that can be used to supplement greyhound purses or jai alai prize money.

D. SECTION-BY-SECTION ANALYSIS:

See section C. above

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference adopted a cash/recurring, fiscal impact of \$100,000.

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

A determination of the potential increase in wagering activity and its ultimate affect on the private sector and on taxes to the state is difficult to ascertain. However, the Division feels that with the language presented within this bill, the state should see an increase in cardroom activity.

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take any action requiring the expenditure of funds.

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

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