

1989

## Session Law 89-231

Florida Senate & House of Representatives

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**S 763 GENERAL BILL by Gardner (Similar H 1410)**

**Jai Alai/Additional Matinees;** authorizes jai alai permitholders in certain counties to conduct up to a specified number of matinee performances; provides for up to specified number of matinee performances for jai alai permitholder in Seminole County. Amends 551.155. Effective Date: 06/28/89.

03/29/89 SENATE Prefiled  
04/07/89 SENATE Introduced, referred to Regulated Industries -SJ 110  
04/14/89 SENATE Extension of time granted Committee Regulated Industries  
04/17/89 SENATE On Committee agenda—Regulated Industries, 04/19/89, 1:00 pm, Room-H-(428)  
04/19/89 SENATE Comm. Report: Favorable by Regulated Industries, placed on Calendar -SJ 199  
04/27/89 SENATE Placed on Special Order Calendar -SJ 210; Passed; YEAS 33 NAYS 0 -SJ 231  
05/02/89 HOUSE In Messages  
05/09/89 HOUSE Received, referred to Appropriations -HJ 418  
05/19/89 HOUSE Withdrawn from Appropriations -HJ 548; Placed on Calendar  
05/24/89 HOUSE Placed on Special Order Calendar  
05/26/89 HOUSE Placed on Consent Calendar; Placed on Special Order Calendar; Substituted for HB 1410 -HJ 671; Read second time; Read third time; Passed; YEAS 110 NAYS 0 -HJ 671  
05/26/89 Ordered enrolled -SJ 480  
06/12/89 Signed by Officers and presented to Governor  
06/28/89 Became Law without Governor's Signature; Chapter No. 89-231

**NOTES:** Above bill history from Division of Legislative Information's *FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS*. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

REVISED: \_\_\_\_\_

BILL NO. SB 763

DATE: April 19, 1989

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SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<u>ANALYST</u>	<u>STAFF DIRECTOR</u>	<u>REFERENCE</u>	<u>ACTION</u>
1. <u>George J.L.</u>	<u>Skelton S.D.</u>	1. <u>RI</u>	<u>Favorable</u>
2. _____	_____	2. _____	_____
3. _____	_____	3. _____	_____
4. _____	_____	4. _____	_____

SUBJECT:

Jai Alai/Additional Matinees

BILL NO. AND SPONSOR:

SB 763 by  
Senator Gardner

I. SUMMARY:

A. Present Situation:

Section 550.291, F.S., authorizes the Florida Pari-mutuel Commission to allocate up to 105 days of operation to jai alai permitholders. The Division of Pari-mutuel Wagering may also allow up to 54 matinee performances, s. 551.031, F.S.

Section 551.155, F.S., allows a jai alai permitholder operating in a county in which there are a total of three pari-mutuel permitholders, the other two of which are for greyhound dog racing, to request up to an additional 105 regular days of operation. These extra days are to be run between May 4 and September 4 of each year. The permit located in Seminole County held by Florida Jai Alai, Inc. is the only pari-mutuel permit to qualify under this statute at this time.

Florida Jai Alai, Inc. was licensed to operate 210 regular evening performances, 10 make-up evening performances, and 54 regular matinee performances during the 1988-89 season. They have requested 109 regular evening performances and 53 regular matinee performances for the 1989-90 season.

B. Effect of Proposed Changes:

This bill would amend s. 551.155, F.S., to allow a qualifying jai alai permitholder to be granted up to 54 additional matinee performances. It would also extend until October 4 the time period during which the current 105 additional days, and the proposed 54 additional matinees, may be operated. This change would give the permitholder four more weeks to conduct the added performances.

This bill also conforms s. 21, chapter 88-346, Laws of Florida to indicate that it is the intent of the Legislature that the permit held by Florida Jai Alai, Inc. may operate as many as 108 total matinee performances. Presently, there are three other jai alai permitholders which may operate a total of more than 54 matinee performances.

Florida Jai Alai has indicated an intent to amend its present license to add 22 evening performances and 12 matinee performances if this bill passes. This would give them a total of 131 regular evening performances and 65 regular matinee performances for the 1989-90 season.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

The Department of Business Regulation predicts the additional intended 31 performances would generate 1,991,996 in gross income before expenses for Florida Jai Alai, Inc. Due to the

indication that these performances would not be operated at the same time as performances at the two greyhound tracks located in Seminole County, no negative impact is foreseen to other pari-mutuel permitholders.

**B. Government:**

The Department of Business Regulation projects that the 34 additional performances to be requested by Florida Jai Alai, Inc., if this bill passes, will positively effect state revenue by increasing money received from the tax on handle and the daily license fee. If these additional performances do not compete directly with greyhound racing performances in Seminole County, the additional revenue to the State is estimated as follows:

<u>Fiscal Year</u>	<u>Revenues to PMW</u>		<u>Total Revenues</u>
	<u>Trust Fund</u>	<u>Revenues to General Revenue</u>	
1989-90	\$35,360	\$370,049	\$405,409
1990-91	\$35,360	\$375,600	\$410,960
1991-92	\$35,360	\$381,234	\$416,594

**III. COMMENTS:**

During the last year, the three permitholders located in Seminole County ran in head-to-head competition. The result was a severe drop in average daily handle and attendance at each facility. This year, these three permitholders have agreed to minimize direct competition between them, and have not requested concurrent operating dates. Spokesmen for the two greyhound dog racing permitholders located in Seminole County, Sanford-Orlando Kennel Club, Inc. and Seminole Racing, Inc., have indicated that they have no opposition to this bill.

**IV. AMENDMENTS:**

None.

STORAGE NAME: \wp\sa\s763-f.ri  
DATE: June 20, 1989

HOUSE OF REPRESENTATIVES  
COMMITTEE ON REGULATED INDUSTRIES  
FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: SB 763

RELATING TO: Jai alai; providing additional matinees in certain counties

SPONSOR(S): Senator Gardner

EFFECTIVE DATE: Upon becoming a law

DATE BECAME LAW: June 28, 1989

CHAPTER #: 89-231, Laws of Florida

COMPANION BILL(S): HB 1410 by Representative Stone

OTHER COMMITTEES OF REFERENCE: (1) Regulated Industries  
(2)

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I. SUMMARY:

This bill authorizes Florida Jai Alai, Inc., in Seminole County, to conduct as many as 54 additional matinee performances each year, and to conduct those performances, as well as additional performances previously authorized, through October 4 of any year.

A. PRESENT SITUATION:

Historically, the number of performances per year which any pari-mutuel permitholder can operate has been strictly limited. The thought has been that this would prevent over-saturation of the market and protect state pari-mutuel revenues. For the same reason, new pari-mutuel competitors have been strictly limited.

In 1987 the Legislature, in response to various requests, authorized numerous additional performances for many of Florida's greyhound and jai alai permitholders, as well as for Florida's only harness permitholder.

The jai alai permitholder in Seminole County, Florida Jai Alai, Inc., was among those authorized additional performances. It was authorized an additional 105 days of operation between May 4 and September 4 of each year. However, the Legislature did not specify that matinee performances could be conducted on any of these additional days, as it had for certain other permitholders.

As a result of this, Florida Jai Alai, Inc. has been authorized to conduct as many as 210 evening performances each year, but only 54 matinee performances.

Last year Florida Jai Alai scheduled all 210 evening performances and operated most of them, but lost the last portion of its season because of the players strike. The two greyhound tracks in Seminole County also received and operated additional performances. The result was an over-saturation of the market and a severe drop in handle per performance for all permitholders in this county.

Since that time the three permitholders in that county have reached an agreement under which, for the next three years, there will be pari-mutuel performances year round, but direct head-to-head competition among the facilities will be minimized.

Under terms of this agreement none of the facilities will be able to utilize all of the evening performances which it is presently authorized, and each will be confined to a specific time of the year. For instance, Florida Jai Alai is only permitted to operate between September 1 and January 31. Since the law authorizing its 105 additional evening performances prohibits any of those performances from being conducted after September 4 of any year, virtually none of those performances can be used.

At present, Florida Jai Alai is only scheduled to conduct 109 regular evening performances and 53 matinee performances. In order to make maximum use of its contractual operating period, Florida Jai Alai requires the authorization to conduct additional matinees, and the authorization to conduct its additional performances after September 4 of any year. Even if these authorizations were granted, Florida Jai Alai's contractual operating period is so short that it would still conduct far fewer performances than the law presently permits.

Florida Jai Alai claims, and a representative of one of the greyhound tracks confirms, that it was contemplated by all parties to this contract that Florida Jai Alai would seek these authorizations.

Florida Jai Alai is likely to be bound by this contract even if these statutory changes are not adopted.

**B. EFFECT OF PROPOSED CHANGES:**

This bill will authorize Florida Jai Alai to conduct as many as 54 additional matinees each year, and to conduct its additional performances through October 4 (rather than September 4) of each year.

As noted above, Florida Jai Alai's license for the forthcoming year only provides for 109 regular evening performances and 53 matinees. If this bill were to become law, it hopes to amend its license to conduct 131 evening performances and 65 matinees, which is far less than the number of performances which this permitholder conducted last year.

Thus, this bill will enable Florida Jai Alai to conduct 22 more evening performances and 12 more matinees than it otherwise could

if it is to comply with both present statutory constraints and the terms of its contract with the two greyhound tracks.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:      FY 89-90      FY 90-91

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

REVENUES:

State Pari-mutuel Taxes	\$370,049	\$375,600
Daily license fees	35,360	35,360
Total	\$405,409	\$410,960

3. Long Run Effects Other Than Normal Growth:

None

4. Appropriations Consequences:

REVENUES:

General Revenue Fund	370,049	375,600
Pari-Mutual Wagering Trust Fund	35,360	35,360

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None

2. Direct Private Sector Benefits:

According to calculations by the Department, this would generate an additional \$1,991,996 in gross income (prior to expenses) for this permitholder. Thus, the income of Florida Jai Alai and its employees would benefit.

3. Effects on Competition, Private Enterprise, and Employment Markets:

See above

D. FISCAL COMMENTS:

None

III. LONG RANGE CONSEQUENCES:

This bill may be in accord with the goal of the State Comprehensive Plan of promoting "an economic climate which provides economic stability, maximizes job opportunities, and increases per capita income for its residents." Section 187.201(22)(a), F.S.

IV. COMMENTS:

This bill may arguably be relevant to the Mission for this Committee of supporting "the enhancement of the entertainment value of the pari-mutuel industry as a national and international attraction." However, it does not appear to be relevant to any portion of the Policy Statement issued by the 1989-90 Legislative Issues Conference.

A question may arise regarding whether Florida Jai Alai should have utilized the procedure established by the Legislature, requesting permitholders to apply to the Pari-mutuel Commission for an evaluation of any request for additional operating days, and requiring the Commission to report its recommendation to the Legislature. However, in this instance that may not have been required for the following reasons:

1. That statute states that applications for additional "days" may be presented to the Commission. However, Florida Jai Alai is not requesting additional "days", rather it is requesting additional matinees on presently authorized days. In fact, even under this bill Florida Jai Alai will be conducting many fewer performances than it is presently authorized.

2. Even if Florida Jai Alai had gone to the Commission it is difficult to conceive of anything which would have prevented a favorable recommendation by the Commission. All factors which the Commission is required to consider appear to be clearly positive, and the surrounding permitholders do not object to this request. Furthermore, the Commission has never failed to rule favorably on a request for a recommendation of additional days.

Legislative History 1989 Session

A. Enacted Bill

Senate Bill 763 was prefiled by Senator Gardner on March 29, 1989. On April 7 it was referred to the Committee on Regulated Industries.

On April 19 the Committee on Regulated Industries voted favorably on the bill and it was placed on the Calendar. On April 27 it was placed on the Special Order Calendar and passed by the Senate by a vote of 33-0.

On May 9 it was received by the House and referred to the Appropriations Committee. On May 19 it was withdrawn from the Appropriations Committee and placed on the Calendar. On May 24 it was placed on the Special Order Calendar. On May 26 it was passed by the House by a vote of 110-0.

The bill was presented to the Governor on June 12, 1989.

**B. Disposition of Companion**

House Bill 1410 was prefiled by Representative Stone on March 24, 1989. On March 28 it was referred to the Committee on Regulated Industries, the Finance and Taxation Committee, and the Appropriations Committee. On March 29 it was subreferred to the Subcommittee on Pari-mutuels.

On April 18 the Subcommittee on Pari-mutuels voted to recommend it favorably. On April 27 the Committee on Regulated Industries voted favorably on the bill.

On May 5 the Finance and Taxation Committee voted favorably on the bill with one clarifying amendment. On May 16 the Appropriations Committee voted favorably on the bill.

On May 18 the bill was placed on the Calendar. On May 24 it was placed on the Special Order Calendar. On May 26 the Senate companion was substituted for it and passed.

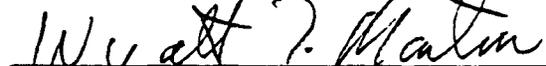
**V. SIGNATURES:**

**SUBSTANTIVE COMMITTEE:**

Prepared by:

  
Robert B. Beitler

Staff Director:

  
Wyatt T. Martin

**SECOND COMMITTEE OF REFERENCE:**

Prepared by:

Staff Director:

**APPROPRIATIONS:**

Prepared by:

Staff Director: