

STORAGE NAME: h0705a.ft

DATE: March 28, 2000

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
Finance and Taxation
ANALYSIS**

BILL #: HB 705

RELATING TO: Pari-mutuel Wagering/Jai Alai

SPONSOR(S): Representative Merchant and Morroni

TIED BILL(S): SB 1080 (identical)

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

- (1) REGULATED SERVICES (CAC) YEAS 9 NAYS 0
 - (2) COMMITTEE ON COMMUNITY AFFAIRS (PRC) YEAS 8 NAYS 0
 - (3) FINANCE & TAXATION (FRC) YEAS 14 NAYS 1
 - (4)
 - (5)
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I. SUMMARY:

This bill amends the Florida Pari-mutuel Wagering Act to provide legislative findings concerning jai alai and the resultant state revenues. This bill allows a jai alai permitholder, if there is only one such permitholder in a county, to relocate within a 30-mile location within the county without an additional county referendum.

This bill has an insignificant impact on state revenue.

There is one clarifying amendment traveling with the bill.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- 1. Less Government Yes No N/A
- 2. Lower Taxes Yes No N/A
- 3. Individual Freedom Yes No N/A
- 4. Personal Responsibility Yes No N/A
- 5. Family Empowerment Yes No N/A

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

Individual Freedom: This bill increases the allowable options of individuals or private organizations/associations to conduct their own affairs by providing that the holder of a valid outstanding jai alai permit may be authorized to move the location of the facility for which the permit has been issued to another location within a 30-mile radius of the location fixed in the permit.

B. PRESENT SITUATION:

Pari-mutuel, as defined by s. 550.002, F.S., means "a system of betting on races or games in which the winners divide the total amount wagered, after deducting management expenses and taxes, in proportion to the sums they have wagered individually and with regard to the odds assigned to particular outcomes." Pari-mutuel activities are governed by Chapter 550, F.S., the "Florida Pari-mutuel Wagering Act."

Chapter 550, F.S., has requirements for both the permitting and licensing of pari-mutuel operations. Pursuant to s. 550.054, F.S., any qualified person may apply to the Division of Pari-mutuel Wagering (Division) within the Department of Business and Professional Regulation for a permit to conduct pari-mutuel operations. If the Division grants the permit, s. 550.54(2), F.S., requires the permit to be ratified and approved by a majority of the electors participating in the election in the county in which the applicant proposes to conduct pari-mutuel wagering activities. If ratified and approved, the Division grants a license to the permitholder to conduct parimutuel operations subject to the provisions of Chapter 550, F.S.

Chapter 550, F.S., sets forth limitations on the location of pari-mutuel wagering facilities:

Section 550.054(2), F.S., prohibits the issuance of a permit to conduct horseraces, harness horse races, or dograces from being issued by the division, or be voted upon in any county, if those activities will take place at a location within 100 miles of an existing pari-mutuel facility, or for jai alai within 50 miles of an existing pari-mutuel facility.

Section 550.0555(2), F.S., allows a greyhound permitholder to relocate, without the necessity of an additional county referendum, within a 30-mile radius of its present location if there is only one greyhound permitholder in the county. The permitholder may not cross the county boundary and the relocation must be approved under the zoning regulations of the county or municipality of the new location. Additionally, the

relocation request must undergo a hearing pursuant to Chapter 120, F.S., so that the relocation ensures the revenue-producing capability of the permittee and does not adversely impact any other permitholder within 50 miles. This statute applies only to greyhound permitholders.

There is concern that provisions restricting the relocation of jai alai facilities are a hindrance to those businesses, and state revenues will continue to be jeopardized if provisions allowing the relocation of permits are not implemented.

C. EFFECT OF PROPOSED CHANGES:

This bill includes a legislative finding that jai alai, like greyhound dogracing, as a pari-mutuel activity, provides substantial revenue to the state.

This bill provides for the relocation of a valid outstanding jai alai permit within a county in the same manner as is currently provided for the relocation of a greyhound permit when there is only one such permit in a county.

A jai alai permit, like the dogracing permit, will be allowed to relocate, without the necessity of an additional county referendum, within a 30-mile radius of its present location. The permit may not relocate across a county boundary and the relocation must be approved under the zoning regulations of the county or municipality of the new location. The relocation request must undergo a hearing pursuant to Chapter 120, F.S., so that the relocation ensures the revenue-producing capability of the permittee and does not adversely impact any other permitholder within 50 miles.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 550.0555(1), F.S., to include, as a legislative finding, that jai alai, along with greyhound dogracing, is a pari-mutuel activity that provides substantial revenue to the state and which is hindered by provisions restricting relocation. Amends the subsection to provide a legislative finding that state revenues will continue to be jeopardized if provisions allowing the relocation of jai alai permits are not implemented.

Amends s. 550.0555(2), F.S., to allow a jai alai permit, in a county in which there is only one dogracing or jai alai permit issued, to move the location of the facility without the necessity of an additional county referendum. The permit may be moved within a 30-mile radius of its present location.

Section 2. Provides that this Act takes effect upon becoming law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

According to the Department of Business and Professional Regulation, this legislation will have an insignificant impact on state revenues.

Revenues might be affected to the extent that jai alai frontons, having the flexibility to relocate their facility, might be able to increase revenue or at the very least not

experience any loss of revenue. Accordingly, state revenues could increase or at least not be reduced.

2. Expenditures:

According to the Department of Business and Professional Regulation, this legislation will have an insignificant impact on state expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The ability to relocate may expand the revenue-producing capability of some jai alai permitholders which may result in a positive fiscal impact for the pari-mutuel facility.

D. FISCAL COMMENTS:

None.

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.

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.

STORAGE NAME: h0705a.ft

DATE: March 28, 2000

PAGE 5

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

One amendment was adopted at the February 7, 2000, meeting of the Committee on Regulated Services. This amendment clarifies the purpose and intent of the legislation to allow jai alai permitholders, when there is only one such permitholder in the county, the same flexibility to relocate their facility as is presently allowed greyhound permitholders.

Representative Morroni introduced an amendment which was considered at the meeting of the Committee on Community Affairs on February 22, 2000. The amendment would have prevented the relocation of a permitholder if it was within the market area of a harness track. The amendment was subsequently withdrawn by the sponsor.

Representative Albright introduced an amendment at the Committee on Finance and Taxation meeting on March 28, 2000. The amendment would have eliminated the restrictions on the dates during which a facility may conduct intertrack wagering (ITW) so that the facility holding a special license would be able to offer ITW year-round (rather than during a specified time period as in current law). The amendment was subsequently withdrawn by the sponsor.

VII. SIGNATURES:

COMMITTEE ON REGULATED SERVICES:

Prepared by:

Janet Clark Morris

Staff Director:

Paul Liepshutz

AS REVISED BY THE COMMITTEE ON COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

Kyle V. Mitchell

Staff Director:

Joan Highsmith-Smith

AS FURTHER REVISED BY THE COMMITTEE ON Finance and Taxation:

Prepared by:

Carol Dickson-Carr

Staff Director:

Alan Johansen