

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1103

Pari-mutuel Wagering

SPONSOR(S): Kelly

TIED BILLS:

IDEN./SIM. BILLS: SB 2200

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Insurance, Business & Financial Affairs Policy Committee	19 Y, 0 N	Livingston	Cooper
2)	General Government Policy Council		Livingston	Hamby
3)	Government Operations Appropriations Committee			
4)				
5)				

SUMMARY ANALYSIS

Chapter 550, F.S., relates to pari-mutuel wagering. "Breeders' and stallions' awards" means financial incentives paid to encourage the agricultural industry to breed racehorses in this state. "Purse" means the cash portion of the prize for which a race or game is contested. A portion of purses are dedicated for the use of breeders' and stallion awards.

Not less than 17 percent nor more than 40 percent of the moneys dedicated for the breeders' and stallion awards for thoroughbreds must be returned pro rata to the permitholders that generated the moneys to be used for special racing awards. Awards are paid on thoroughbred horse races taking place only in the State of Florida. Each breeders' association is required to develop a plan each year that provides a uniform rate payment and procedures for payment of awards and imposing restrictions not allowing the rate to be less than 15 percent of the total purse payment.

Each thoroughbred permitholder in this state is required to run an average of one race per racing day in which horses bred in this state and registered with the Florida Thoroughbred Breeders' Association have preference as entries over non-Florida-bred horses.

The bill:

- Authorizes breeders' and stallion awards to be greater than 20 percent or less than 15 percent of the announced gross purse.
- Changes the requirement for a uniform rate to all winners of the awards, and allows for it to be greater than 20 percent and not less than 15 percent of the announced gross purses.
- Authorizes the rates to vary for breeders' and stallion awards to be based upon the place of finish, class of race, state or country in which the race took place, and the state in which the stallion siring the horse was standing when conceived.
- Authorizes that stallion awards may be eliminated to enhance breeders' or other awards.
- Authorizes breeders' and stallion awards to be paid on thoroughbred horse races taking place out of state and in other countries if all thoroughbred permitholders in this state, the Florida Thoroughbred Breeders' Associations, and the Florida Horsemen's Benevolent and Protective Association, Inc. agree to it in writing.
- If a written agreement is filed with the division entered into by the permitholder, the Florida Thoroughbred Breeders' Association, and the association representing the majority of the racehorse owners and trainers at the permitholder's location owners' awards could be paid on thoroughbred horse races taking place out of the state and licensed thoroughbred permitholders would not have to give preference to horses bred in Florida and duly registered with the Florida Thoroughbred Breeders' Association over non-Florida-bred horses for an average of one race per racing day.

The bill is not anticipated to have a fiscal impact on state or local revenues or expenditures.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1103b.GGPC.doc

DATE: 3/20/2009

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present situation

Chapter 550, F.S., relates to pari-mutuel wagering. "Breeders' and stallions' awards" means financial incentives paid to encourage the agricultural industry to breed racehorses in this state. "Purse" means the cash portion of the prize for which a race or game is contested.

Section 550.26165, F.S., dedicates money for the use of breeders' and stallion awards, which are to be used for registered Florida-bred horses winning races and for other awards to the owners of stallions who sired Florida-bred horses winning stakes races.

- Awards must be given at a uniform rate and be between 15 and 20 percent of the announced gross purses.
- As determined by the Florida Thoroughbred Breeders' Association, not less than 17 percent nor more than 40 percent of the moneys dedicated for the breeders' and stallion awards for thoroughbreds shall be returned pro rata to the permitholders that generated the moneys to be used for special racing awards.
- Awards are paid on thoroughbred horse races taking place only in the State of Florida.
- Each breeders' association is required to develop a plan each year that provides a uniform rate payment and procedures for breeders' and stallions awards, and imposing restrictions not allowing the rate to be less than 15 percent of the total purse payment.

Section 550.2625, F.S., prescribes minimum purse requirements for horseracing permitholders, breeders', owners' and stallion awards owners' awards are paid on thoroughbred horse races that take place in Florida.

Section 550.5251, F.S., outlines Florida thoroughbred racing; certain permits, and operating day. Each licensed thoroughbred permitholder in this state must run an average of one race per racing day in which horses bred in this state and duly registered with the Florida Thoroughbred Breeders' Association have preference as entries over non-Florida-bred horses.

##### Effect of proposed changes

Section 1 of the bill amends s. 550.26165, F.S., to add a new subsection (5)(b) to authorize the following as part of the annual plan of the Florida Thoroughbred Breeders' Association, notwithstanding any provision of law to the contrary:

- Authorizes breeders' awards to be greater than 20 percent or less than 15 percent of the announced gross purse and authorizes the rates to vary for breeders' awards to be based upon the

place of finish, class of race, state or country in which the race took place, and the state in which the stallion siring the horse was standing when conceived.

- Authorizes stallion awards to be greater than 20 percent and not less than 15 percent of the announced gross purses and authorizes the rates to vary for stallion awards to be based upon the place of finish, class of race, state or country in which the race took place, and the state in which the stallion siring the horse was standing when conceived. Also the section provides stallion awards may be eliminated to enhance breeders' or other awards.
- Authorizes payment of awards from funds dedicated for payment of breeders' and stallion awards for Florida bred horses without regard to any awards paid pursuant to s. 550.2625(6), F.S.

Sub-subsection (5)(c) prohibits breeders' and stallion awards from being paid on thoroughbred horse races taking place out of state or in other countries unless all thoroughbred permitholders in this state, the Florida Thoroughbred Breeders ' Associations, and the Florida Horsemen's Benevolent and Protective Association, Inc. agree to payment of such awards in writing.

Section 2 of the bill amends s. 550.2625(6), F.S., to add a new sub-subsection (e) which provides that the overall subsection governs owners' awards paid on thoroughbred racing in the state unless a written agreement is filed with the Division of Pari-mutuel Wagering establishing the rate, procedures, and eligibility requirements for owners' awards, including place of finish, class of race, maximum purse, and maximum award, and the agreement is entered into between the permitholder, and the association representing the majority of the racehorse owners and trainers at the permitholder's location.

Section 3 of the bill amends s. 550.5251(5)(a), F.S., to allow for an agreement between a thoroughbred permitholder, the Florida Thoroughbred Breeders' Association and the association representing a majority of the thoroughbred racehorse owners and trainers for race days without at least one race per racing day in which horses bred in Florida have preference as entries over non-Florida bred horses.

#### B. SECTION DIRECTORY:

Section 1 of the bill amends s. 550.26165, F.S., relating to the Florida Thoroughbred Breeders' Associations' annual payment plan.

Section 2 of the bill amends s. 550.2625(6), F.S., to allows owners' awards to be paid based on written agreement of the parties involved with the distribution of the payments.

Section 3 of the bill amends s. 550.5251(5)(a), F.S., to allow race days without preference of horses bred in Florida.

Section 4. Effective date - July 1, 2009.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

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

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Not anticipated to be significant.

D. FISCAL COMMENTS:

The DBPR notes, "This bill does not have a fiscal impact on state government. Breeders', Stallion, and Owners' awards are derived from a percentage of gross purses and will not affect state revenue."

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, does not appear to reduce the authority that counties or municipalities have to raise revenue in the aggregate, and does not appear to reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES