

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **06/22/99**

Received By: **isagerro**

Wanted: **Soon**

Identical to LRB:

For: **Senate Democratic Caucus**

By/Representing: **Walter**

This file may be shown to any legislator: **NO**

Drafter: **isagerro**

May Contact:

Alt. Drafters:

Subject: **Gambling - racetracks**

Extra Copies:

Pre Topic:

SDC:.....Walter - Am #3301,

Topic:

Unclaimed prizes at racetracks

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	isagerro 06/25/99	ygeller 06/26/99		_____			
/1			mclark 06/27/99	_____	lrb_docadmin 06/27/99		
/2	isagerro 06/29/99	wjackson 06/29/99	hhagen 06/29/99	_____	lrb_docadmin 06/29/99		

FE Sent For:

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/1		<i>/wj 6/29</i>	mclark 06/27/99	_____	lrb_docadmin 06/27/99		

FE Sent For:

*can
6/29/99*

<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/22/99

Received By: isagerro

Wanted: Soon

Identical to LRB:

For: Senate Democratic Caucus

By/Representing: Walker

This file may be shown to any legislator: NO

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May Contact:

Alt. Drafters:

Subject: Gambling - racetracks

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SDC:.....Walker - Am #3301,

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See Attached

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1/?	isagerro	1 6/26 jlg	MRE 6/24	MRC/JF 6/27			

FE Sent For:

<END>

modify

Agency: General Fund Taxes

SDC

caucus number 3301

duplicate flag:

duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number:	
LRB draft # b0007/1	LRB P-draft:

description: LRB b0007/1. Breakage and lost ticket revenue is retained by the track, and eliminate the per wager surcharge (new provision). Racetracks keep unclaimed prizes in not claimed in 90 days. Lowers pari-mutuel tax when only dog racing is owned. See attached.

other notes Modification to above: Begin in 1/1/00 - breakage or unclaimed prizes this provision adopted. No change to current law tax rate. **MODIFY TO: EFFECTIVE IN 1999 RACING SEASON**

drafting instructions: LRB b0007/1. See above and attached.

more instructions:

Agency: General Fund Taxes

Number of Amendments: 1

* retain unclaimed prizes?

* breakage.

yes

SDC

161129

caucus number 3301

duplicate flag:
duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number:	
LRB draft # b0007/1	LRB P-draft:

description: LRB b0007/1. Breakage and lost ticket revenue is retained by the track, and eliminate the per wager surcharge (new provision). Racetracks keep unclaimed prizes in not claimed in 90 days. Lowers pari-mutuel tax when only dog racing is owned. See attached.

other notes Modification to above: Begin in 1/1/00 - breakage or unclaimed prizes this provision adopted. No change to current law tax rate.

drafting instructions: LRB b0007/1. See above and attached.

more instructions:

Agency: General Fund Taxes

Number of Amendments: 5

CM 3301

+

#1 [REDACTED] Priority Budget Motion: Breakage and lost ticket revenue is retained by the track, and eliminate the per wager surcharge (new provision)

This draft allows racetracks to keep unclaimed prizes if the prizes are not claimed within 90 days after the end of the period for which racing is authorized. It also lowers the pari-mutuel tax for dog races conducted at racetracks owned or operated by a person who does not conduct other types of gaming operations. The patri-mutuel tax remains the same for racetracks owned or operated by a person who conducts other gaming operations in addition to pari-mutuel and wagering operations at the track or at another location, including at a location outside of Wisconsin.

Fiscal estimate by Art Zimmerman at the Fiscal Bureau is a \$900,000 GPR reduction per year for lowering the pari-mutuel tax, and \$800,000 per year for the unclaimed prizes provision, for a total of \$1.7 million per year. Mr. Zimmerman will be supplying me with an official estimate later.

It is important to note that this fiscal impact will be different if a casino is built at any of the tracks that would receive benefits from this language.

A draft from the Reference Bureau is included.

Address this only

Begin in 1, 1, 2001 - Breakage or Unclaimed prizes this provision adopted

NO CHANGE TO CURRENT LAW TAX RATE



**SENATE AMENDMENT ,
TO 1999 SENATE BILL 45**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 445, line 16: before that line insert:

3 “SECTION 481m. 20.455 (2) (g) of the statutes is amended to read:

4 20.455 (2) (g) *Gaming law enforcement; racing revenues.* From all moneys
5 received under ss. 562.02 (2) (f), 562.04 (1) (b) 4. and (2) (d), 562.05 (2), 562.065 (3)
6 (d) ~~and (4)~~ and 562.09 (2) (e), the amounts in the schedule for the performance of the
7 department’s gaming law enforcement responsibilities as specified in s. 165.70
8 (3m).”.

9 **2.** Page 460, line 4: delete “and (4)” and substitute “~~and (4)~~”.

10 **3.** Page 1291, line 11: after that line insert:

11 “SECTION 3023g. 562.065 (3) (c) 2g. (intro.) of the statutes is amended to read:

12 562.065 (3) (c) 2g. (intro.) For dog races at a racetrack owned or operated by
13 a licensee under s. 562.05 (1) (a) who conducts gaming operations in addition to

1 racetrack and pari-mutuel wagering operations either at the racetrack or at another
2 location, from the total amount deducted under par. (a) on each race day that is on
3 or after January 1, ~~1993~~ 2000, a licensee under s. 562.05 (1) (b) shall deposit with the
4 department the following amounts:

5 SECTION 3023h. 562.065 (3) (c) 3m. of the statutes is created to read:

6 562.065 (3) (c) 3m. For dog races at a racetrack owned or operated by a licensee
7 under s. 562.05 (1) (a) who does not conduct other gaming operations in addition to
8 racing and pari-mutuel wagering operations, from the total amount deducted under
9 par. (a) on each race day that is on or after January 1, 2000, a licensee under s. 562.05
10 (1) (b) shall deposit with the department the following amounts:

11 a. One percent of the total amount wagered on that race day if the total amount
12 wagered on all previous race days during the year is not more than \$25,000,000.

13 b. Two percent of the total amount wagered on that race day if the total amount
14 wagered on all previous race days during the year is more than \$25,000,000 but not
15 more than \$100,000,000.

16 c. Four and two-thirds percent of the total amount wagered on that race day
17 if the total amount wagered on all previous race days during the year is more than
18 \$100,000,000 but not more than \$150,000,000.

19 d. Six and two-thirds percent of the total amount wagered on that race day if
20 the total amount wagered on all previous race days during the year is more than
21 \$150,000,000 but not more than \$200,000,000.

22 e. Seven and two-thirds percent of the total amount wagered on that race day
23 if the total amount wagered on all previous race days during the year is more than
24 \$200,000,000 but not more than \$250,000,000.

1 f. Eight and two-thirds percent of the total amount wagered on that race day
2 if the total amount wagered on all previous race days during the year is more than
3 \$250,000,000.

4 **SECTION 3023j.** 562.065 (4) of the statutes is amended to read:

5 562.065 (4) UNCLAIMED PRIZES. ~~Any A licensee under s. 562.05 (1)(b) may retain~~
6 ~~any winnings on a race which that~~ are not claimed within 90 days after the end of
7 the period authorized for racing in that year under s. 562.05 (9) ~~shall be paid to the~~
8 ~~department. The department shall credit moneys received under this subsection to~~
9 ~~the appropriation accounts under ss. 20.455 (2) (g) and 20.505 (8) (g).".~~

10 4. Page 1467, line 13: after that line insert:

11 "(7c) PARI-MUTUEL TAX. The treatment of section 562.065 (3) (c) 2g. and 3m. of
12 the statutes takes effect on January 1, 2000."

13 (END)

WISCONSIN TRACKS ECONOMIC IMPACT

In comparison to other businesses, Wisconsin tracks pay disproportionately high taxes. Tracks pay twenty-one different regulator fees ranging from the \$100,000 licensing fee to a $\frac{3}{4}\%$ fee on special program assessments. Their tax burden also includes the pari mutual tax based on the amounts wagered, admission tax of \$.50 per person, in addition to the corporate and property taxes traditional businesses pay.

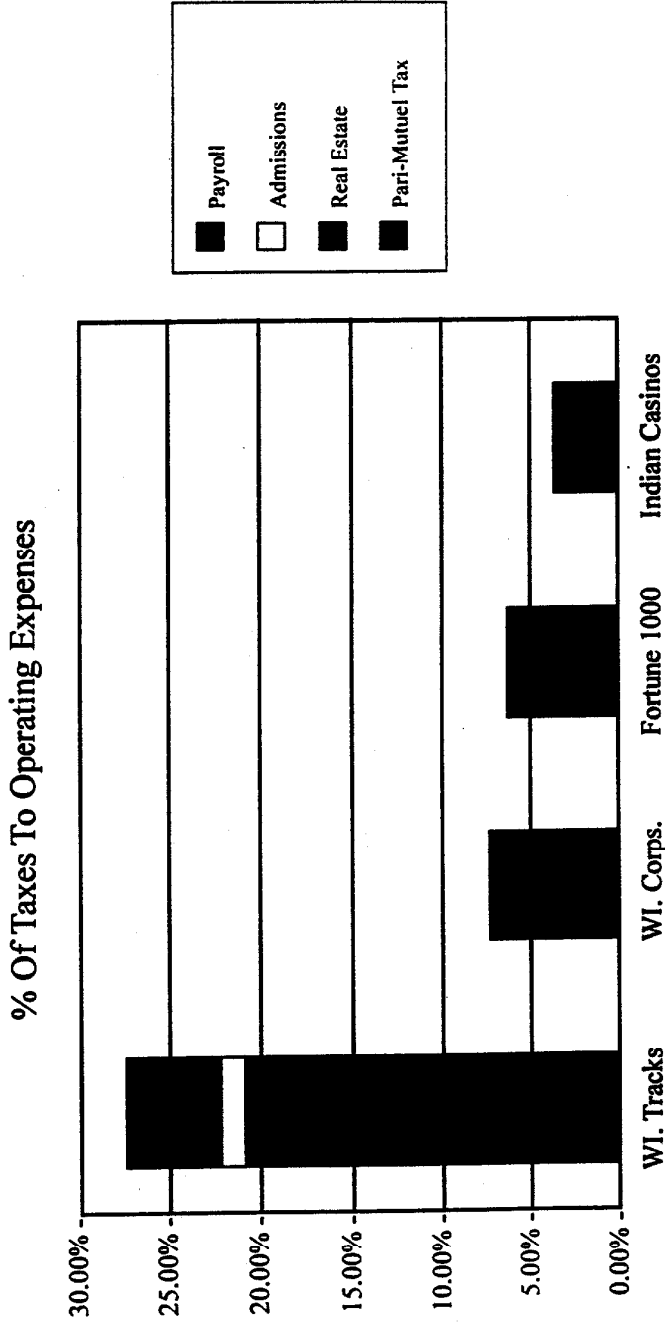
Taxes comprise fully 25% to 30% of race track operating expenses. In contrast, Indian casinos pay a mere 4% of their expenses. Wisconsin Corporations contribute 7% and Fortune 1000 companies pay an average of 6% to the state. If casinos paid a pari mutual tax and special assessment tax, revenue to the state coffers would increase by \$25 million. Licensing fees and start-up fees would add \$3.5 million annually and the corporate tax would add \$22 million. Admission taxes alone would contribute at least \$25-\$35 million per year. Property taxes would contribute another \$2.5 million. In short, casinos would increase Wisconsin revenue by approximately \$79 million annually if they paid taxes equal to race tracks.

If a Wisconsin company like Land's End, for example, was required to pay taxes proportionate to tracks, the company's recent net income of \$70,500,000 would have shown a \$193 million loss. Similarly, Snap on Tools' income would have gone from a \$136 million net profit to a \$206 million loss.

This budget proposal reduces the taxes to the 1993 level. One year after greyhound racing opened in Wisconsin, taxes on this business increased dramatically. This proposed reduction just returns the state to the position originally agreed upon.

Dairyland Greyhound Park, Inc.

2.) Wisconsin Tracks Economic Impact To The State of Wisconsin



- 1.) Information For Greyhound Tracks & Indian Casinos Provided By The Wisconsin Gaming Commission
- 2.) Information For Fortune 1000 Companies Provided By Dunn & Bradstreet
- 3.) Information For Wisconsin Corporations Provided By The Wisconsin Securities Commission

6/129/1

*Lance Walter 6/25

- motion is to retain unclaimed prizes effective for the 1999 racing season

- not intended to change taxes or per wage surcharge

SDC

↑
Stays

SENATE AMENDMENT,
TO 1999 SENATE BILL 45

serm

substitute amendment

Fix
Component
①
②

At the locations indicated, amend the ~~bill~~ as follows:

1. Page ³⁶⁶ 445, line ³ 16: ^{after} before that line insert:

“SECTION 481m. 20.455 (2) (g) of the statutes is amended to read:

20.455 (2) (g) *Gaming law enforcement; racing revenues.* From all moneys received under ss. 562.02 (2) (f), 562.04 (1) (b) 4. and (2) (d), 562.05 (2), 562.065 (3) (d) and (4) and 562.09 (2) (e), the amounts in the schedule for the performance of the department’s gaming law enforcement responsibilities as specified in s. 165.70 (3m).”.

2. Page ³⁸² 460, line ¹⁵ 4: delete “and (4)” and substitute “and (4)”. ✓

3. Page ¹⁴⁰¹ 1291, line ⁵ 11: after that line insert:

~~SECTION 3023g. 562.065 (3) (c) 2g. (intro.) of the statutes is amended to read:
562.065 (3) (c) 2g. (intro.) For dog races at a racetrack owned or operated by
a licensee under s. 562.05 (1) (a) who conducts gaming operations in addition to~~

1 ~~racing and pari-mutuel wagering operations either at the racetrack or at another~~
2 ~~location, from the total amount deducted under par. (a) on each race day that is on~~
3 ~~or after January 1, 1993 2000, a licensee under s. 562.05 (1) (b) shall deposit with the~~
4 ~~department the following amounts:~~

5 ~~SECTION 3023h. 562.065 (3) (c) 3m. of the statutes is created to read:~~

6 ~~562.065 (3) (c) 3m. For dog races at a racetrack owned or operated by a licensee~~
7 ~~under s. 562.05 (1) (a) who does not conduct other gaming operations in addition to~~
8 ~~racing and pari-mutuel wagering operations, from the total amount deducted under~~
9 ~~par. (a) on each race day that is on or after January 1, 2000, a licensee under s. 562.05~~
10 ~~(1) (b) shall deposit with the department the following amounts:~~

11 ~~a. One percent of the total amount wagered on that race day if the total amount~~
12 ~~wagered on all previous race days during the year is not more than \$25,000,000.~~

13 ~~b. Two percent of the total amount wagered on that race day if the total amount~~
14 ~~wagered on all previous race days during the year is more than \$25,000,000 but not~~
15 ~~more than \$100,000,000.~~

16 ~~c. Four and two-thirds percent of the total amount wagered on that race day~~
17 ~~if the total amount wagered on all previous race days during the year is more than~~
18 ~~\$100,000,000 but not more than \$150,000,000.~~

19 ~~d. Six and two-thirds percent of the total amount wagered on that race day if~~
20 ~~the total amount wagered on all previous race days during the year is more than~~
21 ~~\$150,000,000 but not more than \$200,000,000.~~

22 ~~e. Seven and two-thirds percent of the total amount wagered on that race day~~
23 ~~if the total amount wagered on all previous race days during the year is more than~~
24 ~~\$200,000,000 but not more than \$250,000,000.~~

1 ~~f. Eight and two-thirds percent of the total amount wagered on that race day~~
2 ~~if the total amount wagered on all previous race days during the year is more than~~
3 ~~\$250,000,000.~~

4 **SECTION 3023j.** 562.065 (4) of the statutes is amended to read:

5 562.065 (4) UNCLAIMED PRIZES. Any A licensee under s. 562.05 (1) (b) may retain
6 any winnings on a race ~~which~~ that are not claimed within 90 days after the end of
7 the period authorized for racing in that year under s. 562.05 (9) ~~shall be paid to the~~
8 ~~department. The department shall credit moneys received under this subsection to~~
9 ~~the appropriation accounts under ss. 20.455 (2) (g) and 20.505 (8) (g)."~~

10 4. Page 1467, line 16: after that line insert;

11 ~~(7c) PARI-MUTUEL TAX. The treatment of section 562.065 (3) (c) 2g and 3m. of~~
12 ~~the statutes takes effect on January 1, 2000."~~

(END)

(CS)
"Unclaimed prizes for racing. The treatment of section 562.065(4) of the Statutes first applies to winning that are unclaimed on the 90th day after the end of the 1999 racing season."

6/29/99

*6/29/99 3:45

*Art Zimmerman LFB

-6/29

- should be effective Jan. 1, 2000.



State of Wisconsin
1999 - 2000 LEGISLATURE

2
LRBb1129/MU
ISR:jlg/mrc

EWJ
cmh
RMR

SDC:.....Walter - Am #3301, Unclaimed prizes at racetracks

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

Note

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 366, line 3: after that line insert:

3 "SECTION 481m. 20.455 (2) (g) of the statutes is amended to read:

4 20.455 (2) (g) *Gaming law enforcement; racing revenues.* From all moneys
5 received under ss. 562.02 (2) (f), 562.04 (1) (b) 4. and (2) (d), 562.05 (2), 562.065 (3)
6 (d) and (4) and 562.09 (2) (e), the amounts in the schedule for the performance of the
7 department's gaming law enforcement responsibilities as specified in s. 165.70
8 (3m).".

9 2. Page 382, line 15: delete "and (4)" and substitute "~~and (4)~~".

10 3. Page 1401, line 5: after that line insert:

1 "SECTION 3023j. 562.065 (4) of the statutes is amended to read:
2 562.065 (4) UNCLAIMED PRIZES. Any A licensee under s. 562.05 (1)(b) may retain
3 any winnings on a race which that are not claimed within 90 days after the end of
4 the period authorized for racing in that year under s. 562.05 (9) ~~shall be paid to the~~
5 ~~department. The department shall credit moneys received under this subsection to~~
6 ~~the appropriation accounts under ss. 20.455 (2) (g) and 20.505 (8) (g).".~~

7
2g ← letter "g"
1585 (END)
#1. Page 1417 line 18: after that line insert:
"(18) Unclaimed prizes. The treatment of
section 562.065(4) of the statute, takes
effect on January 1, 2000."

EFF DATES
Trustal App

first applies to prizes that are unclaimed on the 90th day after the end of the 2000 racing season.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1129/2dn

ISR:.....

WY

June 29, 1999

Effective January 1, 2000, this amendment allows owners and operators of pari-mutuel racetracks to retain prizes that ~~will~~ remain unclaimed 90 days after the end of the racing season.

Ivy G. Sager-Rosenthal
Legislative Attorney
Phone: (608) 261-4455
E-mail: Ivy.Sager-Rosenthal@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb1129/2dn
ISR:jlg&wlj:ksh

June 29, 1999

Effective January 1, 2000, this amendment allows owners and operators of pari-mutuel racetracks to retain prizes that remain unclaimed 90 days after the end of the racing season.

Ivy G. Sager-Rosenthal
Legislative Attorney
Phone: (608) 261-4455
E-mail: Ivy.Sager-Rosenthal@legis.state.wi.us



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1129/2
ISR:ljk&wlj:ksh

SDC:.....Walter – Am #3301, Unclaimed prizes at racetracks

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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6 (d) and (4) and 562.09 (2) (e), the amounts in the schedule for the performance of the
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9 2. Page 382, line 15: delete “and (4)” and substitute “and (4)”.

10 3. Page 1401, line 5: after that line insert:

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2 562.065 (4) UNCLAIMED PRIZES. ~~Any A licensee under s. 562.05 (1)(b) may retain~~
3 ~~any winnings on a race which that~~ are not claimed within 90 days after the end of
4 the period authorized for racing in that year under s. 562.05 (9) ~~shall be paid to the~~
5 ~~department. The department shall credit moneys received under this subsection to~~
6 ~~the appropriation accounts under ss. 20.455 (2) (g) and 20.505 (8) (g).~~

7 **4.** Page 1585, line 1: after that line insert:

8 “(2g) UNCLAIMED PRIZES. The treatment of sections 562.065 (4) of the statutes
9 first applies to prizes that are unclaimed on the 90th day after the end of the 2000
10 racing season.”.

11 **(END)**